

BOARD OF TRUSTEES

Fire Fighter Representatives

Kelly Fox, Chair
Olympia Fire Department

Mark Johnston
Vancouver Fire Department

Michael White
Valley Regional Fire Authority

Law Enforcement Representatives

Jason Granneman
Clark County Sheriff's Office

Rep. Jeff Holy
Spokane Police Department (Ret)

Wally Loucks
Spokane County Sheriff's Office

Employer Representatives

Paul Golnik
WA Fire Commissioners Association

David Cline
City of Tukwila

Dave Upthegrove
King County

Legislative Representatives

Sen. Judy Warnick
WA State Senator

Rep. Kevin Van De Wege
WA State Representative

Follow us on...



BOARD MEETINGS

Board meetings are open to the public and take place in the Washington State Investment Board's large conference room located at 2100 Evergreen Park Drive SW, Suite 100 in Olympia, WA. They are held on the fourth Wednesday of each month from 9:30 a.m. to 3:00 p.m. unless otherwise noted.

For up-to-date Board meeting information, visit www.leoff.wa.gov.



January 2016

DUAL RESPONSE

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' PLAN 2 RETIREMENT BOARD

DUAL RESPONSE



P.O. Box 40918
Olympia, WA 98504-0918

MESSAGE FROM THE CHAIR



KELLY FOX

IS LEOFF 2 FACING A SURGE IN RETIREMENTS?

The most recent study of LEOFF Plan 2 by the Office of the State Actuary confirmed something that you have probably noticed in your own firehouse or police station; we are getting older. Here are some of the findings:

- The average LEOFF Plan 2 member is 43.6 years old; an all-time high.
- 25% of LEOFF Plan 2 members are eligible to retire today.
- Only 33% of the LEOFF Plan 2 workforce is under the age of 40.

Many employers had to take serious measures during the great recession, including recruitment freezes and layoffs of younger employees. Members that might have retired from LEOFF jobs to pursue another career were stymied by the lack of available jobs. So, the number of members retiring lagged far behind projections.

Much of this is starting to change. 2014 had a record number of retirements from LEOFF 2 and 2015 set a new record. This trend seems likely to continue for several years as the historically high numbers of retirement-eligible members transition out by choice or necessity.

Why is this important? It means that employers are going to have to begin the expensive process of hiring and training law enforcement officers and fire fighters to fill these open positions at a rate we have never seen before. Employers may need to develop recruitment and retention incentives or increase the use of overtime if they are unable to find necessary replacements. And ultimately it means that retirement-related issues such as pensions and medical insurance will likely increase in importance.

CONTACT INFORMATION

For questions or comments regarding possible benefit improvements, please contact your affiliated association or local labor representative.

The LEOFF Plan 2 Retirement Board

will gladly assist you in answering questions regarding LEOFF Plan 2 pension policy, the board's legislative activities or the status of board-sponsored bills.

P.O. Box 40918
Olympia, WA 98504-0918
(360) 586-2320

www.leoff.wa.gov

The Department of Retirement Systems (DRS)

administers LEOFF Plan 2 and can assist with individual account information.

P.O. Box 48380
Olympia, WA 98504-8380
(360) 664-7000 or (800) 547-6657

www.drs.wa.gov

GET EMAIL UPDATES FROM DRS

You choose the topics and when updates are made to the DRS website on that topic, you'll receive a notification.

One popular topic is legislation. Sign up for email updates and you'll be notified any time there are pension-related bills introduced for consideration in the 2016 session.

Signing up is easy. Visit www.drs.wa.gov and click the envelope icon on the home page. Follow the instructions and you'll be ready to go in just a few minutes.

OUR MISSION

The mission of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board is to responsibly govern the pension plan for the benefit of the members.

OUR PRIORITY GOALS

- Enhance the benefits for the members.
- Provide the stakeholders with a voice in plan governance.
- Maintain the financial integrity of the plan.
- Inform the stakeholders.

IN THIS ISSUE

Chair Article	1
2016 Legislative Session Update	2
Funding Recognition Award	3
WSIB Update	3
DRS Retirement Seminars	3
Changing of the Guard	4
Board Meeting Information.....	4
Board of Trustees	4

2016 LEGISLATIVE UPDATE

BOARD ENDORSED BILLS

Disaster Response Coverage

This bill provides LEOFF Plan 2 members who are called up into eligible federal service to respond to natural disasters (Oso, wildfires) or other federal emergencies (WTO riots) with similar benefit protections provided to members of the National Guard or Military Reserves who are called up during a time of war.

