

LEOFF 1 COALITION
ANNUAL REPORT FOR 2006

Governor Christine Gregoire saved our backsides when she used her veto to remove the task force portion of SHB2688. We each owe her a Thank You letter, so please take the time to write a small note to her. It is your pension benefits she saved with her action taken. We had been shopping for a good attorney to jump on the State as soon as that task force-study group touched a single dime or other benefit we have. A big effort to fund raise for a major legal action seemed certain. That veto changed everything for us for the better. No costs of a suit need to occur this year. SHB2688 ended up as only the cap removed from actives to earn more service credit time. They number maybe 650 people, and some retired this year. The contributions were not restarted. The task force was said to be merely a study group, but their decisions had potential to grab pension “surplus” that we do not believe is there to cover us as a fully funded pension system. The State did not want to bail out the employers this year, and we were unwilling to pay their unfunded liabilities. We can and should be watchful of some new effort later to cover those medical costs. We were told over and over during the working years that those medical benefits were part of our wages, as a means to avoid some wage increases. We do have an interest in a well funded pension plan.

Some legislators helped us during this last session. Others voted our way for two votes, but left us at the end. We are bringing thanks to who we feel did help us, with their constituents notified by legislative district mailings. What hurts is that several LEOFF 1 legislators, wife of a LEOFF 1 retiree, and a daughter of a retiree did not back us up. Politics are local, so, the Coalition asks you to become more political and to chat up your own legislator in the community. Ask that they not hurt your pension. Support those who commit to that fair idea. Host a meeting with them, a coffee, brunch. All Representatives are up for election as are one half the Senators this year. Be courteous in conversation. Your main message should be simply:

**The LEOFF 1 COALITION IS THE ONLY
organization that represents only LEOFF 1 people.
No other organization can say that.**

**The LEOFF 1 “surplus” can not be used for
anything but our pension benefits until a court says different.**

Our financial status is on solid ground to at least retain an attorney in case we have to defend ourselves later. Our March 15, 2006 total assets were \$177,558.66, so we have a good start if things go bad for us as time passes. We have no inclination to pick any fight where none is needed.

Your Coalition also intends to get prepared for future needs prior to January 1, 2007 to:

*Host a few educational meetings on both sides of the state to explain what your benefits really are, as administered by your local disability boards. We are told we still have members afraid to ask their boards for care. We still find an occasional worker or a spouse unaware that they might have survivor pension benefits of their deceased Plan 1 spouse. We have heard of members who paid for their medical and medications for years and were not aware their employers were responsible for those costs. Timing is yet to be determined.

*Ask you to help prepare for all kinds of communication styles. We ask you to send us phone changes, because we ask you to volunteer to put together telephone trees in your areas to be activated for emergencies or legislative alerts, etc. Volunteers will be mailed a phone tree chart to maintain. We get mail at 855 Trospen Rd. #108-127, Olympia, WA. 98512-8108 We communicate with 3325 people at this point, many more are not listed with us.

*Ask to know your current e-mail addresses, and **changes** when e-mail addresses are amended. Notify mwcurtiscraft@comcast.net. We have an option of having a mailing service company maintain group e-mail lists for legislative alerts and if meetings are needed around the state in particular places. Many Plan 1 people have changed their e-mail addresses since we first tried to maintain electronic addresses.

*Be ready to retain an identified attorney, if and when we need to defend ourselves.

Also, for your information, HB2690 passed into law. It would allow most retirement systems active to buy up to as much as 5 additional years of service credits to retire but at a huge cost. Workers would have to pay the entire costs, projected out. For example, a fire Assistant Chief may have to pay \$80,000 to retire with 5 extra years. It is predictable that very few could pull this off. All of the workers funds would have to come from a deferred comp fund, compatible with a pension fund. Few have that kind of money. Some will buy a single year or more, while others will extend their working years to get more credits. Call the Department of Retirement System, LEOFF 1 specialist. In the future, watch the TVW channel when your legislator is voting and know how he/she voted. Most of all, get involved, it is your pension. See the attached letter of the Governor and read it closely for content.



Bob Monize,
President



STATE OF WASHINGTON

OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

March 30, 2006

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 2, Substitute House Bill No. 2688 entitled:

"AN ACT Relating to the law enforcement officers' and fire fighters' retirement system plan 1."

Local governments face challenges in providing health care benefits for retired members of the Law Enforcement Officers' and Firefighters' Retirement System Plan 1 (LEOFF 1). The cost of these benefits can be significant, especially for smaller jurisdictions. It is sensible for the state to assist local governments in their search for ways to address this obligation in the most efficient way possible. However, a thorough and careful review of options will take longer than provided in the bill, and will need to include a broader range of possibilities. The bill also charges a task force to study the use of excess pension assets to provide health care coverage. Notwithstanding potential legal barriers to this use of pension assets, the current financial situation of the LEOFF 1 pension plan clearly does not support this option.

While I am vetoing Section 2, I am directing the Department of Retirement Systems and the Health Care Authority to lay the groundwork for study of this issue, and to consult plan members and representatives of local governments in their work.

For these reasons, I have vetoed Section 2 Substitute House Bill No. 2688

With the exception of Section 2, Substitute House Bill No. 2688 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor