

Halverson, Beth

From: Office State Actuary, WA
Subject: FW: SCPP LEOFF 1 Merger Study Stakeholder Survey
Attachments: AWC LEOFF 1 Merger Survey Memo.docx

From: Candice Bock [<mailto:CandiceB@awcnet.org>]
Sent: Wednesday, July 13, 2016 11:00 AM
To: Conway, Sen. Steve <Steve.Conway@leg.wa.gov>
Subject: SCPP LEOFF 1 Merger Study Stakeholder Survey

Senator Conway,

Thank you for the opportunity to provide input to the stakeholder survey. I wanted to share with you AWC's feedback directly in the attached memo. Please feel free to contact me if you have any questions.

Candice Bock

Government Relations Advocate
Association of Washington Cities
1076 Franklin Street S.E. Olympia, WA 98501-1346
(360) 753-4137 (office)
(800) 562-8981 (toll free)
CandiceB@awcnet.org

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July 13, 2016

To: Senator Conway, Chair, Select Committee on Pension Policy

From: Candice Bock, Government Relations Advocate

RE: LEOFF 1 Merger Stakeholder Survey

Thank you for the opportunity to provide input to the LEOFF 1 merger study through the stakeholder survey. AWC has completed the survey. We have also provided the information to our member cities who have an interest in the LEOFF 1 retirement system and encouraged them to complete the survey as well.

While AWC's Board has not yet taken a position on a potential merger, we have identified several areas where we would like more clarification as well as some areas where we believe cities will want assurances that any merger will not create new negative fiscal impacts. Below is an overview of our answers to the survey questions.

Questions we would like to see addressed:

- Would a merger destabilize the fund in a manner that would require new contributions into the fund; and would cities be expected to fund those contributions?
- What are the legal issues surrounding a merger and what would it take for a merger to be approved by the IRS?

If the Legislature proposed a plan merger, what CONCERNS would you like to see addressed?

- With a merger, a proportional amount of surplus funds that that represent the amount attributed to employer LEOFF 1 contributions (approximately 11%) should be returned to employers to help offset the costs of LEOFF 1 medical benefits.
- What guarantee will there be that a merger will not include any new benefits that would increase the employer contribution rates?
- What guarantee will there be that the State will not seek additional contributions to cover any costs of LEOFF 1 pensions in the future regardless of the state of the fund?

If the Legislature proposed a plan merger, what general comments would you have?

There should be clear caveats that any payout of funds to retirees or employers be conditioned on the final legal approval of a merger by the IRS and that if the merger was overturned by legal action that the payouts would also be overturned. Additionally, no funds should be merged without full legal vetting and IRS approval.

Additional Comments:

Cities as LEOFF 1 employers made significant contributions to the fund between 1970 and 2000. Approximately 11% of the total funds contributed are attributable to employers. Additionally, LEOFF 1 employers have retained significant unfunded liability for medical benefits for LEOFF 1 retirees, with no significant dedicated funding source to offset the costs. The Actuary's most recent study estimates that liability at \$3 billion. Any changes to the LEOFF 1 retirement plan should take into account the significant unfunded liability that cities have for medical benefit costs.

From: [Charles Bown](#)
To: [Office State Actuary, WA](#)
Subject: Proposed LEOFF 1 changes
Date: Wednesday, July 6, 2016 4:17:10 PM

I am a retired LEOFF 1 member, and former Deputy Chief of the Spokane Police Department. I have some concerns about proposed mergers between LEOFF 1 and one or more other retirement systems within Washington State.

Chief amongst my concerns is that, while several of the retirement systems have similar provisions and procedures, LEOFF 1 has been, and continues to be, unique in a number of ways. The local Boards have always consisted of a balance of members who are required to examine the unique risks and situations of the law enforcement community. I am concerned that any merger with non-LEOFF 1 retirement systems will substantially diminish local Boards' ability to fairly and examine and administer the provisions of the existing LEOFF 1 retirement system.

