

Police Relief and Pension

Stephanie Coleman, Executive Secretary

(206) 386-1286

www.seattle.gov/policepension/

Department Overview

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

Management of police benefits funds transitioned in the 1970s from local to state control. Prior to that time, the City paid into PPEN to provide for police officer retiree benefits. In March 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) Plan 1. Seattle police officers hired between March 1970 and October 1977 enrolled in LEOFF 1, but also received additional benefit coverage through PPEN. As a result, these police officers receive retiree benefits primarily from the state's LEOFF 1 plan, but also any earned increment from the City's PPEN that exceeds LEOFF 1 coverage. Both PPEN and LEOFF 1 closed to new enrollees in October 1977. Police officers hired after that date enroll in the state's LEOFF 2 plan and do not receive benefits from PPEN.

The Seattle Police Pension Board is a seven-member quasi-judicial body chaired by the Mayor or the Mayor's designee, which formulates policy, rules on 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 reflected in the City's position list.

Annual pension and medical benefits projections, which comprise about 97% of the total annual PPEN budget, are based on the forecasts of an independent actuary. The City's General Fund provides funding for nearly all of PPEN's annual budget that supports the Police Relief and Pension Fund obligations. PPEN also has a statutory funding source from police auction proceeds, which contribute a small amount towards the annual budget.

Budget Snapshot

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
Department Support				
Other Funding - Operating	17,229,050	26,748,732	22,464,953	22,517,572
Total Operations	17,229,050	26,748,732	22,464,953	22,517,572
Total Appropriations	17,229,050	26,748,732	22,464,953	22,517,572

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 Human Resources Director actions outside of the budget process may not be detailed here

Budget Overview

Police Relief and Pension

The Police Relief and Pension Fund (PPEN) pays legally mandated pension and medical benefits, including long-term care, to eligible retired police officers and qualified beneficiaries. The total pension benefits for PPEN members are increased annually through locally negotiated cost of living adjustments (COLA) and local inflation. These increases are then offset by the benefits paid by the state's LEOFF 1 pension plan which has its own annual growth rate.

Most of PPEN's retirees are represented by either the Seattle Police Management Association (SPMA) or the Seattle Police Officer's Guild (SPOG).

The 2025 Adopted and 2026 Endorsed budgets include adjustments to retiree medical and long-term care, pension, and administrative support costs with total budgets of \$22.46 million in 2025 and \$22.52 million in 2026. These are a 16.0% reduction in 2025 from the 2024 Adopted Budget and a 0.23% increase in 2026 from 2025. Adjustments to appropriations for medical and long-term care reflect actuarial valuation estimates, which anticipate medical and long-term care costs will increase over the next several years due to PPEN's aging membership and annual trend rates for medical and long-term care costs. Pension appropriations incorporate the pension payment effects from annual wage increases in concluded labor agreements, but are reduced relative to previous years' appropriated amounts.

The 2025 Adopted and 2026 Endorsed budgets also include reductions in General Fund transfers relative to the 2024 Adopted Budget totaling approximately \$13.25 million over the biennium. This two-year reduction has the intended effect of reducing fund balance to a more appropriate level. General Fund contributions in 2027 will resume full coverage, without support from fund balances. The 2025 Adopted Budget further includes appropriation increases relative to the 2024 Adopted Budget of approximately \$278,000 for centrally adjusted administrative and staff labor costs.

City Council Changes to the Proposed Budget

The Council made no changes to the 2025-2026 Proposed Budget.

Police Relief and Pension

Incremental Budget Changes

Police Relief and Pension

	Dollars	FTE
2024 Adopted Budget	26,748,732	3.00
Baseline		
Bargained Annual Wage and Market Wage Increases to Base Budget	107,314	-
Citywide Adjustments for Standard Cost Changes	27,994	-
Proposed Operating		
Fund Balancing Adjustment(s) -- Proposed	(4,409,040)	-
Proposed Technical		
Final Adjustments for Standard Cost Changes	(10,047)	-
Total Incremental Changes	\$(4,283,779)	-
Total 2025 Adopted Budget	\$22,464,953	3.00

Description of Incremental Budget Changes

Baseline

Bargained Annual Wage and Market Wage Increases to Base Budget

Expenditures \$107,314

This centrally administered change adjusts appropriations to reflect the Annual Wage Increases and Market Adjustments, as outlined in the agreements between the City and the Coalition of Unions or other standalone Unions, for personnel costs included in this department’s baseline budget. This includes increases to salary, FICA, Medicare, retirement, overtime and temporary labor.

