



**LEOFF I  
COALITION**

Law Enforcement Officers & Fire Fighters

# 2016 Legislature Tries to Raid LEOFF I

## More Attempts to Come



*The mission of the LEOFF I Coalition  
is to protect the integrity of the  
LEOFF 1 Law and LEOFF I Retirement  
Trust Fund. LEOFF I Coalition members are  
law enforcement officers and fire fighters.*





# LEOFF 1 COALITION

Law Enforcement Officers & Fire Fighters

## LEOFF 1 Coalition Board 2015-2016

**President Andy Wilson**  
Ret. King County Sheriff's Office  
WA St. Retired Deputy  
Sheriff's & Police Officers Association

**Secretary Dave Peery**  
Ret. Seattle Fire Department

**Treasurer Jerald Birt**  
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WA St. Ret. Deputy Sheriff's & Police  
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**Gary Lentz, Sr.**  
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Member-at-Large

**Paul Johnson**  
Ret. Olympia Police Department  
Member-at-Large

**Office:**  
**Government Relations Director**  
**Joyce Willms**

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855 Trosper Rd. SW Ste. 108,  
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**Website**  
**www.leoff1coalition.org**

The LEOFF 1 Coalition Board  
is all volunteer

## President's Column

# LEOFF 1 Facing Ongoing Raids



*Andy Wilson,  
President  
LEOFF 1  
Coalition*

The LEOFF 1 Coalition faced and helped defeat raid attempts against the LEOFF 1 retirement plan in the Washington State Legislature during the 2016 Regular Session, with much appreciated help of other retirement and employee organizations.

The stakes were huge – the very security that supports the LEOFF 1 retirement plan! And the raids will continue.

The Senate 2016 Supplemental Operations Appropriations budget bill, SB 6246 included language to take over LEOFF 1 plan retirement systems money to balance the Senate

budget. When the Senate reintroduced its budget in the Special Session, the raid of LEOFF 1 funds was taken out of the bill.

LEOFF 1 Coalition lobbyists Mark Curtis and Joyce Willms pulled senators from the floor sessions to lobby in protection of the LEOFF 1 pension system; which resulted in a striking amendment from the floor by Senator Steve Conway. Eventually the LEOFF 1 attack was killed. Essentially, we killed the bill with the unified help of Senate Democrats with the leadership of

Senator Steve Conway and the Republican Senators Pam Roach, Don Benton and Mark Miloscia, who crossed over from their caucus position. See page 5. If anything is changed in the LEOFF 1 retirement

plan it could conflict with the 1956 Bakenhus decision in the Washing-

*(continued on page 3)*

**If anything is changed in the LEOFF 1 plan, it could conflict with the 1956 Bakenhus decision**

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## 2016 Legislative Wrap-Up

# LEOFF 1 Facing Ongoing Raids

(continued from page 2)

ton Supreme Court. We could have to go to court to defend the pension, costing hundreds of thousands of dollars.

If the surplus is taken from LEOFF 1, who will make up the unfunded liabilities when they occur? What about COLAs?

I want to thank LEOFF 1 Coalition board members Mark Curtis, Dave Peery, Paul Johnson and our government relations and communications consultant Joyce Willms for their lobbying, and testimony in hearings. Thanks

also to the many LEOFF 1 members for their work making phone calls, emailing their legislators, coming to Olympia to lobby and testify. It took the whole team to kill SB 6668. Good job!

A lot of our members have worked very hard to keep LEOFF 1 intact in the face of a virtual takeover this session, and I want to say thanks, your efforts saved the day. But the fight is not over. In fact, our work has only begun.

All House members and half the Senators are up for election this year. Call them and ask how will they vote next time, will they vote to raid the LEOFF 1 pension or not? You may call our office if you need help with getting started. We can help, such as providing contact information and with any questions you may have. You can call the LEOFF 1 office at (360) 570-1035, or toll free at (877) 553-6631.

I underscore the importance that LEOFF 1 Coalition members check our web site periodically for updated information, [www.leoff1coalition.org](http://www.leoff1coalition.org). Watch for future alerts, and be ready to help.

**Democrats and Republicans in both the House and Senate want our pension money to balance the budget**

**Balancing the state budget on the backs of our oldest retirees is wrong, it's immoral really**

Balancing the state budget on the backs of our oldest retirees is wrong. It's immoral really, when you consider the contributions; paid by you and your employers throughout your careers protecting the public, working holidays, all hours of the day and night, facing risk every day.

