



Benefit Improvement Account

Educational Briefing – November 9, 2020

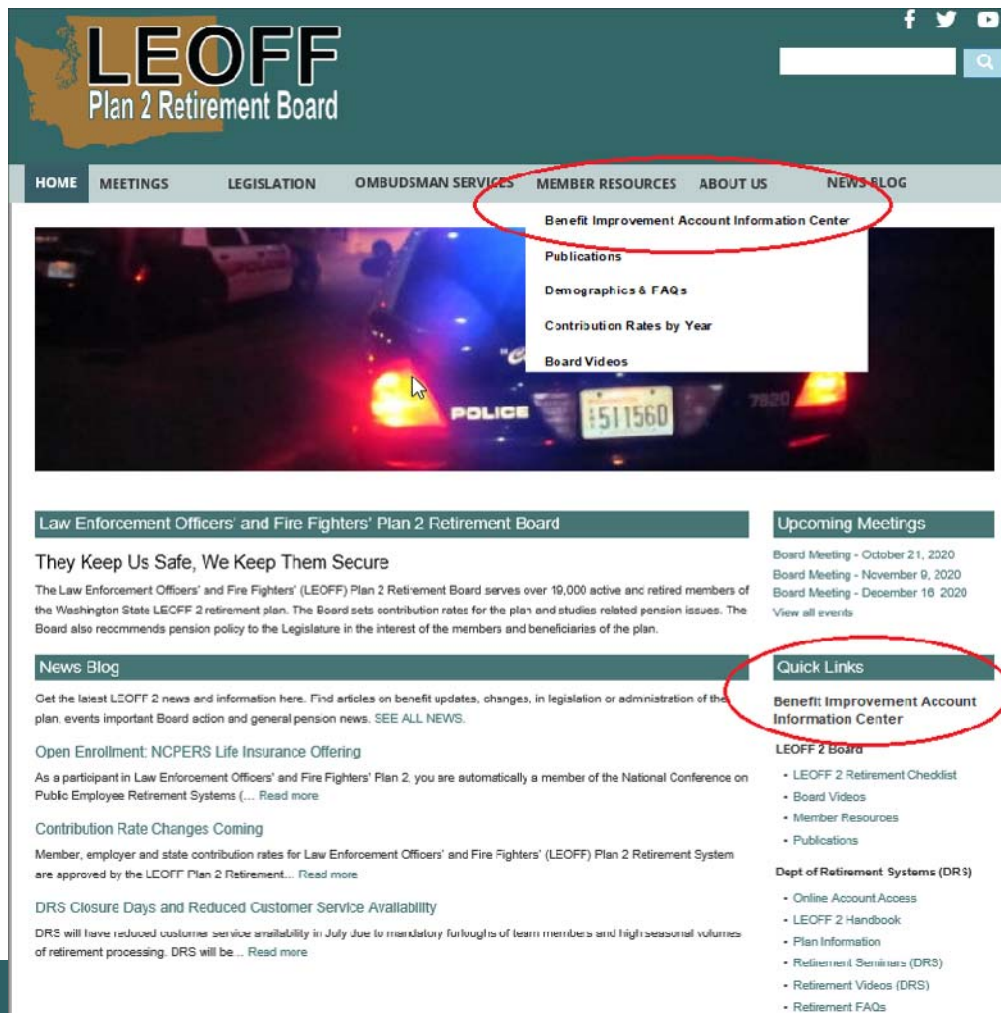
Background

- Purpose of the LEOFF Plan 2 Benefit Improvement Account
- Benefit Improvement Pricing History
- Funding History
- Current Status Questions

Goals for Benefit Improvement Account Information Center

- Easily Accessible Information on LEOFF Website
- Consolidation of Information
- Provide Benefit Improvement Account Balance
- Provide cost of Potential Improvements

Benefit Improvement Account Information Center



The screenshot displays the website for the LEOFF Plan 2 Retirement Board. The header includes the organization's name and logo, social media icons, and a search bar. The navigation menu contains links for HOME, MEETINGS, LEGISLATION, OMBUDSMAN SERVICES, MEMBER RESOURCES, ABOUT US, and NEWS BLOG. A red circle highlights the 'MEMBER RESOURCES' link, which has a dropdown menu open. The dropdown menu lists: Benefit Improvement Account Information Center, Publications, Demographics & FAQs, Contribution Rates by Year, and Board Videos. Below the navigation is a large image of a police car with its lights on. The main content area is divided into several sections: 'Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board' with the tagline 'They Keep Us Safe, We Keep Them Secure'; 'Upcoming Meetings' listing board meetings for October 21, November 9, and December 16, 2020; 'News Blog' with several articles; and 'Quick Links' which includes a red circle around the 'Benefit Improvement Account Information Center' link. Other quick links include 'LEOFF 2 Board', 'Dept of Retirement Systems (DRS)', and various documents and videos.

