

# Retired Firefighters of Washington

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President

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Vice President

**October 2010**  
Special Edition

For, About and in Support of all Retired Washington State Firefighters



**MEETING NOTICE:** Next meeting will be Wednesday, October 13, at the Ballard Elks, 6411 Seaview Avenue NW, Seattle, at 11:00 am.

## President's Message - By Richard C. Warbrouck



Some of you who are not a member of the Retried Firefighters of Washington (RFFOW) may wonder why our October Newsletter was mailed to you. We want to take this opportunity to introduce ourselves and to inform you about our organization, what we do and how the RFFOW is administered. In fact, our legislative program and lobbying efforts make this special mailing possible. The passage of HB 1219 permitted us the opportunity to send a mailing to all LEOFF I and II retirees and surviving spouses who are receiving a LEOFF retirement benefit from the State Department of Retirement Systems (DRS).

Previously DRS would not and could not, based on a decision of the State Ethics Committee, participate in a general mailing or mail any information on our behalf. During the 2009 session we worked to have HB 1219 introduced and were successful in our lobbying effort to have the bill passed and signed by the Governor. HB 1219 allows us to use, one time per year, the Department of Retirement Systems mailing list to mail to all LEOFF I and II retirees. The names of the retirees are public information but the addresses are not. The bill provides that DRS will assist in the mailing with the proper safeguards to insure the addresses are protected and remain private.

This will be the first time that any information has been sent to all retirees by a retired group. The only other information that

is sent to all retirees is the Department of Retirement Systems Newsletter. We attempt to keep our members informed through our regular monthly Newsletter so you may read something in the October special Newsletter that has previously appeared in a regular monthly Newsletter. By sending the October Newsletter to all fire service retirees you will be made aware that we exist, learn about our organization and may want to become a member or at a minimum know whom to call with a question or when in need of help. You as a retired firefighter may feel that you will never need our assistance but keep in mind that upon your death or if you become incapacitated your spouse or children may need our assistance. If nothing else your membership gives us strength, the ability to speak out in your behalf to defend your benefits and to help those individuals who may not be as fortunate as you and in need of help.

On March 4, 1909, Washington Governor Albert Mead signed legislation creating the Seattle Firemen's Pension Fund. The law authorized retirement benefits to firefighters with 20 years or more of service upon reaching the age of 55. Benefits included one half of salary. This was also given to firefighters disabled in the line of duty. If a retiree was later convicted of a felony or became a habitual drunkard, his pension was discontinued. The families of active firefighters who died of natural causes received \$1,000. Improvements and benefit changes were made over the years until a statewide system for all police and fire personnel was developed. The Law Enforcement Officers and Firefighters Retirement Fund (LEOFF I) was adopted in 1970. Members who have joined the fire ser-

vice after March 1970 are under this plan. The LEOFF I plan was closed in 1977 when the LEOFF II system was established.

The Retired Firemen's Association was established on September 14, 1932 by a group of retired firemen from the Seattle Fire Department. The title was later changed to "Retired Firefighters of Seattle" and in 1970 when the LEOFF I system was established for Law Enforcement Officers and Firefighters the group changed its name to the Retired Firefighters of Washington (RFFOW).

The purpose of the RFFOW organization is to maintain social and fraternal ties and improve and secure equitable, adequate pensions laws and benefits as they pertain to retired firefighters and their widows. In 1999 when the State tried to transfer some of the LEOFF I pension fund assets to the General Fund, all the various police and fire retiree organizations got together to discuss the situation. One of the first things we discovered after tallying up the total membership of all the organizations was that there are a lot of retired LEOFF I members who do not belong to any group or organization. We felt they needed information and would maybe want to make a contribution, which many did, so we developed a plan and a way to reach out to them. Unfortunately, today there are still many who are not part of or a member of an organized group and only receive information by word of mouth and hear the constant threat that "The State is after our Pension Fund and please send a contribution."

The RFFOW Board consists of a President, Vice President, Executive Assistant and eight board members who are elected at

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## President's Message - *Continued From Page 1*

large for a two-year term to administer the Retired Firefighters of Washington. The Board and members meet monthly to discuss association business.

### WHY JOIN THE RETIRED FIRE-FIGHTERS OF WASHINGTON

Whether you're Prior Act, LEOFF I, LEOFF II, Federal or Private, the Retired Firefighters of Washington is for YOU!