LEOFF 2 was created in 1977, and was immediately seen by those of us in the law enforcement profession as being woefully inadequate to serve the needs of police and fire fighters. Members of LEOFF 1, along with their employing agencies, worked with the legislature for many years to address those shortcomings. Improvements were made, and the majority of those affected by the changes acknowledged that LEOFF 1 was generous when it was enacted, and that some of the benefits created in 1970 would not be replicated in future retirement systems.

Nonetheless, improvements were made to post-LEOFF 1 retirement systems; and, at the same time, existing promises enacted in 1970 to LEOFF 1 members were honored. Agencies and individual employees made long range (indeed life-long) plans based on the promises made in 1970.

I worry now, when very few LEOFF 1 members remain actively employee, and when more LEOFF 1 members are deceased rather than living, that a merger of LEOFF 1 with any other retirement system, will leave those remaining, living LEOFF 1 members under represented and at risk of having their previously guaranteed benefits eroded. A merger appears to me to be a first step in removing, or at least jeopardizing, a secure future for LEOFF 1 members.

I was 22 years old when I signed a contract with the citizens and government entities within Washington State to serve the public needs as a law enforcement officer. I spent 29 years fulfilling my oath. I've been retired for 15 years and now I fear that the Legislature will change the rules, and raid the pension to which I contributed funds just as I reach the point in my life when I foresee an increased risk that I will need medical services and advanced end-of-life care. The legislature needs to examine the past promises made to real human beings, rather than look for an easy way to balance a budget and risk renegeing on those to whom promises were made.

I urge members of the Committee to consider the promises made in 1970, and to continue to honor those promises.

Sincerely,

Charles D. Bown
LEOFF 1 (Retired)

From: kbusz@comcast.net
To: [Office State Actuary, WA](#)
Subject: SB6668 statement
Date: Sunday, July 3, 2016 10:10:08 PM
Attachments: [Statement to address Senate Bill Report 6668.docx](#)

Attn: Kelly Burkhart

Would you give this statement re SB6668 to the SCPP. Thank you.

Kay Busz

Statement to address Proposed SB6668 June 21, 2016:

From DRS (Dept. of Retirement's web site) Public Pensions in Washington:

There are a total of 8 public pension funds for state and local government employees administered by the state, with 15 different plans within those systems. TRS Plan 1 (Teachers Retirement System) TRS Plan 2, TRS Plan 3. PERS Plan 1,2 SERS (School Employees Retirement System) PSERS (Public Safety Employees Retirement System) LEOFF Plan 1,2 (Law Enforcement Officers Fire Fighters) etc.

In a nutshell, it states “most of the public pension plans are designed to be prefunded, which means they accumulate the assets needed to pay a member’s retirement benefits during the members working years. Both public employers and their employees contribute to their retirement plans. The amounts they contribute are calculated as a percentage of the employee’s pay. Some are set by statute, but for the most, the Legislature can adjust the rates, as needed. The Washington State Investment Board collectively invests the contributions and the earnings on those investments help to fund the plans.

The Office of the State Actuary (OSA) performs a valuation of the retirement plans every other year, studying the experience of each and analyzing the effects of anticipated economic and demographic changes. In the valuation. OSA determines how much money must be contributed annually to pay for the benefits members are expected to earn during their public service.

OSA’s recommendations then go to the Pension Funding Council, which is responsible for evaluating and adopting employee and employer contribution rates (subject to review by the legislature).

A plan with assets that equal its liabilities is termed fully funded. Any gap between the benefits earned and a retirement plan’s assets is referred to as an underfunded liability. A plan with unfunded liability is considered underfunded.

Overall, the Washington state retirement plans are in solid funding position. **Only two of the state’s large retirement plans – PERS Plan 1 and TRS Plan 1 – have**

underfunded liability. Both of are now closed (presuming no new members and new school employee become members of SERS.

In 1989, the Legislature enacted a POLICY THAT REQUIRES BRINGING THOSE PLANS (TRS 1 & PERS 1) TO FULLY FUNDED STATUS BY THE YEAR 2024.