Citywide Adjustments for Standard Cost Changes

Expenditures \$27,994

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 Operating

Fund Balancing Adjustment(s) -- Proposed

Expenditures \$(4,409,040)

Revenues \$(4,283,779)

These adjustments provide for a reduction in fund balances over the 2025-2026 biennium by reducing the General

Police Relief and Pension

Fund transfer to the Police Pension Fund, while also adjusting expenditures to meet expected pension, medical, long-term care and administrative costs. This two-year reduction intentionally draws on existing fund balance in place of General Fund contributions in order to manage the size of the Police Relief and Pension fund balances. Balances had grown in anticipation of needing resources to pay for retroactive pension payment costs tied to the labor agreements negotiated between the police unions and the City of Seattle.

Proposed Technical

Final Adjustments for Standard Cost Changes

Expenditures	\$(10,047)
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Citywide technical adjustments made in the proposed 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 for the department. These adjustments reflect final decisions about these costs made during the Proposed Phase of the budget process.

Police Relief and Pension

Expenditure Overview

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
Appropriations				
PPEN - BO-PP-RP604 - Police Relief and Pension				
61060 - Police Relief & Pension Fund	17,229,050	26,748,732	22,464,953	22,517,572
Total for BSL: BO-PP-RP604	17,229,050	26,748,732	22,464,953	22,517,572
Department Total	17,229,050	26,748,732	22,464,953	22,517,572
Department Full-Time Equivalents Total*	3.00	3.00	3.00	3.00

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Budget Summary by Fund Police Relief and Pension

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
61060 - Police Relief & Pension Fund	17,229,050	26,748,732	22,464,953	22,517,572
Budget Totals for PPEN	17,229,050	26,748,732	22,464,953	22,517,572

Revenue Overview

2025 Estimated Revenues

Account Code	Account Name	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
360400	Unclaimed Money/Property Sales	155,237	117,000	119,000	122,000
360430	Employr Pnsn Contributions	12,560,724	22,572,313	16,072,313	15,822,313
Total Revenues for: 61060 - Police Relief & Pension Fund		12,715,961	22,689,313	16,191,313	15,944,313
400000	Use of/Contribution to Fund Balance	-	4,059,419	6,273,640	6,573,259
Total Resources for:61060 - Police Relief & Pension Fund		12,715,961	26,748,732	22,464,953	22,517,572
Total PPEN Resources		12,715,961	26,748,732	22,464,953	22,517,572

Police Relief and Pension

Appropriations by Budget Summary Level and Program

PPEN - BO-PP-RP604 - Police Relief and Pension

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

Program Expenditures	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
Death Benefits	27,082	18,000	25,000	25,000
Leadership and Administration	1,142,338	971,983	1,239,953	1,292,572
Long-Term Care	4,823,287	-	-	-
Medical Benefits	6,959,999	15,380,000	13,800,000	13,800,000
Pensions	4,276,343	10,378,749	7,400,000	7,400,000
Total	17,229,050	26,748,732	22,464,953	22,517,572
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 Human Resources Director actions outside of the budget process may not be detailed here*

The following information summarizes the programs in Police Relief and Pension Budget Summary Level:

Death Benefits

Expenditures/FTE	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
Death Benefits	27,082	18,000	25,000	25,000

Leadership and Administration

Expenditures/FTE	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
Leadership and Administration	1,142,338	971,983	1,239,953	1,292,572
Full Time Equivalents Total	3.00	3.00	3.00	3.00

Long-Term Care

Expenditures/FTE	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
Long-Term Care	4,823,287	-	-	-

Police Relief and Pension

Medical Benefits

	2023	2024	2025	2026
Expenditures/FTE	Actuals	Adopted	Adopted	Endorsed
Medical Benefits	6,959,999	15,380,000	13,800,000	13,800,000

Pensions

	2023	2024	2025	2026
Expenditures/FTE	Actuals	Adopted	Adopted	Endorsed
Pensions	4,276,343	10,378,749	7,400,000	7,400,000