The Retired Firefighters of Washington is the only politically active organization dedicated to and representing the interest of all retired firefighters of Washington State and their families. Countless hours are spent lobbying in Olympia during the Legislative Session on behalf of the retired firefighters. Our Political Action Committee makes campaign donations to legislators and candidates who are sympathetic to our cause, protecting and improving our pensions as they apply to the retired firefighter, their families and surviving spouses.

Since 2000 we have been successful in getting eleven bills passed to amend and improve the LEOFF retirement system. We maintain a relationship and stay in contact with the most major state retiree groups, the WSCFF and the IAFF. During the interim we testify before and monitor the activities of the State Committee on Public Pension and monitor any federal legislation affecting fire service retirees. We are the only resource for members who retired under RCW 41.16 and RCW 41.18 the Prior Act. In the 2009 legislative session we had a bill introduced and passed to amend RCW 41.18 to improve the Surviving Spouse Benefit. As President of the RFFOW I am a member of the State Department of Retirement Systems Pension

Advisory Committee. We have a registered lobbyist, a legislative fund to make campaign donations to legislators and candidates who are sympathetic to our issues. We have open annual elections of officers, bylaws, standing rules, policy & procedures, annual audits, monthly meetings, minutes of meetings, a financial statement, a monthly Newsletter and website.

Each month we publish a Newsletter filled with information for our members. We are an organization representing all retired Washington State Firefighters. We strive to provide our members with information relative to their jurisdictions, city, county etc. In that regard, we encourage all Pension Boards, agencies etc, with information of importance to our members, to please send it to the RFFOW. We will include it in our Newsletter. Examples of information of interest to our members are the death of a member, changes in benefits, or any notice of importance. Information can be sent via e-mail to Monica Blum: info@rffow.org or fax: 703-341-0016. We urge you to inform other retirees of the Retired Firefighters of Washington. We are the only organization working in support of our state's retired firefighters and their families. There is strength in numbers and with the help of all retired Washington State firefighters we can continue to be the powerful organization we are today, an organization that is heard and respected by our representatives in Olympia. There is strength in numbers... the greater the number, the louder the voice.

If you read the article submitted by the State Actuary's office you learned that the LEOFF I Fund may be headed to an unfunded liability in 2023 depending on the future

earnings revenue. This is due to the current economy, the loss of revenue, the discontinued contributions, the increased benefits and the reduction of the fund's assets. Recently the Actuary has cautioned that the fund could go into an unfunded liability as early as 2013. More recently he is projecting 2023 to 2024. This is too complicated to cover in the space I have left but I will discuss this in detail in next month's Newsletter. 

## How the RFFOW Helps

BY REPRESENTATIVE STEVE CONWAY  
29TH DISTRICT

When Senator Rosa Franklin announced that she was retiring and would not be a candidate for re-election to the State Senate, I was urged to run for the Senate in the 29th Legislative District. This had to be a well thought out decision as I now have seventeen years seniority in the House and serve as Chair of the House Commerce and Labor Committee and I am a member of the House Ways & Means Committee.

I have served on the Select Committee on Pension Policy for thirteen years and three terms as Chair of this very important committee. This is a committee that meets during the interim to discuss and consider pension legislation to be introduced in the next session of the legislature. The committee schedules public hearings to receive testimony on important pension issues from various groups and interested parties. The elected House and Senate members who are appointed to the Select Committee on Pension Policy are often regarded by other legislators as being experts on pension issues. The Retired Firefighters of Washington attend these meetings regularly and are always prepared to speak for or against any issue that is in the interest of their membership. You can be proud that your organization has a reputation in the legislature as being astute, forthright and well informed on the issues. The RFFOW is always available when there is an issue being discussed that will impact the retired firefighters. The committee members can always expect a letter, e-mail, or phone call and testimony from your lobbyist Dick Warbrouck expressing your position on these issues.

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## Retired Firefighters of Washington

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# Pension Report

BY RAY SANDERSON

A new August 2010 brief from the Center for State and Local Government Excellence finds that the economy has slowed the ability of local governments to address long-term funding of their Retiree Health Care (RHC) obligations.

In July 2009, the Center for State and Local Government Excellence released a comprehensive survey of what all 50 states and 2,136 local governments are doing to contain and reduce costs, and approaches they are taking to fund retiree health care liabilities.

This latest brief reports a follow-up survey of local governments identified as the most likely adopters of various Other Post-Employment Benefits (OPEB) strategies, which included:

- establishing a Section 115 trust (governmental); medical subaccount [401(h)]; or Voluntary Employee Beneficiary Association trust [501(c)(9)];
- issuing OPEB bonds;
- increasing the years of service for vesting for RHC;
- increasing the age at which RHC is available;
- terminating retiree health care for all new hires.

