

# Police Relief and Pension

## Michael Germann, Executive Secretary

### Contact Information

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### Department Description

On March 1, 1970, the State of Washington took over the provision of certain police pensions through Revised Code of Washington (RCW) Section 41.26, the Law Enforcement Officers and Fire Fighters (LEOFF) Act Plan I. The City of Seattle Police Relief and Pension Fund is responsible for all pre-LEOFF pension benefits and that portion of the previous municipal police pension benefits that exceed LEOFF Plan I entitlements, including the pension benefits of their lawful beneficiaries, as well as for all medical benefits provided to qualifying active and retired Seattle Police Officers.

Both the Seattle Police Relief and Pension and LEOFF Plan I are closed systems and have not accepted new enrollments since October 1, 1977. Seattle police officers hired after this date are automatically enrolled in the State's LEOFF Plan II, for which the Seattle Police Pension Fund has no pension or medical benefit obligation.

The Seattle Police Pension Board, a seven member quasi-judicial body chaired by the Mayor of Seattle or his/her designee, formulates policy, rules upon disability applications, and provides oversight of the Police Pension Fund. Three staff employees of the Board handle all of its operational functions. Staff positions associated with Police Relief and Pension are not reflected in the City's position list.

The projections of annual pension and medical benefits, which comprise 98% of the total annual budget, are done by an independent actuary. Although the Police Pension Fund has statutory funding sources, the City's General Subfund provides funding for nearly all of the Pension Fund's annual budget. Proceeds from the Police Auction contribute a small amount toward the annual budget.

### Policy and Program Changes

The 2011 Adopted Budget is \$666,000 greater than the 2010 Adopted Budget. This increase reflects the actuary's projection of a \$1.1 million increase in medical expenses, which is offset, in part, by the actuary's \$532,000 projected decrease in pension costs. The Proposed Budget uses \$633,000 of the projected 2010 year-end fund balance to offset expenditures in 2011. This projected fund balance is in excess of the \$500,000 in the Contingency Reserve and is available because projected 2010 pension and medical costs are less than anticipated in the 2010 Adopted Budget.

## Police Pension

<b>Appropriations</b>	<b>Summit Code</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
<b>Police Relief and Pension Budget Control Level</b>					
Administration		491,789	373,903	425,000	433,500
Death Benefits		15,021	15,000	15,000	15,000
Medical Benefits		11,891,608	12,345,000	13,492,000	13,248,000
Pension Benefits		8,088,220	9,628,000	9,096,000	8,634,000
<b>Police Relief and Pension Budget Control Level</b>	<b>RP604</b>	<b>20,486,638</b>	<b>22,361,903</b>	<b>23,028,000</b>	<b>22,330,500</b>
<b>Department Total</b>		<b>20,486,638</b>	<b>22,361,903</b>	<b>23,028,000</b>	<b>22,330,500</b>
<b>Department Full-time Equivalents Total*</b>		<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<i>* FTE totals are provided for informational purposes only.</i>					
		<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
<b>Resources</b>					
General Subfund		20,230,783	22,302,034	22,255,382	22,190,500
Other		255,855	59,869	772,618	140,000
<b>Department Total</b>		<b>20,486,638</b>	<b>22,361,903</b>	<b>23,028,000</b>	<b>22,330,500</b>

# Police Pension

## Police Relief and Pension Budget Control Level

### Purpose Statement

The purpose of the Police Relief and Pension Budget Control Level is to provide responsive benefit services to eligible active-duty and retired Seattle police officers.

<b>Program Expenditures</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
Administration	491,789	373,903	425,000	433,500
Death Benefits	15,021	15,000	15,000	15,000
Medical Benefits	11,891,608	12,345,000	13,492,000	13,248,000
Pension Benefits	8,088,220	9,628,000	9,096,000	8,634,000
<b>Total</b>	<b>20,486,638</b>	<b>22,361,903</b>	<b>23,028,000</b>	<b>22,330,500</b>
Full-time Equivalents Total *	3.00	3.00	3.00	3.00

*\*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

## Police Relief and Pension: Administration

### Purpose Statement

The purpose of the Administration Program is to provide responsive benefit services to eligible active-duty and retired Seattle police officers.

