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# Fish & Wildlife Service Credit Transfer Final Proposal

Washington State Law Enforcement  
Officers' and Fire Fighters' Plan 2  
Retirement Board

December 13, 2006

# Background Summary

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- Approximately 70 members affected
- Cost of increased liability between \$0 and \$2 million
- Original proposal was Fish & Wildlife to pay for cost, no contribution rate increase

# Key Issues

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- Member pays contribution rate difference plus interest
- Payment of increased liability paid by employer
- Only PERS Plan 2 service is eligible
- Only group not allowed to transfer service

# Proposal Summary

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- Member has five-year window to elect to transfer
- Member pays difference in contribution rates plus interest
- Fish & Wildlife pays any additional liability one year after window closes

# Fish & Wildlife Service Credit Transfer

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Questions?

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

## Fish and Wildlife Service Credit Transfer

### Final Proposal

December 13, 2006

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#### 1. Issue

Fish & Wildlife Enforcement Officers were mandated into LEOFF Plan 2 beginning July 27, 2003. However, these officers did not have the opportunity to transfer their PERS service as Fish & Wildlife Enforcement Officers to LEOFF Plan 2, similar to other groups that have been allowed into LEOFF Plan 2. The Board recommended legislation for this issue in the 2006 session but it did not pass.

#### 2. Proposal Summary

Reintroduce a similar bill as the Board recommended to the Legislature in 2006. The proposal would accomplish the following:

- Allow members to transfer their previous PERS Plan 2 service as Enforcement Officers to LEOFF Plan 2 by having them pay the difference in contribution rates, plus interest.
- Require the Department of Fish & Wildlife to pay the additional cost for the transfer, after the close of the member transfer window.

#### 3. Staff

Greg Deam, Senior Research and Policy Manager  
(360) 586-2325  
greg.deam@leoff.wa.gov

#### 4. Members Impacted

The original fiscal note for HB 1205 in January 2003, estimated there were 72 PERS members (66 in PERS Plan 2 & 6 in PERS Plan 3) actively employed by the Department of Fish and Wildlife and recognized as general authority peace officers, who would be affected by this legislation. Any former Fish and Wildlife Officers who become re-employed after July 23, 2003, could also be affected when they return.

## 5. Current Situation

In 2003, legislation was passed (HB 1205), which required Fish and Wildlife Enforcement Officers who were members of PERS Plan 2 or Plan 3 on or before January 1, 2003, and were employed on July 27, 2003, to become a member of LEOFF Plan 2, effective July 27, 2003.

Service earned prior to July 27, 2003 remained in PERS and the employee became a dual member. The bill also required new employees hired on or after July 27, 2003, to enter LEOFF Plan 2 membership. The bill specifically excluded employees who were members of PERS Plan 1 from LEOFF Plan 2 membership and required them to continue to be reported in PERS Plan 1.

## 6. Background Information and Policy Issues

### History

In 2002, the Legislature passed ESSB 6076, which expanded the definition of general law enforcement officer to include Fish & Wildlife Enforcement Officers. However, the same legislation also excluded the Department of Fish and Wildlife as a LEOFF employer.

In 2003, HB 1205 was passed which removed the exclusion of the Department of Fish and Wildlife as a LEOFF employer. In addition, HB 1205 added a new section to PERS (RCW 41.40.096) which mandated PERS Plan 2 or 3 members employed as Fish & Wildlife Enforcement Officers into LEOFF Plan 2, and specifically stated PERS service credit could not be transferred. It further required PERS Plan 1 members employed as Fish and Wildlife Enforcement Officers to remain in PERS Plan 1.

### Policy Issue

Should LEOFF Plan 2 Fish and Wildlife Enforcement Officers who have service credit in PERS Plan 2 have the opportunity to transfer that service to LEOFF Plan 2? Some points to consider are:

- Prior groups that were allowed membership into LEOFF Plan 2 have been given the option of moving prior PERS service in those positions into LEOFF Plan 2.
- Members who had previously transferred to PERS Plan 3 from PERS Plan 2 were not allowed to transfer their PERS Plan 3 service credit to LEOFF Plan 2<sup>1</sup>.

