



STATE OF WASHINGTON

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

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November 30, 2012

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 excess compensation during the 2013 legislative session.

Excess Compensation

LEOFF Plan 2 employers, as well as employers in other state-administered retirement plans (PERS, TRS, SERS, PSERS, and WSPRS) may be billed for certain types of payments that occur during a plan member's final average salary (FAS) period.

The Select Committee on Pension Policy had a hearing in November on an excess compensation proposal identical to HB 2441 from the 2012 session. The LEOFF 2 Board held a hearing at their November meeting on this same proposal.

It is my understanding that the Select Committee on Pension Policy decided to develop an alternate proposal for public hearing and possible executive action at the December SCPP meeting. This creates several concerns for LEOFF stakeholders and the LEOFF 2 Board regarding coordination of this issue. Since there is no bill language yet for this alternate proposal, there is not sufficient time to conduct an appropriate level of review and analysis prior to the 2013 legislative session. The LEOFF 2 Board's operating policies require a thorough written analysis, at least 2 public hearings and a fiscal note from OSA before the Board endorses proposed legislation.

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 of these important issues.

Sincerely

A handwritten signature in black ink that reads "Kelly L Fox".

Kelly Fox, Chair

cc: Matt Smith, State Actuary