

→ **SCPP • 2016 MERGER STUDY** ←

**ABOUT THIS
REPORT**



2016 SCPP Merger Study

About This Report

Study Mandate/Budget Proviso

The 2016 Supplemental Operating Budget¹ requires the SCPP to study:

- ❖ A merger of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1/Teachers' Retirement Systems (TRS) Plan 1 (SB 6668).
- ❖ A merger of the LEOFF 1/LEOFF 2 (update of 2011 Merger Study Report).

This includes analysis of implications in the following areas:

- ❖ Tax.
- ❖ Legal.
- ❖ Fiscal/Actuarial.
- ❖ Policy.
- ❖ Administrative.

The proviso also requires the SCPP to receive stakeholder input. The responses have been compiled, and are available on the SCPP [Merger Study webpage](#).

Report Structure and Process

To meet the requirements of the study proviso, the SCPP requested the assistance of the Attorney General's Office, the Department of Retirement Systems, the LEOFF 2 Board, and the Office of the State Actuary.

The letters sent to the various agencies are in the appendix of this report, and are available on the [Merger Study webpage](#).

The SCPP received the following briefings, all of which are available on the [Merger Study webpage](#):

- ❖ May.
 - ◇ Initial briefing.
- ❖ June.
 - ◇ Receive work plan.

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¹ [2ESHB 2376](#), (Chapter 36, Laws of 2016, Section 106).

- ❖ July.
 - ◇ Receive preliminary stakeholder input.
- ❖ September.
 - ◇ Receive final version of compiled stakeholder input.
- ❖ October.
 - ◇ Receive preparation updates on each section of report.
- ❖ November.
 - ◇ Receive updates and a draft of the report.
- ❖ December.
 - ◇ Receive final report.

At the request of stakeholders, a dedicated [Merger Study webpage](#) was created within the SCPP website.

Also at the request of stakeholders, previews of SCPP meeting materials were made available in advance of the meetings whenever feasible.

As one means of fulfilling the requirement of soliciting stakeholder input, the SCPP sent a link to a web survey, and invited interested stakeholders to participate via the web, or emails/letters sent to committee staff. The web survey link was sent out on June 28, 2016, and remained open until August 31, 2016.

Altogether, approximately 1,500 responses were received. The responses are compiled on the [Merger Study webpage](#).

The SCPP chair held roundtable meetings with stakeholders on:

- ❖ July 27, 2016.
- ❖ August 30, 2016.

The discussions at these roundtable meetings also informed the compiled version of stakeholder responses.

Stakeholders also offered testimony at most SCPP Full Committee meetings, and SCPP Executive Committee meetings.

Current Bill Status

At the end of the biennium (June 30, 2016), all bills from the 2015-16 Biennium are considered dead including the merger bill (Senate Bill [SB] 6668). However, similar or identical bills can be introduced beginning on the first day of the 2017 Legislative Session. Bills can also be pre-filed now for introduction next session.

All references to SB 6668 in the attached analysis are based on the *original text* of SB 6668 unless otherwise noted, or the context clearly implies

otherwise. However, bills can be amended substantially during session, and it is impossible to speculate on the extent of those amendments in any final enactment.

The bill text, legislative history, staff bill reports, and fiscal notes can be found [here](#).