From OSA web site:

OSA MADE A RECOMMENDATION IN THEIR 2015 REPORT TO THE LEGISLATURE TO CONTINUE WITH THE 10 YEAR PLAN TO HAVE TRS-1 AND PERS-1 FULLY FUNDED BY 2024. See p 44

SB6668 is in violation of the following:

Washington State Constitution:

Article II, Section 23. Which states, “No bill of attainder, ex post facto law, or law impairing the obligations of contracts shall ever be passed”.

In merging two entirely different pension plans would pose substantial issues with the IRS’s “exclusive benefits” rule, which may threaten the tax qualified status of the plans as well as the ultimate validity of the legislation.

1989 Legislative Policy enacted to have TRS 1 and PERS 1 fully funded by 2024.

Question?

Why not combine TRS Plan, PERS Plan and SERS they are all School Employees Retirement Plans. With all these plans combined into one plan, wouldn't the oversight for contribution and adjustments to those contributions be more transparent? Plans could retain their own identity within the umbrella of one fund but total of fund would look closer at being fully funded than TRS 1 and PERS 1 do now.

Makes more sense than raiding the LEOFF Plan 1 to bail out TRS 1 and PERS 1.

Question?

Why are you choosing to ignore your "expert" OSA agency's recommendation and your own policies?

Note Re: Policy enacted by the Legislature in 1989 to get TRS 1 & PERS 1 fully funded by 2024.*

As late as 2015 recommendation of OSA was to continue the 10 year rolling plan and increase the contributions to meet the expectations of the 1989 policy passed by the legislature to have TRS1 and PRS1 fully funded by 2024.

Question:

How did TRS Plan 1 and PERS Plan 1 get so out of whack? Where was the administration oversight? OSA conducted an audit every two years and made recommendations to the Pension Funding Council; to bring these two plans closer to being fully funded.

My guess is at some point in time adequate contribution, or corrective contribution measures weren't taken in a timely manner to keep either of these funds on the path to be fully funded. Why not?

Question:

Why the proposed SB6668 is worded that LEOFF Plan 1 is merging into the TRS Plan 1 and once that is said and done. Will be known as "Plan 1". basically the LEOFF 1 benefits remain intact with a few exceptions i.e. \$5000.00 "carrot payout" to each individual member and the total funded ratio.

Could it possibly be; because there are only about 1300 LEOFF Plan 1 members retired or about to be + any spouses left (That's a defined number) God only knows how many teachers there will be when the last LEOFF 1 member/pension recipient dies. At that time (if merged) will all the monies remaining from LEOFF 1 and/or spouse; remains in the now newly formed Plan 1 System?

What if? LEOFF 1 would like to see any and all remaining monies left in their pension fund after the last payment is made; be rolled over to the LEOFF 2 pension plan .That would be the decent and fitting thing to do and resolve the ongoing attempt; currently taking place; of merging those two pension plans. Police and firefighters paid into it, kept vigilance on the funds and contributed a higher rate to that pension to keep it fully funded.

The very nature of a firefighter and policeman's occupation is a stressful, dangerous, hazardous, life threatening occupation on a daily basis and certainly cannot be thought of in the same vein as the responsibilities of a teacher's.

So leave our pension alone. We do not want to merge! *Take the advice and recommendation of OSA, follow your already established policy, make the adjustments needed (employees and/or employers contributions) to make TRS Plan 1 and PERS Plan 1 fully funded by 2024.*

MY OPINION:

The state is trying to merge LEOFF 1 pension into TRS 1 to reduce their (the state's) contributions to the TRS 1 pension. (Which the state is then reporting as a huge savings (*See Sen. John Braun R article, March 8, 2016 Peninsula Daily News) - It's not a huge savings; they are raiding the LEOFF 1 monies to make up for their inadequate contributions to that fund in the past, and the state's future contributions. The state is in violation of their own Policy they enacted in 1989 requiring the TRS 1 and PERS 1 pension plans be fully funded by 2024.

Nowhere does it say Police and Fire-fighters will make a "TRS Plan 1 and PERS Plan 1 "fully funded" happen by donating their pension fund to that cause.