## 7. Policy Options

Moving service credit from PERS Plan 2 to LEOFF Plan 2 creates a liability to LEOFF Plan 2. The cost is partially offset by three payment sources. The first source comes from

billing the member for the contribution rate differential between LEOFF Plan 2 and PERS Plan 2 rates, plus interest. The second payment source comes from transferring member contributions and interest from their PERS account associated with the transferred service. The final source comes from transferring the employer contributions and interest in PERS for the service associated with the transferred service. Any additional cost or liability left would be paid for under one of the following options:

- **Option 1: Department of Fish & Wildlife would pay the additional cost**  
This option would require the Department of Fish and Wildlife to pay into the LEOFF Plan 2 retirement fund a lump-sum amount sufficient to fund the service credit transfer from PERS Plan 2 to LEOFF Plan 2.
- **Option 2: The additional cost would be paid by a rate contribution rate increase**  
This option would require a one basis point increase in both the member and state contribution rates.

## **8. Supporting Information**

### **Endnotes**

- 1 Department of Retirement Systems' fiscal note under Administrative Assumptions for SHB 1202 in 2003, and SHB 1936 in 2005.

### **Appendix A – Bill Comparison Chart.**



APPENDIX A – Bill History of Groups Allowed into LEOFF Plan 2

<b>Year and Bill Number</b>	<b>Description</b>	<b>Member Options</b>	<b>Member Costs by Option</b>	<b>Employer Costs by Option</b>
HB 1205 2003	Requires Fish & Wildlife Enforcement Officers to become members of LEOFF Plan 2 on the effective date of the bill	None	None	None

<b>Year and Bill Number</b>	<b>Description</b>	<b>Member Options</b>	<b>Member Costs by Option</b>	<b>Employer Costs by Option</b>
HB 1936 2005	Allows emergency medical technicians who are members of PERS providing emergency medical services for a city, town, county, or district to apply for membership in LEOFF Plan 2	1. Transfer past PERS EMT service to LEOFF Plan 2	1. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest	1. An amount sufficient to ensure the contribution level of current members of LEOFF Plan 2 will not increase due to the transfer plus an employer rate increase of one basis point
SHB 1202 2003	Allowed emergency medical technicians who were members of PERS providing emergency medical services for a city, town, county, or district whose job was relocated to a fire district to transfer PERS Plan 2 service credit as an EMT into LEOFF Plan 2	1. Transfer past PERS EMT service to LEOFF Plan 2	1. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest	1. None

Year and Bill Number	Description	Member Options	Member Costs by Option	Employer Costs by Option
SHB 2191 1996	Allowed fire fighters at institutions of higher education with fully operational fire departments to apply for membership in LEOFF Plan 2	<ol style="list-style-type: none"> <li>1. Remain in PERS</li> <li>2. Join LEOFF Plan 2 retroactively</li> </ol>	<ol style="list-style-type: none"> <li>1. None</li> <li>2. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest</li> </ol>	<ol style="list-style-type: none"> <li>1. None</li> <li>2. Difference in employer contribution rates in PERS and the combined employer and state contribution rates in LEOFF Plan 2, plus interest; and an amount sufficient to ensure the contribution rate level of current members of LEOFF Plan 2, would not increase due to the transfer</li> </ol>
SHB 1744 1993	Allowed police employed by the state's universities and port districts to apply for membership in LEOFF Plan 2	<ol style="list-style-type: none"> <li>1. Remain in PERS</li> <li>2. Join LEOFF Plan 2 retroactively</li> </ol>	<ol style="list-style-type: none"> <li>1. None</li> <li>2. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest</li> </ol>	<ol style="list-style-type: none"> <li>1. None</li> <li>2. Difference in employer contribution rates in PERS and the combined employer and state contribution rates in LEOFF Plan 2, plus interest</li> </ol>

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BILL REQUEST - CODE REVISER'S OFFICE

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BILL REQ. #: Z-0331.1/07

ATTY/TYPIST: LL:bat

BRIEF DESCRIPTION:Allowing department of fish and wildlife enforcement  
officers to transfer service credit.

