

# Firefighters' Pension

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## Department Overview

The Firefighters' Pension Fund (FPEN) provides pension and medical benefit services to eligible firefighters, active and retired, and their beneficiaries. FPEN is a closed plan that only covers firefighters who were hired before October 1, 1977. Retiree benefits for firefighters hired more recently are primarily covered through a separate state-managed plan.

Management of firefighter benefits funds transitioned in the 1970s from local to state control. Prior to that time, the City paid into FPEN to provide for firefighter retiree benefits. In March 1970, the state created the Law Enforcement Officers and Fire Fighters Retirement System Plan 1 (LEOFF 1). Seattle firefighters hired between March 1970 and October 1977 enrolled in LEOFF 1, but they also received additional benefit coverage through FPEN. As a result, this group of firefighters receives retiree benefits primarily from the state's LEOFF 1 plan as well as any earned increment from the City's FPEN that exceeds LEOFF 1 coverage. Both FPEN and LEOFF 1 closed to new enrollees in October 1977. Firefighters hired after that date enroll in the state's LEOFF 2 plan and do not receive benefits from FPEN.

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

The projections of annual pension and medical benefits, which comprise about 96% of the total annual FPEN budget, are based on the forecasts of an independent actuary. The Firefighters' Pension Fund has two statutory funding sources:

- The first is a component of the City's property tax levy. These revenues are placed in the City's General Fund, which funds FPEN's annual budget.
- The second is the state fire insurance premium tax.

These statutory funding sources are in addition to other smaller funding sources that support the Firefighters' Pension Fund obligations.

The Firefighters' Pension Fund includes two funds: the Fireman's Pension Fund, which pays current pension, medical, and death benefits; and the Actuarial Account, which was established by [Ordinance 117216](#) in 1994 to accumulate a balance sufficient to pay all future pension liabilities of the fund by 2028.

## Firefighters' Pension

### Budget Snapshot

	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
<b>Department Support</b>				
Other Funding - Operating	24,931,613	26,470,724	27,481,658	27,487,393
<b>Total Operations</b>	<b>24,931,613</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>
<b>Total Appropriations</b>	<b>24,931,613</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>
Full-Time Equivalents Total*	4.00	4.00	4.00	4.00

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

### Budget Overview

The Firefighters' Pension Fund (FPEN) receives almost all of its revenue from the City's General Fund. FPEN's expenditures pay the legally mandated pension and medical benefits, including long-term care, to eligible retired firefighters and qualified beneficiaries. Most of FPEN's retirees are represented by either Local 27 (firefighters' union) or Local 2898 (fire chiefs' union) and their total pension benefits are increased annually by a factor equal to the negotiated annual wage increases (AWI) for the active union members at the Seattle Fire Department, offset by benefits paid by the state's Law Enforcement Officers and Fire Fighters (LEOFF 1) pension plan, which has its own annual growth rate.

In November 2016, Council passed Ordinance 125190 which requires an actuarially determined level payment amount from the City to the FPEN Fund each year to cover pension benefit costs. Any remaining difference between the level payment amount and actual pension benefit costs is transferred to the Actuarial Account for FPEN's future pension obligations. The account is invested in a portfolio managed by the Department of Finance and Administrative Services (FAS). The 2026 Proposed Budget assumes an annual rate of return of 5.5% on the investment portfolio and that the returns are continuously reinvested.

The 2026 Proposed Budget is an increase of \$5,735 above the 2026 Endorsed Budget as a result of internal cost adjustments and \$1.0 million (3.8%) above the 2025 Adopted Budget. The 2026 Proposed Budget includes the required transfer to the Actuarial Account to achieve the City's goal to fully fund all future pension liability by the end of 2028.

## Firefighters' Pension

### Incremental Budget Changes

#### Firefighters' Pension

	2026 Budget	FTE
<b>Total 2026 Endorsed Budget</b>	<b>27,481,658</b>	<b>4.00</b>
<b>Baseline</b>		
Citywide Adjustments for Standard Cost Changes	5,735	-
<b>Proposed Technical</b>		
Fund Balancing Adjustment	-	-
<b>Total Incremental Changes</b>	<b>\$5,735</b>	<b>-</b>
<b>Total 2026 Proposed Budget</b>	<b>\$27,487,393</b>	<b>4.00</b>

### Description of Incremental Budget Changes

#### Baseline

##### Citywide Adjustments for Standard Cost Changes

Expenditures \$5,735

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare and other central cost factors. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

#### Proposed Technical

##### Fund Balancing Adjustment

Revenues \$(2,590,910)

This is a technical item to record a fund balancing entry for the Fireman's Pension Fund and the Fireman's Pension Actuarial Fund.