## Section 115 Trust

Governments seeking to serve an essential governmental function, such as prefunding OPEB, can establish Section 115 (“governmental”) trusts. Contributions to these trusts are unlimited; their investment earnings are not taxed; and benefits received by participants and beneficiaries are normally tax free. When established as an irrevocable trust for the sole benefit of participants and beneficiaries, these trusts meet Governmental Accounting Standard Board (GASB) 45 guidelines allowing government sponsors to reduce their reported OPEB liabilities.

## Medical Subaccount 401(h)

A second prefunding option, the 401(h) health benefits subaccount, serves as an OPEB trust established as a separate subaccount within an existing qualified pension plan. The subaccount is separate from the pension fund for accounting purposes, but the assets from both can be commingled for investing purposes.

## Voluntary Employees’ Beneficiary Association (VEBA) Section 501(c)(9) Trust

VEBAs, the third OPEB prefunding mechanism considered here, typically function as independent, tax-exempt entities (trusts) ex-

isting for the benefit of a voluntary membership of active employees and retirees and their beneficiaries. Contributions are made on a pre-tax basis and distributions for qualified health care expenses are normally tax free. VEBAs allow for funding up to 100 percent of OPEB liability. To be tax-exempt, VEBAs need to obtain a private qualification letter from the U.S. Internal Revenue Service.

## Prefunding Experience of Likely Adopters Establishing OPEB Trusts

For jurisdictions that indicated they have established a prefunding vehicle, the logical follow-up question is whether they have started to prefund their liabilities by depositing funds into the trusts. Fully funding OPEB liabilities requires governments to contribute the actuarially determined Annual Required Contribution (ARC). The ARC reflects funding that is sufficient to cover the current year’s OPEB costs (that is, the “normal cost”) and the accrued liability amortized over an extended period of time (no more than 30 years). By including payment for the amortized unfunded liability, the ARC will likely be substantially higher in the near term—perhaps as much as five or even 10 times higher—than annual pay-as-you-go payments. Such short-term increases, however, should pay off in the long term because prefunding allows for the investment of trust assets. Investment earnings, in the long term, should reduce required contributions.

Over half the respondents that reported adopting an OPEB trust indicated that they have deposited at least some funds—over and beyond the current year costs—to prefund OPEB. This finding corroborates results reported for 2009 by the Government Accounting Office (GAO), in which some state and local governments responded that they fully funded the ARC, while others made partial ARC payments based upon the availability of additional resources. Though this represents some progress in local governments address-

ing their OPEB obligations, there is also room for improvement.

Since the release of the July 2009 comprehensive survey, the economy, insufficient revenues, and competing budget priorities have posed the greatest impediment to their plans.

The new brief finds that many jurisdictions are making sweeping changes in their retiree health care plans:


- 36 percent have increased or plan to increase the years of service required to vest.
- 11 percent have increased the retirement age.
- 39 percent have eliminated or plan to eliminate retiree health benefits for new hires.

At the conclusion of the survey, respondents were asked an open-ended question seeking any additional comments regarding RHC and OPEB. A few respondents spoke directly to local governments’ experiences with prefunding. No claim is made that such comments are representative of all local governments, but they do offer insights as to the challenges they face in both establishing OPEB trusts and meeting the associated ARC.

These results seem to support the view that, of the governments that establish trusts to prefund OPEB, many will gradually work their way up to fully funding the ARC, given that such full funding likely requires substantially larger annual payments—at least initially—than the pay-as-you-go (PAYGO) approach.

Read the full brief at [www.tinyurl.com/howlocgovts](http://www.tinyurl.com/howlocgovts).

Read the original 2009 survey at [www.tinyurl.com/atacrossroads](http://www.tinyurl.com/atacrossroads).

The Center also brings state and local leaders together with respected researchers and features the latest demographic data on the aging workforce, research studies, and news on health care, recruitment, and succession planning on its website, [www.slge.org](http://www.slge.org). 

## Working Hard for You



President Dick Warbrouck (right) attended a fund raiser for Senator Karen Keiser (left), sponsored by Senator Margarita Prentice (center). Both Senators have been strong firefighter advocates over the years. The RFFOW PAC made a contribution to Senator Keiser’s campaign.

