



Legislative Session Review

May 28, 2025

Board Endorsed Bill - Passed

- **SB 5306** - Allows members of LEOFF 2 to purchase Authorized Leave of Absence Purchase Service Credit if they retire instead of returning to work.
- Passed unanimously by Senate and House
- Effective July 27, 2025

LEOFF 2 Legislation - Passed

- **HB 1270** - Authorizes local governments operating deferred compensation programs to automatically enroll new employees, unless the employee opts out.
 - Effective July 27, 2025

LEOFF 2 Legislation – Not Passed

- **HB 1312/SB 5114** - Month of Death

Operating Budget

- **LEOFF 2 Budget**

- LEOFF Contributions funded at the Board adopted rates
- General wage increases of 3% effective 7/1/2025 and 2% effective 7/1/2026
- Funding for the board adopted exempt staff salary increases

- **Excess Compensation**

- Currently, if an employee earns more than 2x their regular rate of pay during their AFC period the employer owes DRS excess compensation for the impact it has to the pension system. The budget lowered that to anything over 1.5x their regular rate of pay.

- **LEOFF 1 SCPP Study**

- SCPP study and report on the tax, legal, actuarial, pension policy, and administrative implications of merging the legacy pension systems or terminating LEOFF 1.

Other Bills of Interest - Passed

- **SB 5357 - Actuarial Funding of Pension System**
 - All pension plans except for LEOFF 2
 - Raised the assumed rate of investment returns from 7.0% to 7.25% and lowered the contribution rates
 - Extended out Plan 1 Unfunded Accrued Actuarial Liability payments
 - Effective July 1, 2025

Other Bills of Interest – Not Passed

- **HB 2034 – LEOFF 1 Termination**
- **SB 5085 – Plan 1 Merger/COLA**
- **Governor's Proposed LEOFF 1/LEOFF 2 Merger**
- **HB 1571 – Removing qualifiers related to the presumption of occupational disease for heart problems**



Thank You

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