## Firefighters' Pension

### Expenditure Overview

	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
<b>Appropriations</b>				
<b>FPEN - BO-FP-R2F01 – Firefighters' Pension</b>				
61040 - Fireman's Pension Fund	24,931,613	26,470,724	27,481,658	27,487,393
<b>Total for BSL: BO-FP-R2F01</b>	<b>24,931,613</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>
<b>Department Total</b>	<b>24,931,613</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>
<b>Department Full-Time Equivalents Total*</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

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

### Budget Summary by Fund Firefighters' Pension

	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
61040 - Fireman's Pension Fund	24,931,613	26,470,724	27,481,658	27,487,393
<b>Budget Totals for FPEN</b>	<b>24,931,613</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>

### Revenue Overview

#### 2026 Estimated Revenues

Account Code	Account Name	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
335130	Fire Insur Premium Tax	1,452,909	1,471,907	1,550,998	1,550,998
360430	Employr Pnsn Contributions	20,132,556	25,168,305	25,499,305	25,499,305
360900	Miscellaneous Revs-Other Rev	(37,471)	420,000	410,000	410,000
<b>Total Revenues for: 61040 - Fireman's Pension Fund</b>		<b>21,547,994</b>	<b>27,060,212</b>	<b>27,460,303</b>	<b>27,460,303</b>
400000	Use of/Contribution to Fund Balance	-	(589,488)	21,355	27,090
<b>Total Resources for:61040 - Fireman's Pension Fund</b>		<b>21,547,994</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>
397010	Operating Transfers In	1,116,000	2,537,000	2,618,000	2,618,000
<b>Total Revenues for: 61050 - Fireman's Pension Actuarial</b>		<b>1,116,000</b>	<b>2,537,000</b>	<b>2,618,000</b>	<b>2,618,000</b>
400000	Use of/Contribution to Fund Balance	-	(2,537,000)	(2,618,000)	(2,618,000)
<b>Total Resources for:61050 - Fireman's Pension Actuarial</b>		<b>1,116,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total FPEN Resources</b>		<b>22,663,994</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>

## Firefighters' Pension

### **FPEN - BO-FP-R2F01 – Firefighters' Pension**

The purpose of the Firefighters' Pension Budget Summary Level is to provide benefit services to eligible active and retired firefighters and their lawful beneficiaries.

<b>Program Expenditures</b>	<b>2024 Actuals</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>	<b>2026 Proposed</b>
Death Benefits	10,000	19,000	19,000	19,000
Leadership and Administration	1,519,521	994,724	1,024,658	1,030,393
Long-Term Care	2,662,469	-	-	-
Medical Benefits	10,071,327	15,600,000	16,500,000	16,500,000
Pensions	10,668,296	9,857,000	9,938,000	9,938,000
<b>Total</b>	<b>24,931,613</b>	<b>26,470,724</b>	<b>27,481,658</b>	<b>27,487,393</b>
Full-time Equivalents Total*	4.00	4.00	4.00	4.00

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

*The following information summarizes the programs in Firefighters' Pension Budget Summary Level:*

#### **Death Benefits**

<b>Expenditures/FTE</b>	<b>2024 Actuals</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>	<b>2026 Proposed</b>
Death Benefits	10,000	19,000	19,000	19,000

#### **Leadership and Administration**

<b>Expenditures/FTE</b>	<b>2024 Actuals</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>	<b>2026 Proposed</b>
Leadership and Administration	1,519,521	994,724	1,024,658	1,030,393
Full Time Equivalents Total	4.00	4.00	4.00	4.00

#### **Long-Term Care**

<b>Expenditures/FTE</b>	<b>2024 Actuals</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>	<b>2026 Proposed</b>
Long-Term Care	2,662,469	-	-	-

#### **Medical Benefits**

## Firefighters' Pension

	2024	2025	2026	2026
Expenditures/FTE	Actuals	Adopted	Endorsed	Proposed
Medical Benefits	10,071,327	15,600,000	16,500,000	16,500,000

### Pensions

	2024	2025	2026	2026
Expenditures/FTE	Actuals	Adopted	Endorsed	Proposed
Pensions	10,668,296	9,857,000	9,938,000	9,938,000