# News from the Washington State Investment Board (WSIB)

By THERESA WHITMARSH (PICTURED BELOW)  
EXECUTIVE DIRECTOR OF WSIB



I was honored to be asked to write about the Washington State Investment Board (WSIB) for the Retired Firefighters of Washington's annual newsletter. As firefighters, your job was to protect the lives and property of the residents in your communities. Our job at the WSIB is to protect your hard-earned retirement dollars. My commitment to that objective was reinforced on a personal level shortly after I joined the WSIB. I was in Arizona on business when I went to visit my uncle, a retired Seattle firefighter, who with my aunt is living out his retirement dream in Tucson. Naturally, having a niece now working at the WSIB, one of his first comments to me was "I sure hope you are taking good care of our money."

I am pleased to say that everyone at the WSIB is committed to doing just that. Our mission is to "invest with integrity, prudence and skill to meet or exceed the financial objectives of those we serve." The state Legislature created the WSIB in 1981 as an independent board of trustees to manage investments for the state's various retirement plans and public trust funds with the highest standard of professional conduct for the exclusive benefit of fund participants and beneficiaries.

Today, the Board is chaired by Tacoma

city firefighter Pat McElligott, who represents active public safety employees. Other voting members include five public employee pension representatives, a member of the Washington State Senate and a member of the House of Representatives, along with the state Treasurer, director of the Department of Retirement Systems and director of Labor and Industries. Five non-voting members are selected by the 10 voting members for their experience and qualifications in the field of investments. The Board members serve as fiduciaries and are held to the highest standard of professional conduct.

The WSIB's \$71.8 billion investment portfolio belongs to 17 separate state retirement plans. This also includes the Deferred Compensation Program to supplement other retirement benefits. In addition, we manage investments for 22 other public funds that support or benefit industrial insurance, colleges and universities, developmental disabilities and wildlife protection.

While the last few years have been extremely challenging, the WSIB's well diversified portfolio was built to withstand the dozens of economic brush fires we've been fighting at the WSIB for the past two years. The assets for the public retirement plans are pooled into a Commingled Trust Fund (CTF), which was established in June 1992 to help control risk and ensure stronger performance overall. Most of the pension systems are strictly defined benefit programs including the 1 and 2 plans for public employees, teachers, law enforcement officers, firefighters, state patrol, volunteer firefighters

and judges.

I'm pleased to report the rate of return for the state's retirement CTF ended fiscal year 2010 at 13.2 percent. And our annualized return since establishment of the CTF in 1992 is 8.14 percent. We have outperformed nearly all of our peer pension funds in the United States.

I was appointed executive director of the WSIB in September 2009, as the recession was starting to bottom out. Since then we have seen a fairly steady return in market values with almost \$72 billion in total assets under management as of June 30. But it has been a challenging couple of years and we are clearly struggling to stamp out the last of the recessionary embers.

The job of the executive director is to oversee staff, develop and recommend agency and investment policies for Board adoption, and ensure adherence to state policies and laws. I manage a staff of 80 professionals in the areas of investments, information services, accounting and finance and administrative support. Prior to my appointment as executive director, I was the WSIB's chief operating officer for six years, with responsibility for investment operations, technology, research, risk and compliance.

My previous role in state government was with the state Department of Labor and Industries, where I ran the industrial insurance fund, one of the largest workers' compensation funds in the United States. I also spent a number of years in business, working for technology and insurance firms.

Heading the WSIB is without question the most challenging, exciting and rewarding job I have had. The state investment board is one of the most respected and well managed pension funds in the country. We are a long-term investor with a proven record of success. We take a disciplined approach to investment with the highest standards of integrity. We are committed to the WSIB's statutory mandate of "maximizing return at a prudent level of risk," and dedicated to working for the best interest of our more than 400,000 beneficiaries.

One of the best ways we can thank firefighters and other public employees for the work they do is to fulfill the promise of adequate and reliable pension benefits when they retire. As executive director of the WSIB I have the responsibility and honor to help make sure that promise is kept.

