

2008 ORIENTATION MANUAL

Select Committee on
Pension Policy



Office of the State Actuary

"Securing tomorrow's pensions today."

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2008 Select Committee on Pension Policy

Member Directory

Representative Barbara Bailey	Bob Keller - PERS Active
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*Elaine M. Banks - TRS Retirees	*Sandra Matheson, Director
Washington State School Retirees Association 5004 West Sylvester Pasco, WA 99301 (509) 547-3197	Department of Retirement Systems PO Box 48380 Olympia, WA 98504 (360) 664-7312
Lois Clement - PERS Retirees	*Corky Mattingly - PERS Employers
2205 Erie Street Bellingham, WA 98229 (360) 671-4831	Yakima County 128 North Second Street Yakima, WA 98901 (509) 574-1400
*Representative Steve Conway – Vice Chair	Doug Miller - PERS Employers
307 JLOB PO Box 40600 Olympia, WA 98504-0600 (360) 786-7906	PUD #2 of Pacific County 405 Duryea Street Raymond, WA 98577 (360) 942-2411
Representative Larry Crouse	Victor Moore, Director
425-B LEG PO Box 40600 Olympia, WA 98504-0600 (360) 786-7820	Office of Financial Management PO Box 43113 Olympia, WA 98504 (360) 902-0526
Charles Cuzzetto - TRS & SERS Employers	Senator Ed Murray
Peninsula School District 14015 62nd Ave. NW Gig Harbor, WA 98332 (253) 530-1004	230 JAC PO Box 40443 Olympia, WA 98504-0443 (360) 786-7628
Randy Davis - TRS Active	Glenn Olson - PERS Employers
Washington Education Association 351 Alta Via Drive Camano Island, WA 98582 (360) 657-6019	Washington State Association of Counties 1300 Franklin Street, Suite 667 Vancouver, WA 98686 (360) 397-6097
Representative Bill Fromhold	*Senator Mark Schoesler – Chair
239 JLOB PO BOX 40600 Olympia, WA 98504-0600 (360) 786-7924	110 INB PO Box 40409 Olympia, WA 98504-0409 (360) 786-7620
Senator Steve Hobbs	J. Pat Thompson - PERS Active
213 JAC PO Box 40444 Olympia, WA 98504-0444 (360) 786-7686	WA State Council of County and City Employees 3305 Oakes Avenue Everett, WA 98201 (425) 303-8818
Senator Janea Holmquist	*David Westberg - SERS Active
106B INB PO Box 40413 Olympia, WA 98504-0413 (360) 786-1303	IUOE Operating Engineers 609 2800 1 st Avenue, Room 311 Seattle, WA 98121 (206) 441-8544

* Executive Committee Members

Select Committee on Pension Policy

Rules of Procedure

(June 19, 2007)

RULE 1. Membership. The Committee shall consist of 20 members: two from each caucus of the legislature, four active members or representatives of active members of the state retirement systems, two retired members or representatives of retired members of the state retirement systems, four employer representatives, and the Directors of the Department of Retirement Systems and the Office of Financial Management.

The Directors of the Department of Retirement Systems and the Office of Financial Management may appoint alternates from their respective agencies for membership on the SCPP.

RULE 2. Meetings. The Select Committee on Pension Policy (SCPP) will typically meet once each month during the Legislative Interim. Meetings may be called or cancelled by the Chair of the SCPP or Executive Committee as deemed necessary.

RULE 3. Rules of Order. All meetings of the SCPP, its Executive Committee, or any subcommittee created by the SCPP shall be governed by Reed's Parliamentary Rules, except as specified by applicable law or these Rules of Procedure.

RULE 4. Quorum. A majority of the 20 committee members shall constitute a quorum of the Full Committee (11 members). A majority of the members appointed to a subcommittee shall constitute a quorum of the subcommittee.

RULE 5. Voting. A majority of the 20 committee members must vote in the affirmative for an official action of the SCPP to be valid (11 members); a majority of those committee members present must vote in the affirmative on procedural matters (at least six members), unless provided otherwise in statute or these Rules of Procedure. Examples of official actions of the SCPP include: recommendations, endorsements, statements, or requests made by the SCPP to the Legislature, the Pension Funding Council, or any other body; election of officers; approval of minutes; adopting rules of procedure; and adopting goals. Examples of procedural matters include: convening or adjourning meetings; referring issues to the Executive Committee or subcommittees; and providing direction to staff. A majority of the members appointed to a subcommittee must vote in the affirmative for an official action of a subcommittee to be valid; a majority of those subcommittee members present must vote in the affirmative on procedural matters, unless provided otherwise in statute or these Rules of Procedure.