AN ACT Relating to allowing department of fish and wildlife enforcement officers to transfer service credit; and adding a new section to chapter 41.26 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** A new section is added to chapter 41.26 RCW to read as follows:

(1) A member of plan 2 who was a member of the public employees' retirement system plan 2 while employed as an enforcement officer for the department of fish and wildlife has the option to make an election no later than June 30, 2012, filed in writing with the department of retirement systems, to transfer service credit previously earned as an enforcement officer in the public employees' retirement system plan 2 to the law enforcement officers' and firefighters' retirement system plan 2. Service credit that a member elects to transfer from the public employees' retirement system to the law enforcement officers' and firefighters' retirement system under this section shall be transferred no earlier than June 30, 2012, and only after the member completes payment as provided in subsection (2) of this section.

(2)(a) A member who elects to transfer service credit under

subsection (1) of this section shall make the payments required by this subsection prior to having service credit earned as an enforcement officer with the department of fish and wildlife under the public employees' retirement system plan 2 transferred to the law enforcement officers' and firefighters' retirement system plan 2.

(b) A member who elects to transfer service credit under this subsection shall pay, for the applicable period of service, the difference between the contributions the employee paid to the public employees' retirement system plan 2 and the contributions that would have been paid by the employee had the employee been a member of the law enforcement officers' and firefighters' retirement system plan 2, plus interest on this difference as determined by the director. This payment must be made no later than June 30, 2012, and must be made prior to retirement.

(c) No later than June 30, 2013, the department of fish and wildlife shall pay an amount sufficient to ensure that the contribution level to the law enforcement officers' and firefighters' retirement system will not increase due to this transfer.

(d) Upon completion of the payment required in (b) of this subsection, the department shall transfer from the public employees' retirement system to the law enforcement officers' and firefighters' retirement system plan 2: (i) All of the employee's applicable accumulated contributions plus interest and all of the applicable employer contributions plus interest; and (ii) all applicable months of service, as defined in RCW 41.26.030(14)(b), credited to the employee under this chapter for service as an enforcement officer with the department of fish and wildlife as though that service was rendered as a member of the law enforcement officers' and firefighters' retirement system plan 2.

(e) Upon transfer of service credit, contributions, and interest under this subsection, the employee is permanently excluded from membership in the public employees' retirement system for all service related to time served as an enforcement officer with the department of fish and wildlife under the public employees' retirement system plan 2.



State of Washington  
**DEPARTMENT OF FISH AND WILDLIFE**

Mailing Address: 600 Capitol Way N • Olympia, WA 98501-1091 • (360) 902-2200, TDD (360) 902-2207  
Main Office Location: Natural Resources Building • 1111 Washington Street SE • Olympia, WA

December 8, 2006

Mr. Steve Nelson, Executive Director  
Law Enforcement Officers' and Fire Fighters' (LEOFF)  
Plan 2 Retirement Board  
2100 Evergreen Park Drive SW, Suite 180  
Olympia, WA 98504-0918

RE: Letter of Support for House Bill 2890

Dear Mr. Nelson:

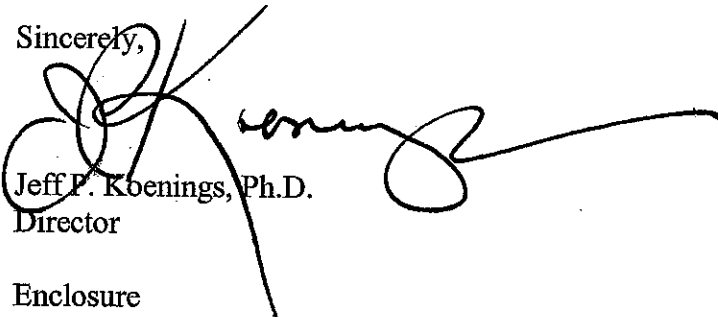
This is to show my support for House Bill (HB) 2890 and SB 6585 (allowing Department of Fish and Wildlife enforcement officers to transfer service credit).

