



STATE OF WASHINGTON
BOARD FOR VOLUNTEER FIREFIGHTERS & RESERVE OFFICERS
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The Board for Volunteer Firefighters and Reserve Officers (the "Board") has been reviewing many of its policies, procedures, and interpretive statements. Most recently, the Board discussed establishing a policy regarding Buy-back payments ("Buy-back"). At its January 16, 2015, meeting the Board adopted the following policy:

POLICY ON BUY-BACK PURCHASES

The Volunteer Firefighters' and Reserve Officers Relief and Pension Act provides a small pension for emergency responders defined in RCW 41.24.010. On or before the first day of March of each year, every municipality must pay all fees for its qualifying participants ("Contributions"). When a municipality fails to timely make the Contributions, such Contributions may be subsequently paid with interest charged at a rate consistent with RCW 41.24.040, unless such Contributions are being made for payments prior to the participant joining the pension system. A participant joins the pension system once their first pension payment is made into the system.

Municipalities desiring to Buy-back pension payments for participants prior to the date such participants joined the pension system may do so at any time prior to or upon retiring and prior to receiving any pension disbursements as long as they served after June 7, 2012. As per RCW 41.24.1701, such purchases must include payment of the value of the resulting benefit increase. Beginning September 1st, 2015, the Board will charge the greater of the full actuarial cost of the Buy-back, or equivalent of the fees as outlined in RCW 41.24.040.

Buy-back payments must be made after any and all additional documentary evidence attempting to increase service time has been reviewed and approved. Participants submitting documentary evidence after making a Buy-back will have to not only owe for the disability fee, plus statutory interest as outlined in RCW 41.24.040, but also for any additional cost that should have been charged as a part of any previous Buy-back cost. Participants that were reported for the relief purposes for the years that Buy-backs are requested do not need to submit documentary evidence.

For illustrative purposes:

1. A firefighter joined the department and the pension system on January 1, 2013. He/she paid their pension fee in 2013, but missed the 2014 pension fee. He/she would now like to make up the cost. The amount due, if paid by April 30, 2015, would be \$60.00 plus statutory interest of \$7.80, for a total amount due of \$67.80.



2. A firefighter joined the department on January 1, 2010, but did not make his/her first pension payment until January 1, 2011. The member is currently 60 years old, his/her birthday is August 1st, and he/she would like to Buy-back his/her 2010 pension payment. The amount due, if paid by April 30, 2015, would be \$87.00.
3. A firefighter joined the department on March 2, 1992, but did not make his/her first pension payment until January 1, 1995. The member is currently 50 years old, and his/her birthday is July 4, 1964. He/she would like to Buy-back the years of 1992, 1993, and 1994. The amount due would be \$418.00 per year, for a total cost of \$1,254.00, if paid by July 4, 2015.
4. A firefighter joined the department on January 1, 2014, but did not make his/her first pension payment until 2015. The member is 23 years old, and his/her birthday is February 14, 1992. The Buy-back amount would be \$9.00. The Make-up cost would be \$69.00. Since the Make-up cost is greater than the Buy-back, the BVFF will charge the greater of the two fees, so the cost for the payment will be \$69.00, if paid by June 30, 2015.
5. A reserve officer joined the department on July 15, 2011. The member is currently 42 years old and his/her birthday is July 4. He/she would like to Buy-back his/her 2013 pension payment that he/she missed. All the other payments were made. The Buy-back amount would be \$63.00. The Make-up cost would be \$147.60. Since the Make-up cost is greater than the Buy-back, the BVFF will charge the greater of the two fees, so the cost for the payment will be \$147.60.

The Board does not accept personal checks. Therefore, payment must be made through the municipality. In addition, all payments must be accompanied by a completed Remittance Form with the year of the payment noted. A separate Remittance Form for each year being bought back must be complete and enclosed.

Prior to remitting payment for any Buy-backs, the municipality and/or the participant must contact the Board staff to obtain a written Buy-back payment estimate amount. These amounts are only good through the date noted on the written estimate and payments made after that date will not be accepted as full payment. Please note that the costs of the Buy-back vary depending on the member's age, the service time that the member has, and the number of years that the member is seeking to Buy-back. As a result, please do not assume that the cost for one firefighter will be the same as a different firefighter.

The above policy will apply to all Buy-backs that occur on or after September 1, 2015. Comments and/or questions should be forwarded to the Board for Volunteer Firefighters, PO Box 114, Olympia, WA 98507.