The attorney for Washington State Council of Firefighters; "Simply stated, the bill takes money reserved exclusively for LEOFF Plan 1 members and allows it substitute for state contributions to TRS Plan 1

Senator Hargrove stated he could not support this bill Feb. 2016. We cannot support this proposed SB6668 either. Not only is it not a viable solution to the TRS-PERS 1 pension plans underfunding problem. So many rules, policy, and constitutional law is being broken, it defies reason.

When I read what Sen. John Braun R-Centralia, told reporters in February 2016 "that merging the two plans is more efficient. When you put them together the net payments to reduce our (the State) pension liability and it saves money," it saves about \$2 billion over 10 years in taxpayer money." The bill (SB6668) would allow the state to pay of the TRS 1 plan's deficit three years early, Braun said.

Spoken like a true politician.

1. Efficient for whom? Certainly not for the pension fund of Police or Firefighter or their employers.
2. Saves money how? You want to raid our pension to bail out the TRS1 and PERS 1. And then as taxpayers we're to believe that your net payments will reduce the state's pension liability and the state will save \$2 billion dollars

over the next 10 years. I'm sure the Legislature already has a plan on how and where that "savings" will be spent.

3. Instead of following OSA's advice AND RECOMMENDATION to continue the ten year plan to achieve two fully funded pension TRS1 & PERS1...to be paid off by 2024; Sen. Braun is saying they'll be paid off early in 2021; at whose expense? The merged TRS/LEOFF Plan 1 system would have a funded ratio of no more than 88% according to the assets and liabilities published in the most recent actuarial valuations.

I'm with former Sen. Hargrove; "HARGROVE OPPOSES EFFORT TO MERGE PENSIONS". I DO NOT SUPPORT THIS proposed BILL SB6668 EITHER.

LEAVE THE LEOFF 1 PENSION ALONE. QUIT TRYING TO USE MONIES RESERVED EXCLUSIVELY FOR LEOFF PLAN 1 MEMBERS TO BAIL OUT OR ENHANCE OTHER PENSION FUNDS.

Respectfully submitted,

F. Kay Busz

4726 Wishkah Rd.

Aberdeen, WA. 98520

July 3, 2016

RECEIVED

Attn:

JUL 11 2016

Select Committee on Pension Policy

Office of the State Actuary

Attn: Senator Steve Conway, Chair

Dear Senator Conway,

Attached you will find my statement and reasons for opposing SB6668. I attended the hearing held in June and was also confused about the old business of merging LEOFF1 and LEOFF2. I was under the impression that was a dead issue, but apparently it's not.

As you will see in "my statement" I think there is a viable solution to that issue, and as most of the LEOFF 2 firefighters are reasonably young, they won't be retiring for some years to come. At which time our pension membership will be close to its need for benefit compensations to end.

Thank you for allowing the LEOFF 1 members to have input on this very important issue.

The TRS plan 1 and PERS Plan 1 pension underfunding, in my opinion, is not the problem of the LEOFF 1 Firefighters or Police; it is nice to have our pension funded at 127%, but in today's financial ups and downs; we need to have that security, knowing our pension fund is in good shape. As Washington is one of the three states still recognizing Soc. Sec. "Windfall Elimination Provision Act". The LEOFF1 pension is the only income most of us have to live on.

Please follow your own Policy which was enacted in 1989 and follow the 10 year rolling plan to have TRS1 and PRS1 fully funded by 2024, as recommended and still is by OSA.

Don't merge LEOFF Plan 1 Pension fund, leave it alone.

I emailed a copy of this statement to the Actuary Office also.

Respectfully submitted,

The proud wife-mother-mother-in-law and grandmother of Washington State Firefighters.



F. Kay Busz

4726 Wishkah Rd.

Aberdeen, WA. 98520

Statement to address Proposed SB6668 June 21, 2016:

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My guess is at some point in time adequate contribution, or corrective contribution measures weren't taken in a timely manner to keep either of these funds on the path to be fully funded. Why not?