## Legislative Contributions

Contributions to the Legislative Fund can be made at any time, with a separate check made to **RF-FOW Legislative Fund, 9134 - 207th Place SW, Edmonds, WA 98026-6659**. Thank you to the following members who sent individual checks. Your contributions are very much appreciated:

- |  |                    |                                 |                |
|--|--------------------|---------------------------------|----------------|
| Gunther Hausmann   | Walt Griffith      | Thomas Malone                   | Earl Mickelson |
| Gary Lievence  | Michael Krutsinger | Ted and Mary Shouldra (\$100)   |                |
| Myrtle McLean (\$100)  |                    | Connie & Darlene Sample (\$100) |                |
| Bonnie Dezarn (\$100) in memory of Hearshel Oliver and John Prim |                    |                                 |                |
| \$100 Anonymous Donor in memory of Asie C. Luther, Retired SFD   |                    |                                 |                |

Thank you to all the members who make their contributions through their payroll deductions (each month their will be a partial list):

- |                   |                 |                   |                   |
|-------------------|-----------------|-------------------|-------------------|
| Donald Henley     | Donald L. Henry | William Henry     | Dale Hensley      |
| Robert Herman     | Gwen Heuer      | Lynn Hicks        | Donald Hinson     |
| Thomas C. Hjorten | MK Hoefner      | Donald F. Hoffman | Dennis J. Hofstad |
| Theodore Hoglund  | David A. Holand | Ronald L. Holm    | Bruce Holtzner    |

# Join the RFFOW

**BY: RANDY PLAIN**  
**RETIRED TACOMA FIRE**  
**DIRECTOR, RFFOW**

If you thought the Buddy system was a good idea when you passed the threshold into a structure on fire, then you will appreciate the Retired Firefighters of Washington.

While on active duty we had the union to represent us with our employer and the WSCFF in Olympia; as retirees we have the RFFOW to cover our back side.

The retirement laws on the surface appear relatively simple to most of us – put the time in and receive a check for life. Have a medical issue (and who doesn't these days) with big bills and your former employer will pay – no problem right?

Well usually it does or has worked that way, but not always; and as you all know or should know at your age -- there are no guarantees in life even though our benefits are written in law. The reasonable application or even continuation of benefits is not

chiseled in granite, and they are particularly at risk of being meddled with during economic stressful periods like today.

The laws are more complicated than at first glance and some of us as humans in our private lives have strained the interpretation of those laws as they might apply

to us. Additionally, and more important the RFFOW has successfully assisted in the resistance of at least two serious attempts in the last 10 years to fundamentally negatively alter the pension laws regarding our benefits. Any future attempts to change our retirement benefits will be thoroughly reviewed and if necessary vigorously defended against on your behalf. The RFFOW has 'been there' for us on big picture issues as well as countless times for individual concerns.

Join us and you will know you have a dedicated, knowledgeable, connected organization with real human beings that will respond to your questions and needs with either your employer or the State. If you precede your spouse to the great firehouse in the sky, she will have the services of the RFFOW to help in time of stress.

This Organization is for you. Join Us Today!! --- You will be glad you did. ☀



*Picture of Gov. Chris Gregoire signing HB 1506. The bill allows members of RCW 41.18, the Firemen's Relief and Pension System (prior act) who married after retirement or less than five years before retirement a survivor option for the current spouse. There for the signing of the bill were members of the RFFOW Board as well as Rep. Steve Conway (D) (pictured on the left), prime sponsor of the bill and Rep. Barbara Bailey (R) (pictured on the right), co-sponsor.*

## December Fun

### 2010 RFFOW Christmas Luncheon

The 2010 Christmas Luncheon will be December 8, 11 AM, at the brand new Edmonds Yacht Club located next to Arnie's Restaurant in Edmonds (326 Admiral Way).

Tickets are \$22 and are due to the RFFOW by November 24. Send in your checks to RFFOW, 9134 207th Pl SW, Edmonds, WA 98026-6659.

### Firefighter Breakfast

We will meet on December 15, 2010, at 9 AM. Same location as in the past (Denny's in Shoreline, WA, 904 N 155th St). No reservation required. Come as you are and have a good time as in the past. See ya' there and bring your stories! Contact: Wally Michl (206-524-1650), Jim Richeson (360-387-3478), or Dallas Adams (360-387-3095). ☀



## How to Become a Member:

### And How to Pay Dues For Current Members

**BY MONICA BLUM, EXECUTIVE ASSISTANT**

Welcome to the Retired Firefighters of Washington Special October Edition of our monthly newsletter. I'm Monica Blum, Executive Assistant to the Board of Directors of the RFFOW. I am responsible for the monthly newsletter, as well as the website, day-to-day financial responsibilities, and maintaining the membership lists.

Dues for membership into the RFFOW are due on January 1. Dues for 2011 are the same as they were this year – \$45 with a suggested \$3 donation for the PAC.

You can mail in your dues via check. The address for the RFFOW is 9134 - 207th Pl SW, Edmonds, WA 98026-6659. But if you want to forgo the trouble of sending in a check every year, you can sign-up for Payroll Deduction, even if you are a current member.

