

# LEOFF MERGER DRAFT

## MERGER:

- Merges LEOFF 1 and LEOFF 2
- Delay until receive IRS approval (Does not delay State rate reduction)

## STATE:

- 0% LEOFF 2 contribution rate for 2019-21 & 2021-23 **saves \$295M GFS**
  - Local employer still pays 30% and employee still pays 50%
  - Beginning in 2023-25 state contributions restart but start phasing out and transitioning to employee/local employer by 2030 when employee share is 55% and local employer is 45%
- Repeal Public Safety Enhancement Account and Benefit Improvement Account **saves \$100M GFS in 2019-21 and 2021-23, and \$50 million per biennium thereafter**

## LEOFF 1:

- \$20,000/member payment **Approximately \$150M from LEOFF 1 fund**
- Include medically necessary dental in retiree medical - **\$Unknown local government**
- LEOFF 1 Governance unchanged (SCPP & PFC)

## EMPLOYER:

- LEOFF 2 contributions for 2019-21 directed into LEOFF 1 Retiree Medical Account **\$210M**

## LEOFF 2:

- **\$300M Transfer from LEOFF 2 into Benefit Improvement Account**

## GOVERNANCE:

- Rate-setting authority solely with LEOFF 2 Board beginning 2023 (OSA reasonable)
- LEOFF 2 Board protected – authority and budget