From: [Jerry & Jeanne](#)
To: [Office State Actuary, WA](#)
Cc: [Jerry Taylor](#)
Subject: Leoff 1 Merger & survey
Date: Friday, July 8, 2016 8:24:13 AM

Members of the SCPP,

I have completed your survey regarding the proposed merger of Leoff1 with TRS or maybe Leoff2?

I listed my concerns in the survey but wanted to express my main concern, which is the possible loss of my local Police Pension Board. With my local Board I have local control with retirement and medical issues handled in a timely manner with someone I can talk to face to face. I can't imagine a State Board of any kind being able to give the kind of assistance a local Board can.

In addition to the local control issue, my Board also has their own set of Rules & Procedures that in some cases go beyond medical issues mandated in RCW 41.26, that pertain strictly to the Leoff1 retirees from my Department.

I have not seen any discussion regarding the Leoff1 Pension Boards and how a merger would affect the local Boards.

Thanks for listening,
Gerald R. Chancellor
Retired Leoff1-Aberdeen Police Department

From: [Edd](#)
To: [Office State Actuary, WA](#)
Subject: LEOFF1 Merger
Date: Monday, July 4, 2016 12:49:32 PM

NO, we paid into our system, sorry LEOFF2 is not as good, not my issue.

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Learn from others mistakes, you'll never live long enough to make them all yourself.
Eleanor Roosevelt

From: [Ken Estes](#)
To: [Office State Actuary, WA](#)
Subject: My views towards any LEOFF 1 merger with any other plan
Date: Saturday, July 2, 2016 5:28:13 PM

I believe the Issue Statement created by Mr. Nelsen, of the LEOFF Plan 2 Retirement Board, covers nearly everything wrong with merging any solvent retirement plan with one created by the Legislature that has not been fully funded and in fact would have to use funds from the solvent plan to shore up the unfunded plan. He states this **“creates a number of legal, policy and financial issues”**.

1. Although co-mingled for investment purposes, the funds placed in each plan has always been by the “sponsor” (city/county/etc.), the employee and the state. LEOFF 1 has been fully funded since 2001. Although LEOFF 1 payout may continue until 2040, at that time a remaining balance will forfeit to the state. No changes, no unknowns, no retiree upset, no legal or policy changes.
2. If a merger were to occur between LEOFF 1 and ANY OTHER plan, which was not fully funded, the state would be involved in lawsuits from LEOFF 1 plan members and may be involved by the city/counties whose funds, were then in jeopardy of insufficiency for LEOFF 1 members.
3. The “Sponsor” (city/county/etc.) would no longer be able to count on receiving their share of the remaining funds at time of closure. I would suspect as members and spouses die, the remaining funds would continue to increase (from investments) and may be a very large sum to share with the state. This would disappear in a merger where the solvent plan funds would be drained to cover the insolvent plan.
4. It would be hard to project out what funds may remain, but I believe it to be mathematically possible to determine that figure based on actuarial study. It could be found by 2040, LEOFF 1 surplus at closing to be as large as the fund is today. The city/county/state could see the loss of those funds as being far greater than fully funding the weaker plan with today’s dollars.
5. Page 4 of Mr. Nelson’s June 22, 2016 Briefing states, **“Some state courts have held that the right of plan members to have their plan governed by an independent board of trustees who owe a fiduciary duty to the plan is a BENEFIT of plan, subject to the same legal protections as other plan benefits. THAT QUESTION HAS NOT BEEN DECIDED BY WASHINGTON COURTS”**.
6. He continues on page 5, **“---there is a risk that only the state’s interest will be represented”**. Acknowledged risk, represents factors that could: (a) Continue for years in courts, affecting both plans being merged (b) In a serious down turn of the economy, could put both plans in serious negative fund balance (c) Retirees in their weakest days—unable to work—could see their benefits cut by trustees more interested in keeping the weaker plan solvent—which again put the issue into the court system. Retiree fear can also create litigation.
7. The “Purpose of a Merger” is a “Win-Win” according to Mr. Nelson’s Power point. I see it as a Win-State, Win-Teacher (or other unfunded plan) and a Lose-LEOFF 1. Consider this Retiree as being against any merger with an under (or unfunded) other state retirement plan.