In 2003, legislation was passed (HB 1205) that required WDFW officers who were members of PERS Plan 2 or Plan 3 on or before January 1, 2003, and who were employed on July 27, 2003, to become a member of LEOFF Plan 2, effective July 27, 2003. However, service earned prior to July 27, 2003, remained in PERS, and the officer became a dual member. The bill also required new employees hired on or after July 27, 2003, to enter LEOFF Plan 2 membership. The bill specifically excluded fish and wildlife officers who were members of PERS Plan 1 from LEOFF Plan 2 membership and required them to continue to be reported in PERS Plan 1. HB 2890 and SB 6585 remedy these inequities.

The Department of Fish and Wildlife (WDFW) was pleased to see the LEOFF Board put forward in the 2006 legislative session HB 2890 and SB 6585. Of the five bills since 1993 that allowed law enforcement officers or fire fighters to transfer prior service credit into the LEOFF Plan 2 retirement system, WDFW officers are the only subgroup whose transfer of prior service credit has not been allowed.

Thank you for all of the hard work you and the Board have done on HB 2890 and SB 6585. If you have any questions or need additional information, please contact Chief Bruce Bjork at 902-2373.

Sincerely,

  
Jeff P. Koenings, Ph.D.  
Director

Enclosure

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HOUSE BILL 2890

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State of Washington

59th Legislature

2006 Regular Session

By Representatives Simpson, Curtis and Blake; by request of LEOFF  
Plan 2 Retirement Board

Read first time 01/16/2006. Referred to Committee on Appropriations.

1 AN ACT Relating to allowing department of fish and wildlife  
2 enforcement officers to transfer service credit; and adding a new  
3 section to chapter 41.26 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. Sec. 1. A new section is added to chapter 41.26 RCW  
6 to read as follows:

7 (1) A member of plan 2 who was a member of the public employees'  
8 retirement system plan 2 while employed as an enforcement officer for  
9 the department of fish and wildlife has the option to make an election  
10 no later than June 30, 2011, filed in writing with the department of  
11 retirement systems, to transfer service credit previously earned as an  
12 enforcement officer in the public employees' retirement system plan 2  
13 to the law enforcement officers' and fire fighters' retirement system  
14 plan 2. Service credit that a member elects to transfer from the  
15 public employees' retirement system to the law enforcement officers'  
16 and fire fighters' retirement system under this section shall be  
17 transferred no earlier than June 30, 2011, and only after the member  
18 completes payment as provided in subsection (2) of this section.

1 (2)(a) A member who elects to transfer service credit under  
2 subsection (1) of this section shall make the payments required by this  
3 subsection prior to having service credit earned as an enforcement  
4 officer with the department of fish and wildlife under the public  
5 employees' retirement system plan 2 transferred to the law enforcement  
6 officers' and fire fighters' retirement system plan 2.

7 (b) A member who elects to transfer service credit under this  
8 subsection shall pay, for the applicable period of service, the  
9 difference between the contributions the employee paid to the public  
10 employees' retirement system plan 2 and the contributions that would  
11 have been paid by the employee had the employee been a member of the  
12 law enforcement officers' and fire fighters' retirement system plan 2,  
13 plus interest on this difference as determined by the director. This  
14 payment must be made no later than June 30, 2011, and must be made  
15 prior to retirement.

16 (c) No later than June 30, 2012, the department of fish and  
17 wildlife shall pay an amount sufficient to ensure that the contribution  
18 level to the law enforcement officers' and fire fighters' retirement  
19 system will not increase due to this transfer.

20 (d) Upon completion of the payment required in (b) of this  
21 subsection, the department shall transfer from the public employees'  
22 retirement system to the law enforcement officers' and fire fighters'  
23 retirement system plan 2: (i) All of the employee's applicable  
24 accumulated contributions plus interest and all of the applicable  
25 employer contributions plus interest; and (ii) all applicable months of  
26 service, as defined in RCW 41.26.030(14)(b), credited to the employee  
27 under this chapter for service as an enforcement officer with the  
28 department of fish and wildlife as though that service was rendered as  
29 a member of the law enforcement officers' and fire fighters' retirement  
30 system plan 2.

31 (e) Upon transfer of service credit, contributions, and interest  
32 under this subsection, the employee is permanently excluded from  
33 membership in the public employees' retirement system for all service  
34 related to time served as an enforcement officer with the department of  
35 fish and wildlife under the public employees' retirement system plan 2.

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