



## **HB 2034 CONCERNING TERMINATION AND RESTATEMENT OF PLAN 1 OF THE LAW ENFORCEMENT OFFICERS' and FIREFIGHTERS' RETIREMENT SYSTEM.**

On Thursday March 12, 2026, the Washington State Legislature passed [Engrossed Substitute House Bill 2034](#) (ESHB). This bill will reduce the current funding status of LEOFF 1, from 160% to 110%, which equates to roughly \$2.5 billion. The bill will not take effect until 2029, and the anticipated growth of the plan is expected to be close to \$4 billion dollars at that time.

This compilation of answers to the frequently asked questions the WSCFF has received about ESHB 2034 was **updated** on March 18, 2026.

### **What happens to current LEOFF 1 benefits under ESHB 2034?**

- The pension fund will maintain funding status of approximately 110%, making it one of the best-funded pension plans in the state.
- Full monthly pension payments will remain unchanged.
- Full medical coverage for LEOFF-1 members will continue.
- The cost-of-living adjustment (COLA) will not be capped or modified.

**The benefits promised to LEOFF-1 members and beneficiaries remain intact.**

### **Are there other aspects of the bill that you should be aware of?**

- Yes, there are two **Legislative Studies** that will take place. The legislation directs the **Select Committee on Pension Policy (SCPP)** to conduct additional reviews regarding:
- Plan Governance: Evaluating the current governance structure, including coordination with the LEOFF Plan 2 Retirement Board, to determine the most appropriate governing body for LEOFF-1.
- LEOFF-1 Medical Boards: Reviewing their structure and determining whether alternative options should be considered.

### **What was the WSCFF position on this bill?**

- The WSCFF Legislative Team was consistent in our messaging that we were opposed to the bill as presented. We communicated to the legislature that we were seeking two amendments and if our amendments were added to the bill, we could then support it.

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### **What were the two amendments that the WSCFF were asking for?**

1. The first would have given the LEOFF Plan 2 Retirement Board governance over LEOFF 1.
2. The second would have added a benefit improvement for LEOFF 1 members like the one we secured in 2022 with [SB 5791](#) which gave LEOFF 1 members a one-time lump sum benefit of \$100 per service credit month or \$20,000, whichever was greater.

### **Why was this bill proposed?**

- The state has an interest in utilizing its portion of the contributions, to shore up other parts of the budget.

### **What does the state plan to do with the money?**

- In 2029 it is anticipated that the state will move approximately \$4 billion dollars into the Pension Surplus Holding Account.

### **Who is still contributing to the LEOFF 1 pension fund?**

- No one. No contributions have been made by members, employers, or the state since 2001.

### **When will this bill take effect?**

- June 30, 2029.

### **What happens if the restated LEOFF 1 plan drops below 100%?**

- ESHB 2034 requires the state to make additional payments into the LEOFF 1 account in the event the funding status drops below 100%

### **Will HB 2034 need approval from the federal government?**

- Yes. The Department of Retirement Systems must seek guidance from the IRS to ensure compliance.
- If the IRS finds changes are needed, they must notify the Governor and Legislature.

### **Who contributed to the LEOFF 1 pension fund?**

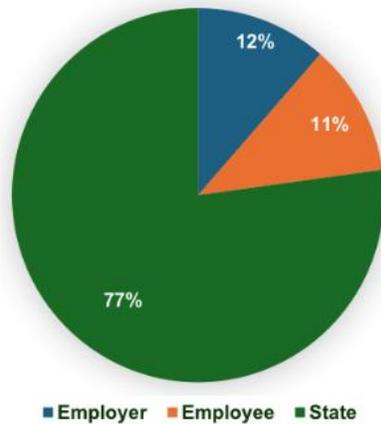
- Members contributed 11% of the total fund, employers contributed 12%, the remaining 77% of the contributions were made by the state.
- More information on LEOFF 1 status can be found in this study: [leoff1study-withattachments.pdf](#)

Select Committee on Pension Policy

Historic LEOFF 1 Contributions by Source (Dollars in Millions)							
Year	Employer	Employee	State	Year	Employer	Employee	State
1971	\$4.3	\$4.3	\$0.0	1986	\$10.9	\$11.0	\$139.1
1972	4.9	4.9	0.0	1987	11.4	11.4	138.4
1973	5.4	5.4	0.0	1988	11.7	11.7	52.5
1974	5.9	5.9	0.0	1989	12.0	12.0	46.2
1975	6.5	6.5	0.0	1990	10.6	10.7	56.8
1976	7.1	7.1	39.8	1991	10.8	10.9	54.4
1977	7.8	7.8	39.7	1992	10.4	10.4	70.3
1978	8.6	7.4	63.7	1993	10.4	10.5	54.7
1979	8.8	8.7	62.5	1994	9.8	9.8	61.3
1980	9.3	9.2	81.7	1995	9.5	9.5	65.5
1981	9.6	9.6	81.2	1996	8.9	8.9	70.9
1982	10.4	10.4	56.7	1997	8.2	8.2	66.7
1983	10.5	10.6	178.1	1998	7.6	8.3	50.4
1984	10.7	10.8	128.7	1999	7.2	7.2	48.8
1985	\$10.9	\$10.9	\$93.1	2000	\$6.3	\$6.3	\$0.0
				<b>Total</b>	<b>\$266.4</b>	<b>\$266.3</b>	<b>\$1,801.2</b>

Source: 2011 LEOFF Merger Study.

Total LEOFF 1 Contributions by Source



\*Source: 2011 LEOFF Merger Study.

As a reminder, most of the cost of Washington's pension plans are paid by investment returns on contributions. For all of the DRS plans put together, investment returns have paid for approximately 70% of the cost of benefits over the last 20 years (see [OSA website](#) for details).

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### **Can this happen to LEOFF 2?**

- There is little chance that LEOFF 2 will ever reach an overfunded status like LEOFF 1 due to the number of members in the plan.
- In 2002, the Washington State Council of Fire Fighters lead a statewide initiative that created a standalone LEOFF Plan 2 Retirement Board (LEOFF 2 Board) to govern the LEOFF 2 plan.
- The LEOFF 2 Board has maintained a steady fund balance and worked to ensure plan solvency and steady rates.
- The board also adopted guardrails to keep the fund closer to the 100% funded range to avoid scenarios like this.

### **What are the next steps?**

- **We have communicated with the Governor our disappointment and frustration related to the House and Senate Leaderships' lack of engagement and willingness to collaborate with us on this matter.**
- Under the legislation, the Washington State Department of Retirement Systems (DRS) shall seek guidance from the federal Internal Revenue Service to ensure compliance. DRS will make this request soon and it is expected that this process will take 18-24 months.
- The WSCFF will work with the International Association of Fire Fighters (IAFF) to conduct a review of the bill language to determine whether legal concerns exist and whether legal action would be in the best interest of our members and our organization.
- The WSCFF is aware that several LEOFF-1 organizations have retained legal counsel and may pursue litigation. We will be in contact with the other LEOFF-1 organizations and possibly the firm that will be representing LEOFF-1 members. It is important that we understand what a suit would look like and the impacts – both positive and negative – of such action now and into the future.

The WSCFF has historically approached issues of this magnitude with professionalism and careful evaluation. Once our review is complete and a course of action is determined, we will communicate further with the membership.

The WSCFF will continue our advocacy efforts and provide updates on this important issue.