Ken Estes, Sgt, Ret.
Edmonds Police Department
409 E Wilder Hill Ln
Montesano, WA 98563
360-249-6559

July 13, 2016

RECEIVED

JUL 19 2016

Office of the State Actuary

Aaron Gutierrez, MPA, ID
aaron.gutierrez@leg.wa.gov
Senior Policy Analyst
Office of the State Actuary
www.osa.leg.wa.gov
Fax; 360-586-8135
PO Box 40914
Olympia, WA 98504-0914

Dear Aaron,

I am the wife of a deceased Seattle firefighter. I was devastated when I first heard about this plan and thought I would lose my pension and would have to live on \$500.00 month.

I am opposed to joining or merging the two retirement plans. Why would you join a financially sound plan with one that has a large debt? This would be like combining my home, my only asset, and my pension with my grandson who has a large mortgage, a car loan and other debts and who could become injured or laid off of his job.

The LEOFF I Plan is surviving on its earnings. If the earnings drop the plan would become insolvent. There are no contributions going into the plan, even from the working LEOFF I firefighters. Does this make any sense?

I once read in my Retired Firefighters of Washington Newsletter that there was a possibility that the LEOFF I Plan could run out of money prematurely.

This questionnaire is ridiculous, you ask for my opinion but you don't give me any information.

Yes, I believe there are a lot of questions and concerns that should be addressed.

There should be local meetings held to discuss the pro and con thoughts on such an important issue. Many of our people are in their 80's and it is very difficult to get to Olympia.

Please confirm receipt of my letter.

Thank you,

A handwritten signature in cursive script that reads "Joanne Griffith". The signature is written in black ink and is positioned below the typed name.

Joanne Griffith

From: [Bruce Henshaw](#)
To: [Office State Actuary, WA](#)
Subject: LEOFF I & TRS I merger
Date: Saturday, July 9, 2016 4:29:29 AM

I am adamantly opposed to the merger of LEOFF I & TRS I. These pension funds have nothing to do with each other and the lack of funding of TRS I should not be resolved by risking the earned benefits of our police and firefighters. This is an issue that I will be watching very closely.

Thank you,

Bruce Henshaw

Sent from my iPad

From: [Connie Hoyt](#)
To: [Office State Actuary, WA](#)
Subject: Leoff merger study
Date: Friday, July 8, 2016 12:37:34 PM

Website www.osa.leg.wa.gov

Opposed to merger

"

Sent from my iPad.

Constance hoyt

Halverson, Beth

From: wp kantor [<mailto:12kantor1@frontier.com>]
Sent: Wednesday, June 29, 2016 12:26 PM
To: Gutierrez, Aaron <Aaron.Gutierrez@leg.wa.gov>
Subject: RE: Contact Information

Aaron I filled in the survey only to open the second to find that the first wouldn't go through. When I tried to fill in the second one all I could get was a thank you for filling out the survey. In a nut shell I am opposed to a merger. Specifically SB6668 would have Leoff 1 lose interest income Section 14 (4) line 5 and 6 page 24 and 25. On page 27 it removes LEOFF 1 from the list. L1 would also lose its CPI income. The 2024 date is lost. Also using market value funding we are 101% funded in 2014 Bill K

From: Gutierrez, Aaron [<mailto:Aaron.Gutierrez@leg.wa.gov>]
Sent: Wednesday, June 29, 2016 10:50 AM
To: William Kantor (12kantor1@frontier.com)
Subject: Contact Information

Bill,

As requested, here is my contact information. Please let me know if you have any questions.

Aaron Gutierrez, MPA, JD
Senior Policy Analyst
Office of the State Actuary
P.O. Box 40914
Olympia, Washington 98504-0914
<http://osa.leg.wa.gov/>
Phone 360.786.6152
Fax 360.586.8135

"Supporting financial security for generations."

This e-mail, related attachments, and any response may be subject to public disclosure under state law (Chapter 42.56 RCW).