Please take the enclosed yellow membership form, fill it out, tape shut, put on a First Class stamp, and mail to the RFFOW. In case you didn't receive a mailer in this newsletter, you can download membership forms online at our website: [www.rffow.org](http://www.rffow.org). Thank you, and remember, I'm here for you! ☀

# Your LEOFF I Healthcare Benefits

## What Are They And Who Decides

BY J.E. FISCHNALLER

I think that we would all agree that Plan 1 of the Washington Law Enforcement Officers and Firefighters Benefit Act (LEOFF I) is a great benefit system. It provides LEOFF I members with a whole host of specific benefits which are unequaled, either in the private sector, or in other public employment.

After pensions, perhaps the most important aspect of your LEOFF I benefit package is the comprehensive medical benefit that the Act provides for members.

The purpose of this article is to help you understand exactly what your healthcare benefits are, and how to be sure that you are receiving everything you are entitled to.

Before we begin, however, let me just say that in recent years, your LEOFF I benefits have come under attack on a number of fronts. If it had not been for the watchful activism

and the generous financial support and assistance of the Retired Fire Fighters of Washington (RFFOW) and similar organizations, you might well not have the same right to healthcare benefits that you enjoy today. RFFOW has, over many years, provided funding and much needed support for several important lawsuits which have served to defend and even strengthen your healthcare benefits under LEOFF I.

Many of these battles have been hard fought, and might not have won but for the assistance of RFFOW and its Officers.

With that said, let's talk about how you can find out exactly what healthcare benefits you are entitled to and be certain that you are receiving all of the healthcare services to which you are entitled by virtue of your years of faithful service.

As a LEOFF I member, you are entitled to two broad kinds of medical services. I like to refer to these two general categories of medical services as Mandatory medical services and Optional medical services.

RCW 41.26.030(19), a portion of the LEOFF Act, sets forth a detailed list of medical services which the statute says are the "minimum services" that must be provided for all LEOFF I members and paid for by their employers or former employers. These "minimum services" are what I call the Man-

datory medical services, because you have an absolute right to any of these services that you need.

In addition to these Mandatory medical services, you are also entitled to certain additional medical services, over and above those set out in RCW 41.26.030(19). I call these additional healthcare services Optional because your Disability Board has the option of either allowing or denying your access to these additional services, and may choose to place various restrictions on your use of or access to such additional medical services.

Your local Disability Board has the authority to control access to these additional medical services by virtue of RCW

*If it had not been for the watchful activism and the generous financial support and assistance of the Retired Fire Fighters of Washington (RFFOW) and similar organizations, you might well not have the same right to healthcare benefits that you enjoy today.*

41.26.150(1)(b), which gives these boards the power to "designate the medical services available" to a member. These Disability Boards do not have the power to refuse you any of the medical services listed in RCW 41.26.030(19) as long as you need the service in question. They may, however, designate additional medical services that are available to you.

Many Disability Boards provide comprehensive dental, vision, hearing, and other healthcare programs that might not be available without the Board's exercise of its discretion to make such services available to the members under their jurisdiction.

So, how do you insure that you are getting all of the healthcare benefits to which you are entitled? It is very simple.

First, you should obtain a copy of RCW 41.26.030(19), and read it to familiarize yourself with exactly which medical services are Mandatory and must be provided to you and paid for by your present or previous LEOFF I employer.

Then contact your Disability Board, and ask that they provide you with a copy of the Board's Rules and Regulations. Note that your Board may call this document by another name; but it is the document that contains the policies and procedures of the Board.

With only these two documents, RCW 41.26.030(19) and your Board's Rules and Regulations, you should be able to gain a very good understanding of the exact nature and extent of the healthcare benefits provided for you by the LEOFF Act.

You should also be aware that, if your Disability Board approves a medical bill, and your employer fails or refuses to pay the bill or reimburse you for it, you have a right to sue the employer and recover not only the amount of the bill, but your attorney's fees, as well.

In the event that you have trouble obtaining a copy of RCW 41.26.030(19), you may want to call Dick Warbrouck, the President of the Retired Fire

Fighters of Washington. I am sure that he can help you in this regard, and he is someone that you should get to know in any event. He has a great deal of knowl-

edge about the system.

In the event that you have specific questions about any aspect of the LEOFF law, whether dealing with healthcare benefits or any other issue, you may call me, Joe Fischnaller at (206-930-1818), and I will be glad to answer any questions you may have.

