



2016 Legislative Update

Supplemental Budget

Making 2016 Supplemental Operating Appropriations (2ESHB 2376)

The operating expenses of the state government are funded on a biennial basis by an omnibus operations budget adopted by the Legislature in odd-numbered years. In even-numbered years, a supplemental budget is adopted, making various modifications to the biennial budget.

The 2015-17 biennial appropriations for the various agencies and programs of the state are modified. The Contribution rates set by the LEOFF Plan 2 Retirement Board are not changed. The budget as passed by the Legislature reinserted the following language in the statute governing the benefit improvement account:

It is the intent of the Legislature to fund the portion of the distribution in 2017 dedicated to the local law enforcement officers' and firefighters' retirement system benefit improvement account through alternate means, which may include transfers from the law enforcement officers' and firefighters' plan 2 retirement fund.

The Governor vetoed this language when it first appeared in the 2015 budget. Upon its reappearance in 2016, the Governor again exercised his veto power.

Passed Affecting LEOFF Plan 2

Board Request Bill: Disaster response coverage (SB 6264)

Provides LEOFF Plan 2 duty death and disability coverage to LEOFF Plan 2 members providing federal natural disaster or emergency response service.

Board Request Bill: Allowing retirees to purchase an Optional Life Annuity Benefit (SSB 6264)

Persons already retired from LEOFF Plan 1, LEOFF Plan 2, and WSPRS when the original annuity purchase bill was passed in 2014 are given a window to roll over funds from certain tax-qualified plans to purchase a life annuity from their respective trust funds.

Other Bills of Interest

Passed

Emergency Medical Technician Service Credit (SB 6523)

Allows EMTs who served a consortium of local governments in Snohomish County without participating in PERS to opt to establish PERS credit for their pre-2003 service. Persons electing to establish credit must pay both the employer and employee contributions.

Deferred Compensation Program Opt-out for State Employees (ESSB 5435)

Automatically enrolls state employees hired on or after January 1, 2017 in the State's deferred compensation program unless they opt out. Employees enrolled contribute 3% of salary unless they select a different rate. Local governments who have opted to participate in the State DCP may adopt the opt-out provisions. DRS is also authorized to offer money purchase programs.

Not Passed

Bills that passed Senate Ways and Means but died in rules:

Merger of LEOFF Plan 1 and TRS Plan 1 (SB 6668)

Proposed merger of LEOFF Plan 1 and TRS Plan 1 trust funds, essentially using the LEOFF plan 1 "surplus" to buy down the TRS Plan 1 unfunded liability, thus reducing TRS Plan 1 appropriations.

Allowing fire department employees to volunteer or work for another department (SB 6250)

Employees of fire protection districts and municipal fire departments would be authorized to volunteer for, or obtain part-time or on-call employment with, other public fire departments so long as it does not conflict with the employee's performance. Collective bargaining agreements would not be able to prohibit these employees from volunteering or obtaining part-time or on-call employment with other public fire departments.

Preserving prohibition against assignment of retirement benefits (SB 6622)

Disallowing the use of any device or artifice to defeat the prohibition against the assignment of state retirement benefits, including the deposit of retirement benefits into a joint bank account or the use of a power of attorney to access the retirement benefits (pension advance loans). Any assignee of retirement benefits found in violation of the prohibition is liable for the full repayment of the assigned benefits.

Bills that passed Senate but died in House

Allowing volunteer firefighters to opt to count emergency response time towards PERS membership eligibility (SB 6439)

If a firefighter or reserve officer enrolled in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System is mobilized to fight state wildfires or to participate in other multiregional emergencies, the firefighter or reserve officer could elect to have the service earned counted toward determining membership in the Public Employees' Retirement System.

Bills that passed House but died in Senate

Mandatory reporting of fire fighter hazardous exposure (HB 2805)

Would require the Department of Labor and Industries to adopt rules requiring reporting of all hazardous exposures suffered in the course of employment by firefighters, except volunteer firefighters.

Occupational disease presumption (HB 2806)

Adds LEOFF EMTs and public employee fire investigators to the list of workers covered by the occupational disease presumption for purposes of industrial insurance. Adds strokes occurring under certain conditions, methicillin-resistant staphylococcus aureus (MRSA), and several cancers to the list of diseases presumed to be occupational.



2016 Legislative Update

April 27, 2016

Overview

The 2016 special session ended on March 29.

- Both Board request bills passed
- Budget continued Board rates
- Review of other bills of interest; some passed, some did not

Supplemental Budget

Supplemental budget signed by Governor on April 18 - 2ESHB 2376.

- Board contribution rates remain unchanged
- Legislature re-inserted intent language contemplating funding future alternative revenue payments from LEOFF 2 trust fund.
 - Governor vetoed again

Board Request Bills Passed

- Retiree purchase of annuity - SSB 6264
 - LEOFF 1, LEOFF 2, and WSPRS retirees covered
- Disaster Response Coverage - SB 6263:
 - Provides LEOFF Plan 2 duty death and disability coverage to LEOFF Plan 2 members providing federal natural disaster or emergency response service.

Other Bills of Interest - Passed

- EMT Service Credit – SB 6523
 - Authorized EMTs to purchase PERS service credit for pre-LEOFF service to consortium of local governments
- Expanding participation in State deferred compensation program - ESSB 5435
 - Opt-out DCP participation for new state employees – enrolled unless they opt-out
 - 3% rate of deferral unless other selected
 - Local governments participating in state DCP may adopt opt-out feature
 - DRS authorized to offer money-purchase plan

Other Bills of Interest Not Passed

- Merger of LEOFF Plan 1 and TRS Plan 1 – SB 6668
- Allowing fire department employees to volunteer or work for another department – SB 6250
- Preserving prohibition against assignment of retirement benefits – SB 6622
- Allowing volunteer firefighters to opt to count emergency response time towards PERS membership eligibility - SB 6439

Other Bills of Interest Not Passed

- Mandatory reporting of fire fighter hazardous exposure – HB 2805
- Occupational disease presumption – HB 2806

Questions?

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