While the predatory legislation may be dead for now, we are promised by Democrats and Republicans in both the House and Senate THAT assure us we can expect more attempts to undercut and reconfigure LEOFF 1 in the 2017 Legislative Session. That's unsettling but now is no time to roll over and play dead. Your financial contributions to LEOFF 1 Coalition are vital to support our organizing effort – lobbying, attending meetings and communicating among our members and legislators alike.

## Your Pension is Under Attack — Protect You and Your Spouse

We need your donations to continue the fight to protect your pension and educate State Legislators.

Your support will pay for:

- Lobbying Expenses
- Legislative Research
- Attorney Fees
- Rent
- Website Updates
- Correspondence with Members and Legislators
- Office Expenses and Phone Bills
- Printing, Mail Prep and Postage
- Travel Expenses



These tasks all cost money. Our only source of funding comes from people such as you. None of our board members and volunteers are paid. We do compensate those members who must travel to meetings. 🐾

**Thank You for Your Continued Support Over the Years!**

## 2016 Legislative Wrap Up



*From lobbyist Mark Curtis & Joyce Willms, Government Relations*

The LEOFF 1 Coalition helped win victories in four key bills in the 2016 Regular and Special Sessions of the Washington State Legislature. They included fending off two attempts by sticky fingers to raid LEOFF 1 pensions, an opening for designation of spouse and beneficiary, and an annuity option under the LEOFF pension plans.

### **SB 6668** (failed)

*Merging the assets, liabilities and membership of the law enforcement officers' and firefighters' retirement system plan 1 with the teachers' retirement system plan 1 and establishing a funding policy for the merged plan.*

LEOFF 1 retirees and beneficiaries dodged the bullet again this year, as SB 6668 died in Senate Rules Committee. SB 6668 was yet another sticky-fingered attempt to raid the LEOFF 1 retirement pension. Under SB 6668, LEOFF 1 would be combined with the TRS plan 1, long plagued by underfunding by lower employer contribution rates than LEOFF 1 – 75-80% lower! Projected surpluses of the LEOFF 1 retirement plan is presently about \$1.2 billion, whereas TRS 1 has a projected deficit of nearly \$3 billion. Market conditions can vary those projections.

Further, LEOFF 1 pension funds would become highly diluted if merged with TRS 1 pensions, compounded by simple magnitude, with about 7,750 LEOFF 1 participants and 35,000 TRS 1 participants. LEOFF 1 is 127% funded, while TRS is only 69% funded. In other words, the strength and security of what LEOFF 1 retirees paid into, and were promised, would be stripped away in order to bolster a different retirement program that is financially weaker, as the two are dumped into the same retirement program. Execu-

tive Mike Boring from the Teacher's Retirement Association was unaware of the merger attempt under SB 6668 until Feb. 24. "It's not right to pit one retirement group against another one," Boring said.

Thanks to Senator Steve Conway, who was a vocal opponent, arguing in the Senate Ways and Means Committee that SB 6668 should have gone to the Select Committee on Pension Policy and not straight into Senate Ways and Means. Senator Conway further



*Senator Steve Conway*

argued a merger may be denied by the IRS based on differing pension parameters, and that court challenges to a merger would loom.



*Senator Christine Rolfes*

Senator Christine Rolfes voiced the same concerns in Senate Ways and Means. Sadly we've been assured by Democrat and Republican legislators that

we can expect more attempts to raid the LEOFF retirement plan 1 in the 2017 legislative session. Retirement is part of the broader budget picture as legislators struggle to balance the state budget. Particularly as education has loomed for insufficient funding. Highlighted under the McCleary decision, the increase of new state agencies, and money for global climate change agendas requires more funding.

The merger issue will be referred for an interim study. Meanwhile, the LEOFF 1 Coalition will maintain contact with leaders in the House and Senate to be sure LEOFF 1 folks can voice their views in the discussion.

SB 6668 was sponsored by Senators Andy Hill, John Braun, Doug Erickson and Mike Hewitt.

**Visit our web site:**  
[www.leoff1coalition.org](http://www.leoff1coalition.org)

## 2016 Legislative Wrap Up

**SB 6246** (raid was eliminated from budget)

*Making 2016 Supplementary Operating Appropriations*

Senate budget writers made a second attempt to merge LEOFF 1 and TRS 1 by slipping the language into the Senate supplemental operating appropriations bill, SB 6246. Senator Steve Conway, who serves on the Select Committee on Pension Policy, objected to merger provisions from the floor, by introducing a striking amendment, #684.