From: [Dorothy Lee](#)
To: [Office State Actuary, WA](#)
Subject: LEOFF I/LEOFFII/TRS PROPOSED MERGER
Date: Wednesday, June 29, 2016 1:13:38 PM

These proposals are completely suspect. This is an attempt to take away money paid in BY THE LEOFF I MEMBERS for the benefit of people who paid NOTHING. Not the fault of LEOFF I members that the Legislature and other policy types made a mess of other plans. It's the old "Robin Hood" approach.

OOPS—I spelled that wrong. It should be ROBBIN' one group to pay an undeserving group. Maybe it should be admitted that a really lousy job was done on the other plans, and try to fix them.

From: [Gary Maxwell](#)
To: [Office State Actuary, WA](#)
Subject: Possible merger between LEOFF-1, and TRS
Date: Wednesday, June 29, 2016 2:42:16 PM

I am a LEOFF-1 retiree. I am vehemently opposed to any merger of LEOFF-1 with any other retirement program. We entered into a contract with the State of Washington, and the respective political subdivision for whom we worked. This is and was a binding contractual agreement and should be honored as it was intended.

I believe the only purpose in merging LEOFF-1 with TRS is to enable them access to funds in our system which we in LEOFF-1 contributed to for our use not other retirement entities !

Gary Maxwell.

Sent from my iPad

From: [Keith May](#)
To: [Office State Actuary, WA](#)
Subject: Study to merge LEOFF 1 with TRS 1.
Date: Wednesday, June 29, 2016 2:22:06 PM

My name is Keith May. I am a retired Sergeant with King County Sheriff's Department. I started my watch on February 5, 1968 and my EOW was in March of 1996.

In February of 1968 I distinctly remember taking an Oath to protect the people of the County of King, and of the whole state for that matter. That Oath required that I stand between any person therein and any harm that might be present. This included possibly you. Perhaps your parents or grandparents. Possibly even included your children. This Oath required that I be willing to forfeit my life to save yours, without hesitation, if called upon to do so. This was a promise I made when I had my badge pinned to my chest.

My career required me to stand in the way of every imaginable threat. I left home to go to work every day with my wife and family never knowing if I was going to come home or not. Would my wife be one to receive that visit from a commanding officer? But I kept my promise, often at great risk to myself, and always with the knowledge that my wife could be left alone to raise my children after she buried me. My guess is that you and your colleagues face no such threat. That is because of me and those brothers and sisters in law enforcement committed to keeping you safe.

The State of Washington, in repayment for our dedication and assumption of the ultimate risk, made a promise to us. It is in the form of LEOFF 1. Over the years I paid into that retirement system with the promise that, when I retired, I could do so knowing that those funds would be there for me and/or my wife and family. Our retirement fund was well-managed and it prospered and no one took advantage of it for years.

Now comes the time when the State of Washington is searching for ways to balance their budget and pay back money to various other funds that it has raided to pay other bills. And they want to take our money by such covert and dishonest means as to try to merge our retirement fund which enjoys a surplus due to good management, with a retirement fund that is broke. And they are trying to tell us that it is such a good deal for everyone.

After nearly 29 years in The Business, do you really think that any of us believe this??? Just how is this supposed to benefit us?

Yes, in 1968 I made a promise to you. I pledged to die for you. And you made a promise to me and my brother and sister officers as well. I ask you, are you going to be the ones to break your promise? No matter how you paint it, or what you call it, **THAT IS EXACTLY WHAT YOU ARE PROPOSING!!!** What would your lives be like back then, or even right now, if members of our law enforcement community decided that the oath they took meant nothing and could be disregarded if the circumstances presented themselves? Think about it. **THINK ABOUT IT!!!**

KEEP YOUR PROMISE TO US! Keep your hands off of our retirement system. We did nothing to cause the shortfall you are trying to fix, so it is not up to us to backfill and bankroll the shortages caused by the State.

Thank you. And keep your promise. Embrace the same sense of honor that we did, and you still expect us to do. Look in the mirror and then think about facing me.

Respectfully:

Keith May (Sgt.)
KCSO Ret.