RULE 6. Minutes. Minutes summarizing the proceedings of each SCPP meeting and subcommittee shall be kept. These minutes will include member attendance, official actions taken at each meeting, and persons testifying.

RULE 7. SCPP Chair, Vice Chair, Executive Committee and Subcommittees. An Executive Committee shall be established and shall include six members. Reorganization elections shall take place at the first meeting of the year as follows: First the Chair shall be elected and then the Vice Chair shall be elected. The Chair shall be a member of the Senate in even-numbered years and a member of the House of Representatives in odd-numbered years. The Vice Chair shall be a member of the House in even-numbered years and a member of the Senate in odd-numbered years. Three members of the Executive Committee shall then be elected, one member representing active members, one member representing employers, and one member representing retirees. In addition, the Director of the Department of Retirement Systems shall serve on the Executive Committee.

Executive Committee members may designate an alternate to attend Executive Committee meetings in the event they cannot attend. Designations shall be made in the following manner:

- a. The Chair and Vice Chair shall designate an SCPP member who is a legislator from the same house.
- b. The Director of the Department of Retirement Systems shall designate an employee of the department.
- c. Active, Employer, and Retiree member representatives shall designate an SCPP member representing their member group.

Subcommittees of the SCPP may be formed upon recommendation of the Executive Committee. The creation of the subcommittee and appointment of members shall be voted on by the full SCPP.

RULE 8. Duties of Officers.

- A. The Chair shall preside at all meetings of the SCPP and Executive Committee, except that the Vice Chair shall preside when the Chair is not present. In their absence, an Executive Committee member may preside.
- B. The State Actuary shall prepare and maintain a record of the proceedings of all meetings of the SCPP Committee, Executive Committee, and SCPP Subcommittees.
- C. The Executive Committee shall perform all duties assigned to it by these Rules of Procedure, such other duties delegated to it by the SCPP, and shall set meeting agendas and recommend actions to be taken by the SCPP.
- D. A recommendation to refer an issue to the Assistant Attorney General will be approved by the Chair or by a majority vote of the Executive Committee. The Chair or the Committee will consider priorities of the SCPP of all legal issues and budget constraints in making this decision.

Advice from the Attorney General's Office to the Chair or the Committee may be subject to the attorney client privilege. When subject to the privilege, Committee members are advised to maintain the advice as confidential. The privilege may be waived only by vote of the Committee.

- E. The State Actuary may refer requests for information or services by Select Committee on Pension Policy members that are directly related to current Committee projects or proposals and/or require a significant use of OSA resources to either the Chair of the SCPP or the Executive Committee. Such requests will be approved by either the Chair or by a majority vote of the Executive Committee prior to initiation and completion by the OSA. The Executive Committee will consider priorities of all current OSA projects and budget constraints in making this decision.
- F. The State Actuary shall submit the following to the Executive Committee and the full SCPP for approval: the biennial budget submission for the OSA, and any personal services contract of \$20,000 or more that is not described in the biennial budget submission.
- G. The Chair and Vice Chair shall appoint four members of the SCPP to serve on the State Actuary Appointment Committee. At least one member shall represent state retirement systems' active or retired members, and one member shall represent state retirement system employers. The Chair and Vice Chair may designate an alternate for each appointee from the same category of membership.

RULE 9. Expenses. Legislators' travel expenses shall be paid by the member's legislative body; state employees' expenses shall be paid by their employing agency; other SCPP members' travel expenses shall be reimbursed by the Office of the State Actuary in accordance with RCW 43.03.050 and 43.03.060.

RULE 10. Staff. The OSA shall provide staff and technical assistance to the Committee. The State Actuary has the statutory authority to select and employ such research, technical, clerical personnel, and consultants as the State Actuary deems necessary. The State Actuary shall inform the Executive Committee of final personnel actions. Any employee terminated by the State Actuary shall have the right of appeal to the Executive Committee. The State Actuary has also implemented a grievance procedure within the OSA. Any employee who has followed the OSA grievance process and disagrees with the outcome may appeal to the Executive Committee. Employee appeals must be filed in writing with the Chair within 30 days of the action being appealed.

Effective Date June 19, 2007.

Revised June 19, 2007 by the Select Committee on Pension Policy.