#### ABOUT THE AUTHOR:

Joe Fischnaller is an attorney who has successfully handled literally thousands of LEOFF related cases, and is responsible for most of the favorable Court of Appeals and Supreme Court decisions in this area of the law. He is no doubt, the most experienced LEOFF I attorney in Washington. He can be reached at 206-930-1818

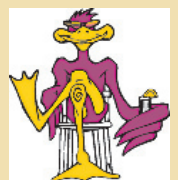
## Snowbirds!

If your address is changing, please let us know, as the newsletter is mailed at the Non-Profit rate and will not forward.

#### RFFOW CONTACT INFORMATION:

Address/Email Change or Additions:  
info@rffow.org or 206-286-9167

Mailing Address:  
9134 207th Pl SW, Edmonds, WA 98026





## In Memoriam



**LAVONE "SWEDE" SWANSON:**  
Lavone "Swede" Swanson, 76, of Yakima died Sunday, July 25, 2010, in Yakima. He was born in Revillo, S.D. After graduating from Yakima High School, he served three years in the U.S. Navy. He later worked 28 years as a fire fighter for the City of Yakima, retiring as a Lieutenant in 1997.

**LEWELYN SPEER:** On September 7, 2010 retired Fireboat Engineer Lewelyn Speer passed away. The services for retired Fireboat Engineer Lewelyn Speer were held on Saturday, September 25th at 2:00 at Arbor Heights Community Church

## How the RFFOW Helps Continued from Page 2

I made the decision to run for the Senate because I feel that it is very important to have someone in the Senate who is knowledgeable and personally interested in the state pension systems and who is an advocate of proper pension funding and fair and equitable pension benefits for the employees of the State of Washington. I felt that if I decided to run for the Senate I would receive the support of the RFFOW as I have in the past. The RFFOW was one of the first retiree organizations to call to express their agreement with my decision and to pledge a campaign donation. The legislature as a whole appreciates your political action activities and your lobbying contributions in behalf of the Retired Firefighters of Washington.



### EDITOR'S NOTE:

The picture above is of Representative Steve Conway with the RFFOW Legislative Committee (pictured from left to right: Rep. Steve Conway, Dick, Director Randy Plain and Bob Furman). Not only does the Legislative Committee work to introduce or support legislation that will benefit retired firefighters, they also support candidates, like Rep. Conway, that will assist the RFFOW membership.

Below is a letter of thanks from 47th District Representative and Firefighter Geoff Simpson, who is seeking a reelection bid in 2010:

*"I would like to thank you for your generous gift of \$150 to my reelection fund. Your commitment to my campaign in the 47th Legislative District is sincerely appreciated. For 10 years I have served my district as their state representative and for 20 years I have served my community as a firefighter. We have a lot to be proud of, but there's more work to be done and I'm looking forward to fighting for what matters in Olympia. - Geoff"*

## OSA (Office of the State Actuary) Report Provides New Insights on LEOFF I Funding

**BY: DARREN PAINTER, SENIOR POLICY ANALYST  
OFFICE OF THE STATE ACTUARY**

A report recently published by the Office of the State Actuary (OSA) provides new insights on funding for the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1). The report found that, while LEOFF 1 is currently well-funded, the plan faces certain financial risks in its future funding under current funding policy.

The report, entitled "2010 Risk Assessment: Moving Beyond Expectations", focuses on the identification, quantification and analysis of financial risks to the retirement systems—including LEOFF 1. This report was prepared for the Select Committee on Pension Policy to support their strategic efforts to manage the future health of the retirement systems.

LEOFF 1 currently has more than enough assets to pay required benefits for many years. The latest actuarial valuation shows LEOFF 1 with a funded status of 125 percent. This means that LEOFF 1 has \$1.25 in actuarial assets for every dollar of earned benefits at the time of measurement. However, the funded status for LEOFF 1 is projected to decline over the next several years as asset losses due to the great recession are recognized.

Despite LEOFF 1's current surplus funded status, the report found that there is significant risk under current funding policy that LEOFF 1 will run out of money prematurely—before all required benefits are paid. This is referred to as "pay-go" risk because required benefits must be paid-as-you-go from other funding sources if the trust fund runs out of money. This pay-go risk is driven by the potential combination of untimely asset losses and no contributions collected after 2024 under the current funding method for LEOFF Plan 1.

