

LEOFF1 Coalition proposed talking points to oppose the Bill.

Why the HB 2350 is a bad Bill.

- Yes the Bill would suspend State contributions to LEOFF2 if passed, but LEOFF2 people would then be manipulating a \$1 billion dollar pension system to trade LEOFF1 away for an \$80 million deal to temporarily find safe harbor for a contribution rate problem that would give a false idea that the State would get a real savings.
- LEOFF2 has a large pension fund and does not need more money for the biennium. There is no legislative necessity for this Bill. The LEOFF2 Board will not pay back the seized LEOFF 1 pension funds. The State is most likely who will be on the hook if the legislature gives approval to HB 2350.
- The 2006 pension protection act, the Ice Miller finding, and the Actuary found that pension funds can not be intermingled with another pension system. Pension funds are for the exclusive use of benefits for only that system.
- The SIB will see a loss of CTF \$1 Billion and interests transferred to the other \$1 Billion the LEOFF2 Board already controls when the LEOFF1 funds are transferred to the Board. That Board illegally would be flush with other people's hard earned money. That Board has a history of ability to control policy making to bypass normal Legislature policy making. The tail wags the dog.
- Employers would see a doubling of contributions and funding all of the same pension benefits as LEOFF1 now has. A merged pension system must not have a disparity among benefits, forcing an automatic duplicated benefits situation employers can not afford to deal with.
- If merged, the new Board could use mingled LEOFF1 money to pay that Board's legal fees to add insult to injury to LEOFF1. Yes, HB 2350 is a bad Bill.