

# Firefighter's Pension

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<http://www.seattle.gov/firepension>

## 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 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, but also 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 their 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 97% 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 the Fire Pension Fund'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 Fire 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.

## Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Proposed
<b>Department Support</b>				
<b>Other Funding - Operating</b>	21,948,324	22,972,698	23,036,576	23,037,831
<b>Total Operations</b>	21,948,324	22,972,698	23,036,576	23,037,831
<b>Total Appropriations</b>	21,948,324	22,972,698	23,036,576	23,037,831

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Full-Time Equivalents Total*	4.00	4.00	4.00	4.00
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*\* 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*

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## Incremental Budget Changes

### Firefighter's Pension

	2024 Budget	FTE
<b>Total 2024 Endorsed Budget</b>	<b>23,036,576</b>	<b>4.00</b>
<b>Baseline</b>		
Citywide Adjustments for Standard Cost Changes	1,255	-
<b>Proposed Technical</b>		
Fund Balancing Adjustment(s) - Proposed	-	-
<b>Total Incremental Changes</b>	<b>\$1,255</b>	<b>-</b>
<b>Total 2024 Proposed Budget</b>	<b>\$23,037,831</b>	<b>4.00</b>

## Description of Incremental Budget Changes

### Baseline

#### Citywide Adjustments for Standard Cost Changes

**Expenditures** **\$1,255**

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, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

### Proposed Technical

#### Fund Balancing Adjustment(s) - Proposed

**Revenues** **\$1,074,901**

This is a technical item to record a fund balancing entry for the Fire Fighters' Pension Fund, which is primarily managed by the Firefighters' Pension Board. Balancing entries are used to capture the use of or contribution to fund balances to explain the differences between expected revenue and expected expenditures. This demonstrates that the fund has sufficient resources, either current expected revenue or existing fund balances, to cover the expected costs. For the FPEN Fund, this item captures a use of fund balance to cover the difference between revenues and expenditures.

#### Fund Balancing Adjustment(s) - Proposed

**Revenues** **\$(1,116,000)**

This is a technical item to record a fund balancing entry for the Fire Pension Actuarial Account Fund (61050), which is managed by the Firefighters' Pension Board and the City Budget Office. Balancing entries are used to capture the use of or contribution to fund balances to explain the differences between expected revenue and expected expenditures. This demonstrates that the fund has sufficient resources, either current expected revenue or existing

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fund balances, to cover the expected costs. For the FPEN Actuarial Fund, this item is capturing a contribution to fund balance.

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## 2023-24 Proposed Mid-Biennial Budget Adjustments - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Proposed Changes	Grand Total
Firefighters Pension	61040 - Fireman's Pension Fund	23,036,576	1,255	23,037,831
Firefighters Pension Total		23,036,576	1,255	23,037,831
Grand Total		23,036,576	1,255	23,037,831