The current funding policy for LEOFF

1 is very basic. No contributions are made if the plan is fully funded. Actuarially required contributions must be made if the plan is not fully funded at any time prior to 2024.

However, the current funding policy does not address required contributions beyond 2024. This makes the plan vulnerable to future pay-go risk because no contributions would be collected for the plan after 2024. There would be no active members to make contributions, and the funding policy assumes that employers would no longer make contributions either.

LEOFF 1 is also susceptible to spiking contribution requirements just prior to 2024. Under current funding policy, if an unfunded liability emerges prior to 2024, then the entire unfunded liability must be amortized by 2024. This can lead to significantly large state/employer contributions as a percentage of LEOFF 2 payroll prior to 2024.

In the report, the state actuary recommends that policy makers further examine pay-go risk under LEOFF 1's current funding policy and develop and implement strategies to mitigate or eliminate this risk.

More information and risk measures affecting LEOFF 1 are provided in the risk assessment report. The report is available on OSA's web site at: [http://osa.leg.wa.gov/Actuarial\\_Services/RiskAssessment/RA.htm](http://osa.leg.wa.gov/Actuarial_Services/RiskAssessment/RA.htm)

## Get on the Email list!

Do you want to receive your newsletter via email instead of regular mail? Contact us to join the email list! This is a great idea, especially for Snowbirds, as our not-for-profit mailing rate does not allow us to forward your newsletter. It also saves the RFFOW mailing costs.

You can also get on the email list even if you want to continue to receive the newsletter in the mail... just let us know!

## Retired Firefighters of Washington

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Date Sensitive Material - Please Deliver

### OCTOBER MEETING NOTICE:

Wednesday, October 13  
Ballard Elks, 6411 Seaview Avenue NW  
11:00 am

## Meeting Notices in YOUR Area

### BELLINGHAM

**WHEN:** 2nd Friday of the month  
**WHERE:** Squalicum Yacht Club  
**TIME:** 10 AM  
**INFO:** Call Jim Burton at 360-734-6572

All are welcome to come and join us, family and friends. We hear and share important information and re-connect with each other.

### TACOMA

**WHEN:** 1st Wednesday of the month  
**WHERE:** Local 31 Union Hall  
**TIME:** 11 AM  
**INFO:** Call Larry Anderson  
253-851-6831  
larrysandi@comcast.net

Bring a sack lunch, except August & December, which are potluck - everyone's favorite!

### VANCOUVER

**WHEN:** 3rd Thursday of the month  
**WHERE:** Vancouver Mall I-Hop  
**TIME:** 8 AM  
**INFO:** Call President Ken McMillian  
360-574-1123  
kenmac50@peoplepc.com

All are invited and encouraged to attend. It is a good time to hear and give the latest information, conduct our business and share time with friends.

### RENTON

**WHEN:** 1st Thursday of the month  
**WHERE:** Station 13 in Renton  
**TIME:** 10 AM  
**INFO:** Call President Bruce Phillips 425-226-2974 or b29m27p@comcast.net

We invite you to join us! All are welcome!

### SPOKANE VALLEY

**WHEN:** 3rd Thursday of the month  
**WHERE:** Conley's Restaurant  
**TIME:** 9AM  
**INFO:** Call Clyde Wisenor  
509-926-8822

Anyone interested is encouraged to attend! Come, and give us a try!

### SEATTLE RET. FF TRAVEL CLUB

**WHEN:** 2nd Thursday of the month  
**WHERE:** 125th St. Grill (12255 Aurora Avenue N., Seattle)  
**TIME:** Noon (Happy Hr) 1 PM Lunch  
**INFO:** John Church 360-424-3892  
jrchurch@comcast.net

### YAKIMA

**WHEN:** 1st Monday of the month  
**WHERE:** Waffles Cafe, 1501 N. 1st St.  
**TIME:** 8:30 AM  
**INFO:** Call Bob VanDyke at 509-452-8380

All retirees and wives from any Fire Department are welcomed and encouraged to attend!

### ABERDEEN/HOQUIAM

**WHEN:** 1st Monday of the month  
**WHERE:** Top Foods in Aberdeen  
**TIME:** 10 AM  
**INFO:** Don Hirschman  
360-533-4795

All are invited to join our get together!

### RFFOW MONTHLY MEETING

**WHEN:** 2nd Wednesday of the month  
**WHERE:** Ballard Elks, 6411 Seaview Avenue N.  
**TIME:** 11 AM  
**INFO:** President Dick Warbrouck  
425-775-9080  
mwarbrouck@comcast.net