Though a majority favored the merger's removal, this floor striking amendment required 60 percent, so the amend-

ment failed to eliminate the merger prior to the end of the Regular Session. But the Special Session spawned a new budget released from the Senate Ways and Means Committee March

11. Specifically, the LEOFF 1 – TRS 1 merger was absent in this latest version of the budget in the Senate.

Stalwart support for LEOFF 1 came from Senate Democrats, who held firm; they were joined by Republicans Pam Roach, Don Benton and Mark Miloscia; enough potential votes to prevent passage of SB 6246 in the Senate.

Senator Conway assured that further related legislative discussions regarding these sorts of efforts would receive a full and proper policy examination by the Select Committee on Pension Policy, which meets in the interim. Senator



*Mark Curtis and Joyce Willms pulled Senators off the floor to kill SB 6246, that would have raided the LEOFF 1 funding to balance the budget. Senator Don Benton voted against his caucus to kill the bill.*

Conway assured that LEOFF 1 folks will have ample part in those deliberations.



*Senator Pam Roach*



*Senator Mark Miloscia*



*Senator Steve Conway*

Stay guarded, LEOFF 1 retirees. Your vigilance and readiness to be heard will make the difference next time, as the raiders set their sights on LEOFF 1. This is election year. Half the Senate

and all the House members are up for re-election. Let them know it was wrong to try to raid the LEOFF 1 pension to balance the budget. If you need help reaching your legislators, we will provide you emails and phone numbers to include their campaign offices. Call the LEOFF 1 Coalition office in Olympia, (877) 553-6631, or email: [joyce@leoff1coalition.org](mailto:joyce@leoff1coalition.org).

## Thank You for All Your Help to Save LEOFF I Pensions

LEOFF I Coalition members  
 WA Federation of State Employees  
 WA State Council of Firefighters  
 WA Council of Police and Sheriffs (WACOPS)  
 Retired Public Employees Council of WA  
 WA State Law Enforcement Assn.  
 WA State Retired Deputy Sheriffs and Police Officers Assn.

Seattle Firefighters, local #27  
 Retired Seattle Police Officers Assn.  
 Tacoma Police Union  
 Retired Tacoma Police Officers Assn.  
 Retired Firefighters of WA  
 Seattle Police Assn.

2016 Legislative Wrap Up

**SSB 6264 and companion HB 2487 (passed)**

*Allowing certain Washington state patrol retirement system and law enforcement officers' and firefighters; members to purchase annuities.*

LEOFF 1 members, at the time of retirement, may purchase an optional actuarially equivalent life annuity from the LEOFF 1 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. Plan 1 members who previously retired may purchase the annuity between Jan. 1 and June 1, 2017.

SSB 6264 and HB 2487 also provide similar op-

portunities for LEOFF 2 and State Patrol retirees.

Department of Retirement Systems must adopt rules regarding eligible rollovers and transfers to ensure compliance with federal requirements and that roll overs and transfers are conditioned on the receipt of information needed by DRS to determine their eligibility for tax-free treatment under federal tax law.

SSB 6264 sailed through the House (96-1) and Senate (48-0). HB 2487 is part of the House budget bill.

Thanks to bill sponsors: Senators Bruce Dammeier, Steve Conway, Barbara Bailey, Ann Rivers, Bob Hasegawa, Steve O'Ban, David Frockt, Mark Schoesler, Jeannie Darneille, Marko Liias

and Christine Rolfes) for SSB 6264, and to Representatives Kevin Van De Wege, Joe Fitzgibbon and David Hayes for HB 2487.

**Purchase annuities through LEOFF 1 Jan. 1 - June 1, 2017**

**ESB 5873 (passed)**

*Permitting persons retired from the law enforcement officers' and firefighters' retirement system plan 1 to select a survivor benefit option.*

The Legislature passed ESB 5873, permitting LEOFF 1 retirees to designate or update their spouse beneficiary selection. The time window for updating spouse and beneficiary status will run from June 8 through September 1, 2016, to designate your spouse beneficiary, according to Krista Winters from Senator Mark Schoesler's office.

Specifically qualified for amendment in designation, if you:

- Are married to a spouse that was not eligible for survivor benefit
- Have been married to the spouse since before September 1, 2013; and

- Did not choose an actuarial equivalent survivor benefit within one year of getting married.

**Time window for updating spouse and beneficiary status will run June 8 through September 1**

Check to confirm your beneficiary designation by calling the Washington State Department of Retirement Systems and speak to a LEOFF 1 pension representative, (360) 664-7000 or (800) 657-6657. Ask them to mail you confirmation of the name noted in your record as spouse or beneficiary.

You may also write: Department of Retirement Systems, PO Box 48380, Olympia, WA 98504-8380, or visit the De-

partment of Retirement Systems at 6835 Capitol Boulevard in Tumwater, Washington.

