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Appendix A

Prior Bills Related to LEOFF 1 Surplus

Since 2000, there have been several bills that addressed the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 expected surplus.

2000:

The 2000 Supplemental Operating Budget¹ modified the LEOFF 1 funding policy to state that no contributions were required from June 30, 2000, onward, unless the most recent valuation study showed that LEOFF 1 had unfunded liabilities.² As a result, no contributions have been made to the plan since 2000.

2001:

A bill was introduced that would close and restate the LEOFF 1 plan.³ This bill would have distributed the surplus in three portions:

- ❖ Members.
- ❖ Local governments (for LEOFF 1 medical benefits).
- ❖ A new reserve fund to ensure actuarial soundness of LEOFF 1.

This bill did not pass.

2011:

Multiple bills were introduced that would have merged LEOFF 1 and LEOFF 2:

¹ [EHB 2487](#) (Chapter 1, Laws of 2000 2nd Sp.S, Section 907).

² This provision was modified in 2007 ([SSB 5174](#), Chapter 492, Laws of 2007, Section 8) to read as follows: No employer or member contribution is required after June 30, 2000, unless the most recent valuation study for law enforcement officers' and fire fighters' retirement system plan 1 indicates the plan has unfunded liabilities. The legislature clarifies the enactment of section 907, chapter 1, Laws of 2000 2nd sp. sess. and affirms the suspension of employer and member contributions to plan 1 of the law enforcement officers' and fire fighters' retirement system, effective June 30, 2000, as provided in this subsection. The legislature intends this 2007 amendment of this subsection to be curative, remedial, and retrospectively applicable to June 30, 2000.

³ [SB 6166](#), 2001.

- ❖ HB 2097⁴.
- ❖ HB 2350⁵.
- ❖ SB 6563⁶.

The bills were largely identical, but please see the actual bills or staff bill reports for details. In general, the bills would have merged the assets and liabilities of the LEOFF 1 and LEOFF 2 plans. In other words, this would have allowed the LEOFF 1 surplus to be used to fund both LEOFF 1 and LEOFF 2 benefits. The bills would also have temporarily reduced the state contributions required for LEOFF 2.

While none of these bills passed, the Legislature included a budget proviso in the 2011-13 Operating Budget that required the Office of the State Actuary (OSA) to study a merger of LEOFF 1 and LEOFF 2.⁷

The resulting *2011 OSA Merger LEOFF Merger Study* is available on [OSA website](#).

2016:

A bill was introduced to merge LEOFF 1 and the Teachers' Retirement System (TRS) Plan 1.⁸ This bill would have merged the assets and liabilities of the LEOFF 1 and TRS 1 plans. In other words, this would have allowed the LEOFF 1 surplus to be used to fund both LEOFF 1 and TRS 1 benefits. The bill would also have temporarily reduced the state contributions required for TRS 1, and provided a one-time payment to LEOFF 1 members. The bill also utilized the LEOFF 1 surplus to reduce rates for TRS 1.

While this bill did not pass, the Legislature included a budget proviso in the 2016 Supplemental Operating Budget that required the SCPP to study a merger of LEOFF 1 and TRS 1,⁹ and update the 2011 OSA LEOFF Merger Study.

See below for a section-by-section explanation of the bill.

⁴ [HB 2097](#), 2011.

⁵ [HB 2350](#), 2011.

⁶ [SB 6563](#), 2011.

⁷ [2ESHB 1087](#) (Chapter 50, Laws of 2011, Section 104).

⁸ [SB 6668](#), 2016.

⁹ [2ESHB 2376](#), (Chapter 36, Laws of 2016, Section 106).