Sent from my iPad

July 14, 2016

Office of State Actuary
PO Box 40914
Olympia WA 98504
Attn SCPP Merger Study

RECEIVED

JUL 19 2016

Office of the State Actuary

Dear members of SCPP,
I am against the LEOFF-1 pension merger, to be discussed July 19.

LEOFF-1 pension is funded. Won't a merger with any underfunded pension make both pensions underfunded?

Aren't the LEOFF pension funds paid from investment profits? Will the investment climate remain as good? The LEOFF pension fund must be funded until all of its members are deceased.

Sincerely
Nancy Nance
Precinct 27-445

Halverson, Beth

From: Office State Actuary, WA
Subject: FW: Questions For SCPP
Attachments: LEOFF Merger Questions.doc; ATT00001.txt

-----Original Message-----

From: Bud [mailto:budanddar@frontier.com]
Sent: Friday, July 08, 2016 8:01 AM
To: Bailey, Sen. Barbara <Barbara.Bailey@leg.wa.gov>
Subject: Questions For SCPP

Dear Senator Bailey,

I have attached questions for the SCPP.
It would be great if you could respond to this email so I know the email system works.

Thanks,

William NcCorchuk

Questions for the Select Committee on Pension Policy
From William NcCorchuk Battalion Chief Snohomish County Fire District 1
(Retired)

One of my main concerns is that my questions, though important to me, will not be answered by any of the select committee members. If I submit these questions, who will be able to give me the answers?

- 1) The period for questions and concerns was moved to September 2016. Which day in September?
- 2) Last budget session there was an effort to merge LEOFF 1 with TRS 1 but it failed to come to session, Why?
- 3) Last effort for this merger was a Budget Bill not a Pension Bill. Is there a difference? Why was it not a Pension Bill?
- 4) The last go around it was obvious HB 6668 was on a fast track. Can this process slow down so that the message can get out to all of its members.
- 5) Where can I view the time-line for this proposal?
- 6) Who will pick the questions we are submitting to be discussed in Committee?
- 7) Can there be a site set up where all of the questions can be sent and viewed by all who took the time to go through this process? Maybe the best ones listed at the top with answers? Put Steve Nelson's study there along with the document from LEOFF 2 that explains the language of mergers. List of where and when the 5 meetings are to be held before December 2016.
- 8) When did LEOFF 2 decide to get involved in this merger?
- 9) What are LEOFF 2 needs?
- 10) How short is LEOFF 2's retirement system from being solvent?
- 11) What guarantees will be in place so that the LEOFF 1 members will not loose any part of their pension or medical benefits?
- 12) Can their be State Constitutional language addressing the concerns in question 11?
- 13) Is it true the Legislature already voted on a fix for the TRS 1 short fall?
- 14) If TRS 1 and LEOFF 2 want to merge with LEOFF 1 how will that work?
- 15) Will LEOFF 1 now become the lesser of the 3 and make our vote for future changes pointless?

- 16) How will the governance be set up? Who takes the lead role?
- 17) If LEOFF 2 has a funding problem then why can't their contributions be increased to make up the short fall?
- 18) It is a mandate of the State to fully fund our schools. Is that a requirement of the pensions as well?
- 19) The LEOFF 1 retirees were offered a \$5000 signing bonus if they would have signed a document to allow the last merger attempt. If my math is right that would have cost \$37 million dollars, right?
- 20) Where would that money have come from?
- 21) Is it also true there would have been an increase in staffing or additional costs of \$161,000 dollars just to send out the \$5000 to each LEOFF 1 member?
- 22) Where would that money have come from?
- 23) Who will answer the legal IRS and other law questions before any deadlines?
- 24) In the past, have bills been passed before all of the legal opinions were submitted?
- 25) Pension managers are predicting a 3% return on investments. How can the SCPP predict 7.7% return?
- 26) What are the numbers? If LEOFF 2 wants LEOFF 1 money, how much and what are the associated percentages. Same with TRS 1?
- 27) Will LEOFF 1's money go to both LEOFF 2 and TRS 1? How will those numbers break down with associated percentages.

Thanks for the opportunity to submit my questions.

William NcCorchuk
206-755-0128