



## WACOPS Member Update

March 1, 2021

### Pension Improvement

SB 5453 – An act relating to merging LEOFF1 and TRS 1 and providing a benefit improvement to LEOFF 2. Some of you are aware that on February 12, 2021, Senator Mark Schoesler (R – 9LD) dropped a bill to merge LEOFF1 and TRS1. On the 12 of February and into the next week WACOPS and the Washington State Council of Fire Fighters had informal conversations with each other as well as with members of the LEOFF 2 board and staff, and some members of the legislature to better understand the bill, its genesis, and the politics around its path this session.

Since the 12<sup>th</sup> we have received several emails, text message, and phone calls about this bill. Thank you! As we have said so many times, we want you to reach out to us if you hear something that you believe WACOPS should know about and anytime you have questions about something we have reported. As a result of our review of the bill we put out a brief bill summary/analysis on Monday, February 22. That summary is attached to this email as well.

Many of you wondered about the timing of this bill and how it appeared without advanced notice. As has become the legislature's style, merger bills are not discussed in advance and get dropped with no notice. These issues are often very contentious and as a result, legislators have become reluctant to work on these collaboratively.

As of February 22<sup>nd</sup>, all bills had to be out of their chamber of origin's fiscal committee. SB 5453 did not have a hearing, nor did it pass out of Senate Ways and Means before this cut off. By a strict interpretation of the rules, this would mean the bill is dead. However, because the proposed merger has a significant budget impact (saving the state \$2Billion) it could be considered "NTIB" – necessary to implement the budget. As such, it may remain alive for budget purposes.

As you know, in 2016 the WACOPS members adopted 10 Merger Principles. These principles are the first review we do whenever a merger bill is proposed. We look at the bill and we compare it to our adopted merger principles (attached). That review began right away.

Since February 12 we have learned that LEOFF1 representatives oppose the merger and believe any such merger must include a significantly larger single payment; 5453 gives those already retired a \$20,000 one-time payment in addition to their ongoing pension. We've also learned that the majority party is buoyed by the improved revenue forecast and seems reluctant to wade into the fight a merger might generate. While it is unlikely this merger will pass into law, we will continue to monitor it.

Currently the LEOFF 2 Pension Benefit Improvement Account has over \$300 million dollars earmarked for a future benefit improvement. The LEOFF 2 Board has created a page on its website with information about the account and the Board's work to date regarding a future improvement ([Benefit Improvement Account Information Center | LEOFF - Plan 2 Retirement Board \(wa.gov\)](#)).

WACOPS will continue to watch for and look to create opportunities to increase the amount of funding in the benefit improvement account. Whether this proposal becomes the vehicle or not, we continue to seek avenues to gain greater funding and ultimately support the LEOFF 2 board in creating a meaningful benefit improvement in the future.

Please keep in mind that this issue, like all other legislative issues, is fluid and could change. Please watch our weekly updates and additional emails. Please contact me with your questions or if you hear anything that you believe we should know. We are stronger together.

Please be safe and stay well,

Teresa Taylor  
Executive Director  
WACOPS