



June 28, 2017

## 2017 Legislative Update

### EDUCATIONAL BRIEFING

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### 2017-19 OPERATING BUDGET

Just before the end of the biennium the Legislature passed the operating budget for the 2017-2019 biennium (SSB 5883).

#### Budget Provisions Affecting LEOFF Plan 2:

- **Contribution rates:** Fully funds the LEOFF Plan 2 Retirement Board's (Board) employer and state contribution rates.
- **Benefit Improvement Account:** Postpones benefit improvement account contributions until 2019. Expresses intent that future contributions come from alternate source, possibly the LEOFF Plan 2 trust fund.
- **Special Event Contributions:** If an employer assigns an officers to work a public event and the employer recovers the costs from the event provider; the employer must cover both the employer and the state contributions during fiscal year 2018 and 2019.

#### Proposals Not Included in Final Budget:

- **Rate Formula:** The Senate's proposal to eliminate State LEOFF contributions and increase employer contribution to 50% of pension cost was not in the final budget.
- **Elimination of expense fund contribution:** The Senate's proposal terminating employer contributions to the DRS expense fund was not in the final budget.
- **Tribal officers in LEOFF 2 Study:** The House proposal to fund a Board study of allowing Tribal police officers in LEOFF Plan 2 was not in the final budget.
- **Fire Insurance Premium Tax Redistribution:** The Senate proposal to reallocate proceeds from the fire insurance premium tax was not in the final budget.
- **Merger:** A merger of LEOFF Plan 1 with either TRS Plan 1 or LEOFF Plan 2 was neither proposed by either house nor included in the final budget.

## **BILLS AFFECTING LEOFF PLAN 2 - PASSED**

### **Including Hospital District EMTs into LEOFF 2 (HB 2202)**

Clarifies LEOFF Plan 2 status of Emergency Medical Technicians (EMTs) who:

- Are employed by hospital districts or public corporations created by a city, town, or county; and
- Provide medical treatment at the scene of a medical emergency, or while transporting a patient to a medical facility.

These EMTs are mandated into LEOFF plan 2 prospectively with an option to establish LEOFF 2 credit for past EMT service back to July 24, 2005 – the date EMTs were first included in the LEOFF definition of firefighter.

### **Expanding Interruptive Military Service Credit Rights – Study (SB 5661)**

Under current law, member contributions for interruptive military service credit are waived for members serving during specified conflicts, but only if they earn a campaign badge or medal. The LEOFF 2 Retirement Board (Board) is directed to study expanding this waiver to all members serving during the specified conflict whether or not they earn a campaign badge or medal. The Board must report the findings of the study to the Legislature by January 1, 2018.

### **Expanding Definition of Veteran (HB 1369)**

The definition of "veteran" used to qualify persons for particular benefits, including interruptive LEOFF Plan 2 service credit, is expanded to include a person who, at the time he or she seeks the benefits, is in receipt of certain documents that characterize his or her service as honorable.

## **BILLS AFFECTING LEOFF PLAN 2 – NOT PASSED**

### **PTSD from multiple events defined as occupational disease (HB 1655)**

*Passed House, died in Senate*

The exclusion of workers' compensation occupational disease claims for stress-caused mental conditions or disabilities would not have applied to LEOFF member claims.

### **Lifetime property tax exemption for survivors of members killed in the line of duty (SB 5104)**

*Introduced but not heard*

Proposed a lifetime property tax exemption for residences owned by persons whose spouses were killed in the line of duty, either in the military or as a first responder. Exemption would continue if surviving spouse remarries.

### **Expanding Occupational Disease Presumptions (SB 5477)**

*Introduced but not heard*

Proposed: 1) occupational disease presumptions for fire investigators; 2) adding strokes and additional types of cancers to the presumptions; and 3) including heart problems, strokes, and infectious diseases as occupational disease presumptions for certain law enforcement officers.

## **SCPP BILLS PASSED**

### **Washington State Patrol Retirement System (WSPRS) Voluntary Overtime (SB 5274)**

Up to 70 hours of Voluntary overtime earned after July 1, 2017, is included in the WSPRS definition of salary. The maximum member contribution rate is increased by 1.10 percent of pay.

### **Public Safety Employees' Retirement System (PSERS) Full Time Definition (HB 1709)**

Employees considered part-time by DRS who were otherwise eligible for PSERS may transfer their PERS service credit to PSERS if their employment contract defined fulltime as at least 140 hours per month. In order to be eligible, the employee must have been incorrectly reported in PSERS.



# 2017 Legislative Update

July 26, 2017

# 2017-2019 Operating Budget (SSB 5883)

- Final Budget Passed on June 30
- Included in Budget:
  - Full funding of LEOFF Plan 2 contribution rates adopted by the Board
  - Deferral of LEOFF 2 benefit improvement account contribution
  - Employer contributes state share on officer special event compensation
- Proposals Not Included in Final Budget:
  - Eliminating state contribution to LEOFF
  - Eliminating employer contribution to DRS expense fund
  - Board study of tribal officers in LEOFF Plan 2
  - Merging LEOFF 1 with LEOFF 2 or TRS 1
  - Redistributing fire insurance premium tax

## **Bills Affecting LEOFF Plan 2 - *Passed***

- **Including Hospital District EMTs into LEOFF 2 (HB 2202)**
  - Clarifies eligibility for hospital district and ambulance authority EMTs
  - Past service credit option
- **Expanding Interruptive Military Service Credit Rights – Study (SB 5661)**
  - Board directed to study whether waiver of employee contributions interruptive military service credit should be expanded to include members without a campaign badge or medal
  - Report to Legislature by January 1, 2018
- **Expanding Definition of Veteran (HB 1369) –**
  - “Veteran” includes persons with specified documents showing honorable military service

## **Bills Affecting LEOFF Plan 2 – *Not Passed***

- **Providing Workers Compensation for PTSD (HB 1655)**
  - **Would allow workers compensation multiple incident PTSD claims for LEOFF members**
- **Property Tax Exemption for Survivors of Members Killed in the Line of Duty (SB 5104)**
- **Expanding Occupational Disease Presumptions for LEOFF Members (SB 5477)**

# SCPP Bills Passed

- **Washington State Patrol Retirement System (WSPRS) Voluntary Overtime (SB 5274)**
  - Up to 70 hours per year of voluntary overtime is included in Trooper compensation prospectively
  - The maximum member contribution rate is increased by 1.10 percent
- **Public Safety Employees' Retirement System (PSERS) Full Time Definition (HB 1709)**
  - Employees erroneously reported in PSERS may transfer PERS credit to PSERS if their employment contract defined full-time employment as at least 140 hours per month





# Questions?

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