



Catastrophic Disability Survivor Benefit

Final Proposal

December 17, 2025

Issue

- **There are policy inconsistencies with the administration of joint and survivor (J&S) benefits for survivors of catastrophic disability retirees compared to J&S benefits for other LEOFF 2 survivors.**

Inconsistencies with Administration of Benefits

- 1. Line of duty deaths for active-duty members are treated differently than line of duty deaths that occur in retirement.**
 - Fully subsidized survivor benefit for active duty LODD only.
- 2. J&S benefits for catastrophic disability retirees are not always calculated based on the pension that the retiree is receiving.**
 - Those who receive the 70% benefit have their survivor benefit calculated on duty disability benefit instead.

Survivor of LODD J&S Benefit

- RCW 41.26.510(4) - The retirement allowance of a member who is killed in the course of employment, as determined by the director of the department of labor and industries [...] is not subject to an actuarial reduction for early retirement as provided in RCW [41.26.430](#) or an actuarial reduction to reflect a joint and one hundred percent survivor option under RCW [41.26.460](#). [...]
- This benefit has only been provided to survivors of active-duty line of duty deaths, not line of duty deaths that occur in retirement.

Background Info/Data

Catastrophic Disability is the higher benefit of:

- **Duty disability benefit, or**
- **Minimum Benefit - 70% FAS**
 - **Offsets for Worker's Compensation and Social Security Disability (total benefits are not more than 100% AFC)**

67 Catastrophic Disability Retirees

- **23 receiving the 70% minimum benefit**
- **44 receiving the duty disability benefit**

Policy Background

- Catastrophic Disability benefit passed in 2006.
- Initial DRS Policy: Survivor benefit was based on the catastrophic benefit (higher of 70% AFC or duty disability benefit).
- Current Policy: Survivor benefit is now based on duty disability benefit (same as survivor benefit for a line of duty death).
 - 2014 DRS decision paper resulted in current practice
 - DRS planning on putting current policy into Rule

Provision 1 - Survivors of Retiree Duty-Death

- For LEOFF 2 retirees who pass away from duty-related causes, this provision would:
 - Provide their survivor with a 100% J&S benefit
 - Remove any associated actuarial reduction that was applied to the member's benefit for electing a J&S benefit or retiring early; and
 - Provide survivors receive a refund of any past benefit reductions the retiree may have incurred since retirement.

Provision 2 – Survivors of Cat Disability Retirees

- For LEOFF 2 survivors of retirees who receive a catastrophic disability benefit and elected a J&S payment option, this provision would:
 - Calculate the survivor benefit as the greater of the member's duty-disability benefit or 70% of the member's FAS.
 - If the retiree's death is determined duty-related, as per Provision 1, the J&S factor reduction and continuation percentage is removed, and the survivor receives a refund of any past benefit reductions.

Actuarial Pricing

Survivor Benefits Pricing Results			
<i>(Dollars in Millions)</i>	Provision 1 - Survivors of Retiree Duty-Death	Provision 2 - Survivors of Catastrophic Disability Retirees	Total
Change in Present Value of Benefits	\$4.1	\$2.6	\$6.7
Unrounded Employee Rate Impact	0.006%	0.004%	0.009%
Rounded Employee Rate Impact*	0.01%	0.00%	0.01%

**We use the rounded Aggregate contribution rate impact when calculating a supplemental rate. Employers and the state pay 60% and 40% of this rate, respectively. The total contribution rate impacts from this proposal would result in 0.01% charged to employees and employers. If this proposal becomes a bill, our corresponding fiscal note will capture the current and next biennia fiscal impacts to GF-S / Local Employer budgets, along with an estimate of 25-year costs.*

DRS Draft Fiscal Note

	2025-27 Biennium		2027-29 Biennium		2029-31 Biennium	
	<i>7/1/25-6/30/26</i>	<i>7/1/26-6/30/27</i>	<i>7/1/27-6/30/28</i>	<i>7/1/28-6/30/29</i>	<i>7/1/29-6/30/30</i>	<i>7/1/30-6/30/31</i>
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
FTE Staff Years	<i>(FTEs will be taken from the table in Part III.B below.)</i>					
A-Salaries and Wages	\$42,000	\$21,000				
B-Employee Benefits	\$13,000	\$6,000				
C-Personal Service Contracts	\$33,000	\$16,000				
E-Goods and Services						
G-Travel						
J-Capital Outlays						
N-Grants, Benefits and Cl Svcs						
P-Debt Service						
S-Interagency Reimbursement						
Total:	\$88,000	\$43,000	\$0	\$0	\$0	\$0
	\$131,000		\$0		\$0	

DRS Rule-Making

- DRS was going to start rule-making on this issue, but put it on hold while LEOFF 2 Board studied topic
- Rule-making process allows for public comment

Board Action

- 1. Endorse bill draft**
- 2. Direct staff to provide written comment identifying concerns to DRS for rulemaking process**
- 3. No further action**



Thank You

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