LEOFF 1 and Prior Act Disability Boards

Issue

Should eligibility for the Law Enforcement and Fire Fighters' Retirement System (LEOFF) Plan 1 disability board or Prior Act pension board membership be expanded to include those who live in the jurisdiction the board serves?

Background

Before the implementation of LEOFF 1 in 1970, law enforcement and firefighter pensions, referred to as Prior Act systems, were administered by local pension boards. When LEOFF 1 was created, the law established LEOFF 1 disability boards. Disability boards determine disability benefits to be paid to LEOFF 1 members.

Only active or retired Prior Act, LEOFF 1, and LEOFF 2 firefighters employed by or retired from the city, county, or fire protection district are eligible to be elected to a pension or disability board. Only those covered by the jurisdiction of the board are eligible to vote. According to the Department of Retirement Systems, there are approximately 3,022 members who may be eligible for a Prior Act pension benefit. The <u>2016 LEOFF 1 Medical Benefits Actuarial</u> <u>Valuation Report</u> indicates 62 active and 5,753 inactive LEOFF 1 members.

House Bill (<u>HB) 2051</u>/Senate Bill (<u>SB) 5920</u> was sponsored in the 2019 Legislative Session. This bill would:

- Expand the eligibility on who can serve on a pension or disability board to any active or retired firefighter or police officer who resides in the city, county, or fire protection district the board serves.
- Establish uniform qualifications around who can serve on Prior Act pension and LEOFF 1 disability boards.

Highlights

- Establishing uniform bill language may add consistency and clarity to the statutes, but may impact local government policies and practices.
- Pension and disability boards can still conduct business and achieve a quorum without elected firefighters/law enforcement officers.
 - ♦ A lack of eligible members to be elected reduces the size of the board, but business could still be conducted.
 - O However, this does not align with the legislative intent of providing for member representatives on these boards.
- Under some circumstances, there may still be no members willing or able to serve on a pension or disability board under this proposal.

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- For example, a jurisdiction with no active or retired firefighters or law enforcement officers willing or able to serve that also has no resident firefighters or law enforcement officers may be unable to elect members to the board.

Committee Activity

The proposal was introduced as HB 2051/SB 5920 in the 2019 Legislative Session but was not enacted. The SCPP studied the issue again at the June and September 2019 meetings this interim and voted to endorse HB 2051/SB 5920 along with the amendment introduced last year.

Recommendation to the 2020 Legislature

Enact HB 2051/SB 5920 and amendment 2051 AMS WM S3080.1 in the 2020 Legislative Session.