### Program Summary

Increase the Administration Program by \$51,000 to reflect the actual cost of personnel services.

<b>Expenditures/FTE</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
Administration	491,789	373,903	425,000	433,500
Full-time Equivalents Total*	3.00	3.00	3.00	3.00

*\* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

## Police Relief and Pension: Death Benefits

### Purpose Statement

The purpose of the Death Benefits Program is to provide statutory death benefit payments to lawful beneficiaries of eligible former members of the Seattle Police Department.

### Program Summary

There are no substantive changes from the 2010 Adopted Budget.

<b>Expenditures</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
Death Benefits	15,021	15,000	15,000	15,000

# Police Pension

## Police Relief and Pension: Medical Benefits

### Purpose Statement

The purpose of the Medical Benefits Program is to provide medical benefits for eligible active-duty and retired members of the Seattle Police Department.

### Program Summary

Increase the Medical Benefits Program by \$1,147,000 based on the actuary's projected increase in medical costs.

	2009	2010	2011	2012
Expenditures	Actual	Adopted	Adopted	Endorsed
Medical Benefits	11,891,608	12,345,000	13,492,000	13,248,000

## Police Relief and Pension: Pension Benefits

### Purpose Statement

The purpose of the Pension Benefits Program is to provide pension benefits for eligible retired members of the Seattle Police Department.

### Program Summary

Decrease the Pensions Program by \$532,000 to reflect the actuary's projection of reduced pension costs.

	2009	2010	2011	2012
Expenditures	Actual	Adopted	Adopted	Endorsed
Pension Benefits	8,088,220	9,628,000	9,096,000	8,634,000

## Police Pension

### 2011 - 2012 Estimated Revenues for the Police Relief and Pension Fund

Summit Code	Source	2009 Actuals	2010 Adopted	2010 Revised	2011 Adopted	2012 Endorsed
587001	General Subfund	20,230,783	22,302,034	22,302,034	22,255,382	22,190,500
	<b>Total General Subfund</b>	<b>20,230,783</b>	<b>22,302,034</b>	<b>22,302,034</b>	<b>22,255,382</b>	<b>22,190,500</b>
469200	Police Auction Proceeds	134,254	140,000	140,000	140,000	140,000
	<b>Total Police Auction Proceeds</b>	<b>134,254</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>
	<b>Total Revenues</b>	<b>20,365,037</b>	<b>22,442,034</b>	<b>22,442,034</b>	<b>22,395,382</b>	<b>22,330,500</b>
379100	Use of Fund Balance	121,601	(80,131)	(853,034)	632,618	0
	<b>Total Use of Fund Balance</b>	<b>121,601</b>	<b>(80,131)</b>	<b>(853,034)</b>	<b>632,618</b>	<b>0</b>
	<b>Total Resources</b>	<b>20,486,638</b>	<b>22,361,903</b>	<b>21,589,000</b>	<b>23,028,000</b>	<b>22,330,500</b>

## Police Pension

### Police Relief and Pension Fund

	<b>2009 Actuals</b>	<b>2010 Adopted</b>	<b>2010 Revised</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
<b>Beginning Fund Balance</b>	<b>422,738</b>	<b>419,869</b>	<b>279,584</b>	<b>1,132,618</b>	<b>500,000</b>
Accounting and Technical Adjustments	(21,553)	0	0	0	0
Plus: Actual and Estimated Revenue	20,365,037	22,442,034	22,442,034	22,395,382	22,330,500
Less: Actual and Budgeted Expenditures	20,486,638	22,361,903	21,589,000	23,028,000	22,330,500
<b>Ending Fund Balance</b>	<b>279,584</b>	<b>500,000</b>	<b>1,132,618</b>	<b>500,000</b>	<b>500,000</b>
Contingency Reserve	279,584	500,000	500,000	500,000	500,000
<b>Total Reserves</b>	<b>279,584</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Ending Unreserved Fund Balance</b>	<b>0</b>	<b>0</b>	<b>632,618</b>	<b>0</b>	<b>0</b>