Bill sponsors: Sens. Steve Conway, Barbara Bailey and Mark Schoesler. ESB 5873 passed the Senate, and 49-0, in the House.

## Where your LEOFF 1 Coalition Contributions Go



*By Jerry Birt, Treasurer,  
LEOFF 1 Coalition*

The LEOFF 1 Coalition formed in March 22, 2001 with common interest: to protect the LEOFF 1 Trust Fund. LEOFF 1 President Andy Wilson and board members all volunteer their time to benefit you and your spouse.

LEOFF 1 Coalition is a statewide organization. The members are retired and active members in the LEOFF 1 retirement system, who spent their careers in law enforcement and fire fighting.

The LEOFF 1 Coalition is a volunteer organization, not an association where you pay dues and have annual meetings and Christmas parties. It is not a social club. Donations are the only source of income that fund the operations of this coalition,

which include the following.

- Lobbying
- Attorneys
- Legislative research
- Rent
- Web site and updates
- Olympia office, phone answered M-F, 9-4:30
- Correspondence with the Legislature, Department of Retirement Systems and other state agencies
- Printing, mailing, postage
- Travel expense for officers attending meetings

Please continue to donate to the LEOFF 1 Coalition and help us continue to fight for you and your spouse's pension.

The LEOFF 1 Coalition and members have worked hard for over 15 years to protect the pension from the Legislature and we can do it again. Senate and House Democrats and Republicans want to appropriate pension money to balance the budget and other retirement programs. If we all unite we can stop them again in 2017.

Please make a donation to LEOFF 1 Coalition so we may continue to fight for your pension.

## Regardless of Where You Live, You Can Help

*By Kris Hanson  
Retired Renton Firefighter  
LEOFF 1 Member  
Living in Arizona*



With 34 years serving the City of Renton Fire Department, I'm fortunate to have had so many opportunities in serving the public. I am also fortunate to be a member of the LEOFF 1 Retirement System, and fortunate to be a member of a DEFINED BENEFIT retirement plan that is adequately funded. I'm fortunate as well that my wife Kathy and I can count on a steady retirement income until both of us pass on.

Unfortunately, the money in our LEOFF 1 plan is a constant target for some members of the Legislature that see our pensions as a way to fund other areas of need in the State Budget. Our pension money has been a target in the past. It was, also, this legislative

session, and will continue to be a target in the future. This session, Republican members in the Senate not only wanted to take money from our plan, but dissolve LEOFF 1 altogether. They dropped SB 6668 at the last possible moment, without going through any of the standard channels of policy review, and without notifying any plan member or plan member advocate.

This very bad bill was stalled for the session, but will be "studied" between now and the 2017 Legislative Session starting in January. Democrats and Republicans alike from both the House and Senate are eyeing LEOFF 1 funds for how to get their hands on our pension funds.

These efforts, backed by the work done by so many other organizations, paid off, at least for this session.

To continue the LEOFF 1 Coalition's strength and focused attention toward protecting LEOFF 1 funds, I ask that you stand with us by giving a generous donation – and sign up as a member. Please encourage your LEOFF 1 friends to do the same. We're protecting your pension.



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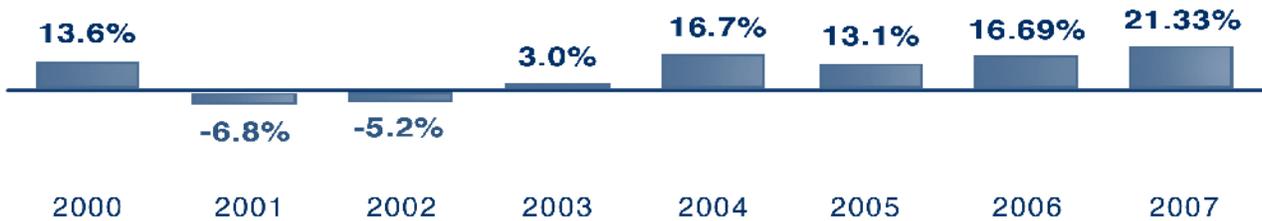
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## How much have your retirement funds earned through the years through the Combined Trust Fund (CTF)?

As we examine CTF investment performance through the years, what's clear is that performance fluctuates. Extra margins as hedges are important to assure adequate funding for LEOFF I pension obligations, including for cost of living allowances and the possibilities that LEOFF I members and their surviving spouses may outlive actuarial projections.

**Annual Performance and Growth of the CTF (Fiscal Years Ended June 30)**



**Annual Performance and Growth of the CTF (Fiscal Years Ended June 30)**

