

BOARD MEETINGS

Board meetings are open to the public and due to COVID-19, are being held strictly online until further notice. They are held on the fourth Wednesday of each month beginning at 9:30 a.m. unless otherwise noted.

For up-to-date Board meeting information and to learn how to gain access to meetings, visit www.leoff.wa.gov.

BOARD OF TRUSTEES

Fire Fighter Representatives

Dennis Lawson
Central Pierce Fire and Rescue

Mark Johnston
Vancouver Fire Department

AJ Johnson
Snohomish County Fire

Law Enforcement Representatives

Jason Granneman
Clark County Sheriff’s Office

Tarina Rose-Watson
Spokane Int’l Airport Police Dept.

Sen. Jeff Holy
Spokane Police Department (Ret)

Employer Representatives

Pat McElligott
Pierce County Fire and Rescue

Wolf Opitz
Pierce County

Ade’ Ariwoola
City of Federal Way

Legislative Representatives

Sen. Ann Rivers
WA State Senator

Rep. Steve Bergquist
WA State Representative



August 2021

DUAL RESPONSE

LAW ENFORCEMENT OFFICERS’ AND FIRE FIGHTERS’ PLAN 2 RETIREMENT BOARD

DUAL RESPONSE



P.O. Box 40918
Olympia, WA 98504-0918



Dennis Lawson

MESSAGE FROM THE CHAIR

With the pandemic still active and certain restrictions put in place your LEOFF 2 Board continues to represent your interests and take care of the work that needs to be done.

There was a proposal in the Senate last session (SB 5453) to improve benefits in LEOFF Plan 2 and pay for those improvements by using a combination of a contribution rate increase and all the assets in the LEOFF Plan 2 Benefit Improvement Account. That proposal raised a number of policy questions, however never received a hearing and a chance to discuss those issues. During the interim (period of time when the legislators are not in session), the LEOFF 2 Board decided to hold a series of presentations at Board meetings to inform stakeholders about the proposal, discuss the questions

raised and provide all the plan stakeholders with an opportunity to provide input.

There were presentations at the May, June, and July meetings and further presentations are scheduled for September. All these presentations are available on the Board website. The Board continues to ask questions and educate ourselves on this important subject. At this time the board has not taken action on any potential recommendations, and if that were to occur, it would most likely be in November or December. Any legislation proposed in 2022 that affects LEOFF Plan 2 will be reported on the Board’s website.

The Board has been evaluating benefit improvements for some time and we want to make sure that any change to the plan is well thought out and is sustainable. The great work done by the Board (past and current) as well as the entire LEOFF 2 team in Olympia has ensured the financial health of LEOFF Plan 2. The collective efforts of many has allowed us to consider using the extraordinary investment returns since 2009 to improve the plan benefits for current members and recognize retirees for their past contributions.

We continue to work on many other issues and would encourage you to check out the LEOFF 2 website at www.leoff.wa.gov. Thanks to all of you for the work that you do each day.

We wish you well, be safe!

RETIREE RESOURCES

Did you know that the Department of Retirement Systems (DRS) has a webpage for retirees? They do!

Visit www.drs.wa.gov/retirees to update your address, find tax forms, and more.

Want to know when your next pay day is? It’s there! Getting a divorce? Yep, that’s there too. Need more information about PEBB health insurance? You’ll find a link there. Check it out today!

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

IN THIS ISSUE

Chair Article	1
2020 Legislative Report.....	2
DRS Online Resources.....	2
Dual Membership Benefits.....	3
2021 Cost-of-Living Adjustments.....	3
Contribution Rate Changes.....	3
Retiree Resources.....	4
Board and Contact Information.....	4

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.



2021 LEGISLATIVE REPORT

There are three issues that the Board is working on this interim in coordination with the Select Committee on Pension Policy For more information and to stay up to date on bills impacting LEOFF 2, visit www.leoff.wa.gov.

INTERRUPTIVE MILITARY SERVICE CREDITS

Under current law, no-cost interruptive military service credit is only awarded for interruptive service that was during a period of war, or during a specified conflict for which they earned a campaign badge or medal. In 2020, the legislature directed the LEOFF 2 Board to complete a study of interruptive military service credit for LEOFF Plan 2 members and the impact of expanding fully subsidized service credit eligibility to those members who have been awarded an expeditionary medal.

This interim the Board is planning on making a recommendation to the legislature for the upcoming 2022 session on whether to expand interruptive military service credit or not.

