

BOARD OF TRUSTEES

Fire Fighter Representatives

Dennis Lawson
Central Pierce Fire and Rescue

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)

Employer Representatives

Pat McElligott
Pierce County Fire and Rescue

Ade' Ariwoola
City of Federal Way

Dwight Dively
King County

Legislative Representatives

Sen. Judy Warnick
WA State Senator

Rep. Steve Bergquist
WA State Representative

ARE YOUR BENEFICIARIES UP-TO-DATE?

If you are an active member, you may update your beneficiary choices, including mailing addresses and benefit percentages, online with your Department of Retirement Systems (DRS) account access.

When you log in to online account access at www.drs.wa.gov, select "Login" on the right side of the page, then select "Beneficiary Designation" to update your beneficiary information.



July 2018

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

ONE OF THE SECRETS TO OUR SUCCESS



Dennis Lawson

One of the most important duties assigned to the LEOFF Plan 2 Board, when it was first created back in 2002, was the responsibility to adopt contribution rates for members, employers and the state. Those contributions currently total over \$200 million per year. We, as LEOFF 2 members, are the only plan in the state whose rates are established by an independent board of trustees who are entrusted with the fiduciary obligation to the plan they serve. So, it is no surprise that rate-setting was front and center in the Board's first strategic plan in 2003 and remains one of the Board's most closely scrutinized activities today.

Back in 2003, one of our Board members asked a great question, "Why do our contribution rates go up when the economy is going bad and go down when the economy is going good?" And one of the employer representatives pointed out that, "Rates going up and down make it hard for local governments to plan future budgets. Can't rates be more stable?"

The State Actuary and our staff went to work on those questions and came up with a funding method that eliminated the year-to-year gyrations of the stock market and focused on the expected long-term cost of the plan. The Board has used that method to guide rate-setting since 2007 and it has provided stable, predictable costs for employers (and families) through some very tumultuous economic times.

Today, our plan is one of the healthiest in the entire country. So many of our peers across the country facing rising pension costs and uncertain guarantees of benefits for their members ask, "What is the secret to your success?" We tell them that one of our secrets is our long-term vision to maintain the financial integrity of our pension plan and our continued commitment to that vision.

As a Board we have many difficult decisions to make, however, those decisions continue to be much easier and clearer when we focus on the health of the plan and the participants. Your Board and entire LEOFF 2 Team are honored to represent you and your pension interests.

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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.

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

Follow us...



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.



2018 LEGISLATIVE SESSION REPORT

Three bills impacting LEOFF 2 were passed by the legislature during the 2018 session. Additionally, the state's Supplemental Operating Budget included actions involving the plan's Benefit Improvement Account. For more information and to stay up to date on bills impacting LEOFF 2, visit www.leoff.wa.gov.

Workers' Compensation Changes for LEOFF 2 Members Impacted by Post-traumatic Stress Disorder (SSB 6214)

- Establishes Post-traumatic Stress Disorder (PTSD) as a presumptive disease for LEOFF members
- Allows for claims resulting from repeated exposure

Interruptive Military Service Credit (ESHB 2701)

This bill was requested by the Board and corrects the definition of Veteran by:

- Adds a provision that ensures members are eligible for free interruptive military service credit for multiple deployments to the same conflict
- Adds an end date in statute for the end of the Gulf War
- Adds two combat operations for which free interruptive military service credit was not eligible to be granted, because the operations were not listed in the definition of veteran:
 1. Inherent Resolve, Iraq and Syria
 2. Freedom's Sentinel, Afghanistan

Definition of Employer and Fire Department (SHB 2786)

- Adds the Department of Social and Health Services and the Department of Corrections to the definition of "employer" for LEOFF when employing firefighters serving at a prison or civil commitment center on an island.

Supplemental Operating Budget (ESSB 6032)

Two items regarding LEOFF 2 are present in the supplemental budget as passed by the legislature:

- No change to proposed LEOFF 2 contribution rate
- No funds are appropriated for the Benefit Improvement Account

HOW LONG WILL I LIVE? LONGEVITY TOOL CREATED BY ACTUARIES

There are many factors to be considered when planning for retirement. Determining how long your nest egg will have to last is one of the most difficult. How long will you live?

To help you gain a better understanding of this question, the American Academy of Actuaries and the Society of Actuaries have developed the Actuaries Longevity Illustrator, a tool that can be used to evaluate longevity risk.

The tool helps you determine how long you can expect to live with varying degrees of certainty, based on average expectations for people of the same age, gender, and general health. Visit: www.longevityillustrator.org to get started today.

DIVORCE & RETIREMENT

When you divorce or legally separate, you may divide your retirement account between you and your ex through a property division order. The order can tell the Department of Retirement Systems (DRS) to either 1) Award an interest in your account to your ex; or 2) If vested, split your account into two accounts - one for you and one for your ex.

If awarding an interest in your account, your ex will have the legal right to a portion of any retirement payments you receive. No payment will be made to your ex until you retire, withdraw contributions or die. At that time, DRS will make payment directly to your ex.

If splitting your retirement account into two separate accounts - one for you and one for your ex - the accounts become independent of each other. You can withdraw contributions after leaving employment or, once meeting age and service requirements, retire and receive a monthly benefit. Your ex can withdraw contributions or, once meeting age requirements, retire and receive a monthly benefit.

For more information, visit: www.drs.wa.gov, click Retirees / Retirees Home / Divorce & Property Division

LIFE INSURANCE OFFERING FOR ACTIVE MEMBERS

Between August 1, 2018 and September 30, 2018, active members can enroll in the National Conference on Public Employee Retirement Systems (NCPERS) Public Employee Financial Protection Plan. This unique life insurance offering is designed specifically for public employees, and especially, public safety professionals. It has been offered to public retirement plan employees for nearly 50 years without an increase in premiums and currently insures more than 100,000 members nationwide.

Why enroll? The program provides a unique, packaged array of benefits and valuable features, including:

- The benefit starts out higher when your family's needs are greater
- The benefit decreases with age and as you build up your pension
- The premium never increases, regardless of age
- The benefit is paid to your beneficiary if something happens to you
- Provides financial protection for your loved ones through all stages of life
- There is no medical underwriting—coverage is guaranteed
- Accidental, spouse and child death benefits are automatically included – no medical questions asked
- 24/7 accident coverage on or off the job
- Benefit as much as \$325,000, depending on your age
- Coverage can continue into retirement
- Flat rate of \$17/month

This important benefit has many other attractive features you can learn about by visiting www.ncpersfamilyprotection.com. Enroll electronically using a secure enrollment "log on" on the website. Paper enrollment is also available upon request.

Again, open enrollment is from August 1 to September 30, 2018.

