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STATE OF WASHINGTON

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

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November 2, 2010

Select Committee on Pension Policy
C/O The Office of the State Actuary
Post Office Box 40914
Olympia, Washington 98504-0914

Dear Honorable Members of the Select Committee on Pension Policy:

On behalf of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF 2 Board), I would like to request joint coordination with the Select Committee on Pension Policy (SCPP) on legislation for the issue of Furloughs during the 2011 legislative session.

Furloughs

LEOFF Plan 2 members, as well as other retirement plans (PERS, TRS, SERS, PSERS, and WSPRS) may have their retirement benefit adversely affected because of salary reductions as a result of the current economic condition if it occurs during their final average salary (FAS) period.

Furloughs are one short-term option for solving budget shortfalls. For LEOFF employers furloughs may not be a viable option since police and fire stations cannot be shut down for a day. For these employees, budget shortfalls may be met through salary reductions such as across the board salary reductions or forgoing cost of living adjustments or pay increases previously negotiated. However, the impact to the member's retirement benefit is no different than a furlough. Therefore, any legislation should include these types of salary reductions as well.

Please feel free to contact me or Steve Nelsen, LEOFF Plan 2 Board Executive Director, should you have any questions or would like additional information. Steve can be reached at (360) 586-2323 or steve.nelsen@leoff.wa.gov, and I can be contacted at (360) 943-3030 or pres@wscff.org.

Thank you for your consideration. We look forward to working with you.

Sincerely,


Kelly Fox, Chair

cc: Matt Smith, State Actuary