LEOFF
Plan 2 Retirement Board

HOME MEETINGS LEGISLATION OMBUDSMAN SERVICES **MEMBER RESOURCES** ABOUT US NEWS BLOG

Benefit Improvement Account Information Center
Publications
Demographics & FAQs
Contribution Rates by Year
Board Videos

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

They Keep Us Safe, We Keep Them Secure

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board serves over 19,000 active and retired members of the Washington State LEOFF 2 retirement plan. The Board sets contribution rates for the plan and studies related pension issues. The Board also recommends pension policy to the Legislature in the interest of the members and beneficiaries of the plan.

Upcoming Meetings

Board Meeting - October 21, 2020
Board Meeting - November 9, 2020
Board Meeting - December 16, 2020
[View all events](#)

News Blog

Get the latest LEOFF 2 news and information here. Find articles on benefit updates, changes, in legislation or administration of the plan, events important Board action and general pension news. [SEE ALL NEWS](#).

Open Enrollment: NCPERS Life Insurance Offering

As a participant in Law Enforcement Officers' and Fire Fighters' Plan 2, you are automatically a member of the National Conference on Public Employee Retirement Systems (... [Read more](#))

Contribution Rate Changes Coming

Member, employer and state contribution rates for Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement System are approved by the LEOFF Plan 2 Retirement... [Read more](#)

DRS Closure Days and Reduced Customer Service Availability

DRS will have reduced customer service availability in July due to mandatory furloughs of team members and high seasonal volumes of retirement processing. DRS will be... [Read more](#)

Quick Links

Benefit Improvement Account Information Center

LEOFF 2 Board

- LEOFF 2 Retirement Checklist
- Board Videos
- Member Resources
- Publications

Dept of Retirement Systems (DRS)

- Online Account Access
- LEOFF 2 Handbook
- Plan Information
- Retirement Services (DRS)
- Retirement Videos (DRS)
- Retirement FAQs

Benefit Improvement Account Information Center

LEOFF Plan 2 Retirement Board Benefit Improvement Pricing

DRAFT – FOR DEMONSTRATION
PURPOSES ONLY

The information in the table below was prepared to assist the LEOFF 2 Board in evaluating the potential cost of benefit improvements during the 2017 and 2018 interims. Assumptions and methods used to estimate the cost of the various proposals may be different under updated analysis. This analysis is now outdated and is provided for informational purposes only.

Benefit Improvement Account Balance (as of 6/30/2020): \$341,630,964

Issue	Summary of Benefit Improvement Pricings	Total Contribution Rate Increase ¹	Present Value of Future Benefit	Date ²
		Estimated cost to pay for benefit improvement through a contribution rate increase only.	Estimated cost (rounded to nearest \$100,000) to pay for benefit improvement instead of a contribution rate increase.	Date the LEOFF Board last received/reviewed current pricing information.
Multiplier ³	1. Increase benefit multiplier to 2.50% - All past and future service of active members on valuation date	12.34%	\$2,343,000,000	11/15/2017
	2. Increase benefit multiplier to 2.50% - Future earned service of active members on valuation date	4.88%	\$926,000,000	11/15/2017
	3. Increase benefit multiplier from 2.0% to 3.0% for service over 16 years - All past and future service of active members on valuation date <ul style="list-style-type: none"> • 2.00% multiplier applied to years 1-15 • 3.00% multiplier applied to years 16 and over 	11.06%	\$2,098,000,000	11/15/2017
	4. Increase benefit multiplier from 2.0% to 3.0% for service over 16 years - Future earned service of active members on valuation date <ul style="list-style-type: none"> • 2.00% multiplier applied to years 1-15 • 3.00% multiplier applied to years 16 and over 	7.31%	\$1,389,000,000	11/15/2017
Final Average Salary ⁴	1. Change Final Average Salary period from 5 years to 2 year - Future retirements of active members on valuation date	4.84%	\$1,000,000,000	12/19/2018
Survivor Benefits ⁵	1. No cost joint and 100% survivor benefit - Current and future retirees on valuation date	6.56%	\$1,270,000,000	11/28/2018
	2. No cost joint and 100% survivor benefit - Future retirees on valuation date	5.18%	\$1,002,000,000	11/28/2018

¹ Total contribution rate is split 50% (member), 30% (employer), 20% State

² In addition to the improved benefit provision, all other assumptions, methods, and data used to estimate costs relied on the noted actuarial valuations. Estimated costs will change when estimated on a more recent valuation.

³ Estimates based on data in the [2015 Actuarial Valuation Report](#)

⁴ Estimates based on data in the [2017 Actuarial Valuation Report](#)

⁵ Estimates based on data in the [2016 Actuarial Valuation Report](#)

Other Considerations

- **Information Changes Frequently**
 - Frequency of updates?
- **Updating/Additional Pricing Requires Considerable OSA Resources**
- **Any Improvement Will Require Legislation to Implement**

Next Steps?

- What is next with the Benefit Improvement Account and what do you need from us?



Thank You

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