

## Handout: Decision on Initial Reports

- 1. Definition of Child** - The LEOFF definition of “child” excludes children adopted after retirement from eligibility for benefits.
- 2. Out of State Duty** - Members who are injured while responding to an emergency out of their jurisdiction are not entitled to LEOFF 2 duty disability or duty death benefits.
- 3. Disabled Members Return to Work** - Disability benefits for members who recover from their disabilities are ambiguous if their previous employer refuses to hire them back.
- 4. PEBB Coverage for Catastrophic Retirees** - Catastrophic disability retirees and their survivors have different medical insurance access than survivors of members killed in the line of duty.
- 5. Standby Pay as Earnable Compensation** - Standby pay is not part of basic salary (reportable compensation) used in computing LEOFF Plan 2 contributions and pensions.
- 6. Career Change Alternatives** - Since the passage of the Board’s 2005 career change law, multiple issues have surfaced related to employers’ interest in hiring LEOFF retirees into LEOFF positions.
- 7. Survivor Option Election** - It may be considered unfair to have a member make their irrevocable retirement election for a survivor option without all the information that is important to them.
- 8. Occupational Disease Benefits** - Certain medical conditions are presumed to be duty-related for Worker’s Compensation and LEOFF Plan 2 pension purposes. Legislation was proposed in the 2018 session that sought to expand coverage of duty-related presumptions. This bill did not pass.
- 9. Spousal Consent Requirement** - Under current law, a member who is retiring under LEOFF Plan 2 must provide written consent from their spouse for any survivorship option the member selects – except in the case of a joint 50% survivorship option. This means that a spouse must provide written consent even when his or her survivor benefit would be greater than 50%.
- 10. Month-of-Death Retirement Payments** - In the month a retiree or survivor passes away, the Department of Retirement Systems prorates the last month benefit payment based on the number of days the person was alive in the month. Frequently this results in an invoice being sent to the family or estate to collect any amount that should have been prorated.



# Decision on Initial Reports

July 25, 2018

# Issue

- The Board must determine which initial report issues to receive comprehensive reports on during the 2018 interim.

# 1. Definition of Child

- The LEOFF definition of “child” excludes children adopted after retirement from eligibility for benefits.
  - The widow of a LEOFF Plan 1 disability retiree who adopted children after retirement, contends the exclusion of her children is discriminatory and seeks legislation to include children adopted after the date of retirement within the LEOFF definition of “child.”

## 2. Out of State Duty

- **Members who are injured while responding to an emergency out of their jurisdiction are not entitled to LEOFF 2 duty disability or duty death benefits.**
  - **This issue arose from public safety officers responding to the domestic terrorist attack in Las Vegas.**

## 3. Disabled Members Return to Work

- Disability benefits for members who recover from their disabilities are ambiguous if their previous employer refuses to hire them back.
  - Should DRS continue to pay a disability benefit to members who are no longer disabled?
  - Should DRS be able to bill the employer for the disability payments they made to the member while they were stuck in ambiguity?

## 4. PEBB Coverage for Catastrophic Retirees

- Catastrophic disability retirees and their survivors have different medical insurance access than survivors of members killed in the line of duty.
  - Catastrophic disability retirees/survivors do not have access to benefits through PEBB unless they were already receiving PEBB benefits through their employer.

## 5. Standby Pay as Earnable Compensation

- Standby pay is not part of basic salary (reportable compensation) used in computing LEOFF Plan 2 contributions and pensions.
  - Standby pay is reportable compensation for pension purposes in PERS and PSERS.

## 6. Career Change Alternatives

- Since the passage of the Board's 2005 career change law, multiple issues have surfaced related to employers' interest in hiring LEOFF retirees into LEOFF positions.
  - The Board's intent of the 2005 career change law has been circumvented in some instances through LEOFF retirees returning to work into traditionally LEOFF positions, while receiving their pension.
  - Some employers, especially in rural areas, are having difficulty recruiting qualified law enforcement officers and fire fighters.

## 7. Survivor Option Election

- It may be considered unfair to have a member make their irrevocable retirement election for a survivor option without all the information that is important to them.
  - Members must select a survivor option at the time of retirement and can not change that decision even if the amount of their benefit changes.
  - A policy reason for a member not being able to change their survivor option is mitigating anti-selection risks.

## 8. Occupational Disease Benefits

- Certain medical conditions are presumed to be duty-related for Worker's Compensation and LEOFF Plan 2 pension purposes. Legislation was proposed in the 2018 session that sought to expand coverage of duty-related presumptions. This bill did not pass.
  - Makes the occupational disease presumptions for certain fire fighters applicable to certain emergency medical technicians and public employee fire investigators.
  - Adds additional cancers to the cancer occupational disease presumption.
  - Creates an occupational disease presumption for heart problems and infectious diseases for law enforcement officers.

## 9. Spousal Consent Requirement

- Under current law, a member who is retiring under LEOFF Plan 2 must provide written consent from their spouse for any survivorship option the member selects – except in the case of a joint 50% survivorship option. This means that a spouse must provide written consent even when his or her survivor benefit would be greater than 50%.

## 10. Month-of-Death Retirement Payments

- In the month a retiree or survivor passes away, the Department of Retirement Systems prorates the last month benefit payment based on the number of days the person was alive in the month. Frequently this results in an invoice being sent to the family or estate to collect any amount that should have been prorated.



**Thank You**

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