



Historic Duty Disability Information Briefing

May 18, 2022

Purpose

- To provide a historical briefing on the development of duty disability benefits for LEOFF Plan 2 members

Duty Disability

- **Prior to 2004, there were no duty-related disability benefits in LEOFF 2. Disabled members had 2 options for retirement:**
 - **Receive a monthly benefit actuarially reduced for early retirement from age 53 to the age at disability, or**
 - **Withdraw their accumulated contributions and forego any future benefit**

First Duty Disability Benefit

- **HB 2418 (2004)** – Created a minimum disability benefit for members disabled in the line of duty
 - A monthly benefit equal to **10%** of the member’s FAS, plus **2%** of the FAS for each year of service beyond 5 years
 - **10%** minimum benefit is not taxed
 - **Standard** – “No longer able to perform the duties of a law enforcement officer or fire fighter.”
 - “**Line of duty**” was presumed to be synonymous with “in the course of employment” for Labor & Industries benefits

Additional Duty Disability Benefits

- **SSB 5615 (2005)** – Eliminated the early retirement actuarial reduction for the monthly benefit
- **HB 1678 (2009)** – Retroactive eligibility for minimum benefit for duty disabled retirees
 - Members would receive the minimum duty disability monthly benefit equal to **10% of FAS**, plus **2% of FAS per year beyond 5 years**
 - Minimum benefit is not taxed

Catastrophic Disability Benefit Created

- **HB 2932 (2006) – Created a higher tier of disability benefit for members *totally disabled* in the line of duty**
 - A monthly benefit equal to 70% of the member's final average salary
 - 70% of FAS is not taxed
 - If needed, disability benefit is offset by worker's compensation and social security benefits so that that combined benefits do not exceed 100% of final average salary
 - The standard for “Unable to perform any substantial gainful employment” mirrors federal social security disability standard
 - The retiree is subject to ongoing comprehensive medical exams and financial reporting requirements in order to verify continuing eligibility

Additional Catastrophic Disability Benefits

- **EHB 1679 (2010)** – Provided reimbursement for medical insurance premiums
 - Covers employer-provided medical insurance, continuing medical benefits from employer (COBRA), Medicare Parts A&B
 - Expanded in 2013 to include private insurance subject to COBRA limits

Administration of Benefits Evolved

- DRS has worked with the Board over the past 18 years as they developed rules and policies for administering both duty and catastrophic disability benefits
 - What is the definition of “line-of-duty”?
 - DRS disagreement with Board in 2012
 - How is the standard applied?
 - Ad hoc third-party review by medical experts beginning in 2007
- The Court of Appeals determined in *Shaw v. DRS (2016)* that “Line of Duty” for LEOFF 2 benefits and “In the Course of Employment” for Labor & Industries benefits are synonymous in accordance with prior LEOFF 1 cases
- Current policies include independent third-party medical review of cases where DRS is considering a denial of the member’s application (2017)

Conclusion

- LEOFF 2 members who are disabled in the line of duty currently have a comprehensive set of benefits recognizing the severity of their disability
- LEOFF 2 duty disability are currently administered according to rules and policies adopted by DRS in conjunction with the Board to ensure that members receive the appropriate benefits
- There was a period of time from 2007 to 2017 where duty disability benefits were not administered under current procedures



Thank You

Steve Nelsen, Executive Director

(564) 999-1282

steve.nelsen@leoff.wa.gov