ROTH 457

Many LEOFF 2 employers offer LEOFF 2 members the option of making contributions to the State’s Deferred Compensation Plan (DCP). DCP is a tax qualified 457 plan and allows members to make pre-tax deferrals. Some 457 plans allow members to make deferrals after taxes have been paid. These after-tax contributions are call “Roth” contributions. Roth contributions to a 457 plan, along with investment returns on those contributions, are not taxed when a member withdraws them from the plan, so long as the withdrawal is a qualified distribution. The State does not include a Roth option in its DCP plan. This interim the LEOFF 2 Board is studying the benefits and concerns with offering a Roth option and whether to recommend legislation that requires that the State offer a Roth option for DCP members.

SURVIVOR OPTION REELECTION

During the 2020 Legislative Session, the LEOFF 2 Board endorsed legislation to allow LEOFF 2 retirees up to 90 calendar days after the receipt of their first retirement allowance to change their survivor election. The legislation does not take effect until the state receives determination from the IRS that these changes conform to federal law. The LEOFF 2 Board worked with the Department of Retirement Systems to request a ruling from the IRS on whether this legislation conforms with federal tax law. The LEOFF 2 Board expects to receive a ruling from the IRS prior to the 2022 legislative session and may recommend changes to the legislation based on the IRS ruling.

RETIREMENT

RETIREMENT SEMINARS

Per guidance from local health and government officials, these half-day sessions are currently available as live online webinars ONLY.

Visit www.drs.wa.gov/life/retire/seminar for a listing of webinars available and a sample agenda.

LIVE WEBINARS

A variety of information can be found in these webinars including:

- Purchasing Service Credit or an Annuity
- Applying for Retirement
- Payment Options
- Social Security Basics and more

Register online at: www.drs.wa.gov/webinars

MID CAREER CHECK

Get on track, or learn how to stay there with a variety of online resources for things that impact mid-career employees. Such things may include:

- Marriage or Divorce
- Death
- Leaving Employment
- Returning to Work and more

www.drs.wa.gov/life/mid

BENEFITS OF DUAL MEMBERSHIP

If you are or have been a member of LEOFF Plan 2 and also employed in another Washington public service retirement system at some point, then you may be considered a dual member.

It doesn’t matter if your “other” public service position was held before or after your LEOFF 2 position or for how long you held the position. What matters is that in addition to your LEOFF 2 retirement, you also contributed to one of the qualifying plans (PERS, TRS, SERS, PSERS, WSPRS, or a first-class city retirement system); have not withdrawn your contributions to those plans or retired from those plans; and are not receiving disability leave benefits.

No matter what your circumstance, dual membership is a benefit. Should you choose to defer your benefit from the first system in which you were employed, dual membership allows members to combine service credit from both plans for vesting purposes. Additionally, your highest salary from either plan will be used to calculate your benefit for both plans.

Dual membership offers many options. For example, within 24 months of becoming a dual member, you may restore service credit you previously took out of another dual member system.



You may also choose to retire from one system to become active in another, or defer the previous benefit for a later date, up to full retirement age, and in some cases, you may be eligible for “retroactive retirement”, resulting in a lump sum payment of one plan in addition to your monthly benefit in both plans.

For more information regarding dual membership, including early retirement factors and examples, visit www.drs.wa.gov/publications/member/multisystem/dualmembership.

2021 CONTRIBUTION RATE CHANGES

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 Board.

In 2020, the Board voted to approve new contribution rates based on the results of the new Valuation Report conducted by the Office of the State Actuary and the Board’s rate setting policies.

New contribution rates effective July 1, 2021 are:

- **Member 8.53%**
- **Employer 5.12%**
- **State 3.41%**

NEW COLAS, EFFECTIVE JULY 1, 2021

Each year, the Office of the State Actuary calculates the LEOFF Plan 2 Cost-of-Living-Adjustments (COLA) at the request of the Department of Retirement Systems. Here are the 2021 results:

Retirement Dates	Adjustments
July 2, 2020 to July 1, 2021	0.00%
January 1, 2020 to July 1, 2020	1.90%
July 2, 2019 to December 31, 2019	3.00%
January 1 2019 to July 1, 2019	1.90%

Remember, because of COLA banking, your retirement date has little to no impact on your benefit. To learn more about this go to the Board Videos page under Quick Links at www.leoff.wa.gov.

More COLA information can also be found at www.drs.wa.gov/COLA.