Eligible federal service means a member left the employ of an employer to enter the uniformed services of the United States or the federal emergency management agency or the national disaster medical system of the United States department of health and human services to perform service in response to a disaster, major emergency, special event, federal exercise or official training.

This proposal accomplishes that by doing the following:

- Provides the survivor of a member who is killed while providing eligible federal service with service credit at no cost for the period of service up until the member's death.
- Provides a member who is disabled while providing eligible federal service with service credit at no cost for the period of service up until the member's separation from that service.
- Provides survivor retirement benefits which are not actuarially reduced for the survivor of a member who is killed while providing eligible federal service on or after March 22, 2014.
- Provides disability retirement benefits which are not actuarially reduced for a member who is killed while providing eligible federal on or after March 22, 2014.

Retiree Annuity Purchase

Current state law does not allow retirees to roll over tax deferred savings into LEOFF Plan 2 to purchase an annuity

This bill allows LEOFF Plan 2 retirees who retired before October 1, 2014, a six month window to purchase an annuity through LEOFF. The annuity would be offered under the same terms as the current option including built in COLA and a survivor option.



CHANGING OF THE GUARD

The LEOFF Plan 2 Board is comprised of three fire fighters, three police officers, three employer representatives and two legislators. Trustees are appointed by the Governor from a list provided by a recognized statewide councils. They serve a term of 2 to 6 years, depending on their position.

On June 24, 2015, the Board said farewell to two long-term members, Jack Simington and Pat Hepler. Both trustees were appointed upon the creation of the Board in 2003, by Governor Gary Locke. They diligently served for 12 years and will be missed. A sincere thank you to these trustees for their exceptional and dedicated service.

To fill those positions, Governor Enslee appointed Jason Granneman and Michael White. Additionally, Senator Judy Warnick was appointed to fill the open legislative position. A warm welcome to each of you.

Interested in joining the Board? Talk with your labor organization and inquire online through the Governor's office at www.governor.wa.gov under Boards and Commissions.



NEWS FROM THE WASHINGTON STATE INVESTMENT BOARD

The Washington State Investment Board (WSIB) is responsible for managing the retirement assets of the LEOFF 2 system along with a total of 17 public retirement plans and more than a dozen other public investment funds. By pooling the retirement assets of firefighters, law enforcement officers and many other state employees, WSIB achieves a level of scale, global diversification and long-term performance that ranks it as one of the top public retirement plans in the country.

As of September 30, 2015, the state's Commingled Trust Fund (CTF), in which your pension money is invested and managed, totaled nearly \$78 billion with a rate of return of 8.76% for the past three years.

Providing a strong voice of support for LEOFF is the Board's current Vice Chair, Kelly Fox, an actively serving Lieutenant with the Olympia Fire Department. He was recently reappointed to a second three-year term running through 2018. He also serves on the Private Markets Committee and the Administrative Committee.

For more information about the WSIB and its investment programs please visit our website at www.sib.wa.gov.

2016 RETIREMENT SEMINARS

If you are within five years of retirement, consider attending one of these Retirement Seminars:

Centralia	Sat., April 9
Edmonds	Sat., July 9
Everett	Sat., March 12
King County	Sat., September 24
Kirkland	Sat., January 30
Longview	Sat., February 6
Mt. Vernon	Sat., March 5
Pasco	Sat., July 23
Pt. Orchard	Sat., April 2
Seattle	Fri., June 17
Seattle	Sat., June 18
Spokane	Sat., May 21
Spokane	Sat., September 17
Tacoma	Sat., April 30
Tumwater	Fri., June 24
Tumwater	Sat., June 25
Vancouver	Sat., August 27
Wenatchee	Sat., August 13
Yakima	Sat., May 7

To register, visit www.drs.wa.gov and click on "Seminars" under popular links.

BOARD RECEIVES 2015 RECOGNITION AWARD FOR FUNDING

The LEOFF Plan 2 Retirement Board has received the Public Pensions Standards 2015 Recognition Award for Funding from the Public Pension Coordinating Council (PPCC).

The PPCC is a coalition of three national associations that include more than 500 of the largest pension plans in the United States serving most of the nation's 16 million employees of state and local government.

Eligibility for the Recognition Award for Funding entails meeting the professional standards for plan funding as set forth in the Public Pension Standards.

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system funding. The Standards serve as a benchmark by which to measure public defined benefit plans.