Chair - Representative


Vice Chair - Senator

Review of SCPP Enabling Legislation

Members	• Four Senate members¹ • Four House members² • Four active members or representatives • Two retirees or representatives • Four employer representatives • Directors of DRS and OFM
Organization	Chair : Senate member in even numbered years, House member in odd numbered years Vice-Chair: House member in even numbered years, Senate member in odd numbered years Executive Committee: • Chair • Vice-Chair • Active member representative • Retiree member representative • Employer representative • Director of DRS Possible Subcommittees: • Public Safety • Education • State and Local Government
Duties	• Study pension issues and develop pension policies and recommendations • Study financial conditions of state pension systems and develop funding policies and recommendations • Make recommendations to the legislature and the Pension Funding Council
Other	State Actuary Appointment Committee: • Appoint or remove state actuary The committee shall consist of: • Chair and ranking minority member of House Appropriations Committee • Chair and ranking minority member of Senate Ways and Means Committee • Four members of the SCPP appointed by chair and vice-chair, at least one active or retiree representative, and one employer representative Pension Funding Council: • Solicit and administer actuarial audits and submit the results to the SCPP • Adopt changes to economic assumptions and contribution rates (subject to change by the Legislature)
Staff	Office of the State Actuary

¹ Three must be from the Ways and Means Committee.

² Three must be from the Appropriations Committee.

Excerpts from the Revised Code of Washington

RCW 41.04.276 Select Committee on Pension Policy

Creation ♦ Membership ♦ Terms of Office ♦ Staff Support

- (1) The select committee on pension policy is created. The select committee consists of:
 - (a) Four members of the senate appointed by the president of the senate, two of whom are members of the majority party and two of whom are members of the minority party. At least three of the appointees shall be members of the senate ways and means committee;
 - (b) Four members of the house of representatives appointed by the speaker, two of whom are members of the majority party and two of whom are members of the minority party. At least three of the appointees shall be members of the house of representatives appropriations committee;
 - (c) Four active members or representatives from organizations of active members of the state retirement systems appointed by the governor for staggered three year terms, with no more than two appointees representing any one employee retirement system;
 - (d) Two retired members or representatives of retired members' organizations of the state retirement systems appointed by the governor for staggered three year terms, with no two members from the same system;
 - (e) Four employer representatives of members of the state retirement systems appointed by the governor for staggered three year terms; and
 - (f) The directors of the department of retirement systems and office of financial management.
- (2)(a) The term of office of each member of the house of representatives or senate serving on the committee runs from the close of the session in which he or she is appointed until the close of the next regular session held in an odd numbered year. If a successor is not appointed during a session, the member's term continues until the member is reappointed or a successor is appointed. The term of office for a committee member who is a member of the house of representatives or the senate who does not continue as a member of the senate or house of representatives ceases upon the convening of the next session of the legislature during the odd numbered year following the member's appointment, or upon the member's resignation, whichever is earlier. All vacancies of positions held by members of the legislature must be filled from the same political party and from the same house as the member whose seat was vacated.

- (b) Following the terms of members and representatives appointed under subsection (1)(d) of this section, the retiree positions shall be rotated to ensure that each system has an opportunity to have a retiree representative on the committee.
- (3) The committee shall elect a chairperson and a vice chairperson. The chairperson shall be a member of the senate in even numbered years and a member of the house of representatives in odd numbered years and the vice chairperson shall be a member of the house of representatives in even numbered years and a member of the senate in odd numbered years.
- (4) The committee shall establish an executive committee of six members, including the chairperson, the vice chairperson, one member from subsection (1)(c) of this section, one member from subsection (1)(d) of this section, one member from subsection (1)(e) of this section, and the director of the department of retirement systems.
- (5) Nonlegislative members of the select committee serve without compensation, but shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060 .
- (6) The office of state actuary under chapter 44.44 RCW shall provide staff and technical support to the committee. [2005 c 24 § 1, 2003 c 295 § 1.]

RCW 41.04.278 Select Committee on Pension Policy

Subcommittees

- (1) The select committee on pension policy may form three function-specific subcommittees, as set forth under subsection (2) of this section, from the members under RCW 41.04.276 (1) (a) through (e), as follows:
 - (a) A public safety subcommittee with one member from each group under RCW 41.04.276 (1) (a) through (e)
 - (b) An education subcommittee with one member from each group under RCW 41.04.276 (1) (a) through (e); and
 - (c) A state and local government subcommittee, with one retiree member under RCW 41.04.276 (1)(d) and two members from each group under RCW 41.04.276 (1) (a) through (c) and (e).

The retiree members may serve on more than one subcommittee to ensure representation on each subcommittee.

- (2)(a) The public safety subcommittee shall focus on pension issues affecting public safety employees who are members of the law enforcement officers' and fire fighters', public safety employees', and Washington state patrol retirement systems.
- (b) The education subcommittee shall focus on pension issues affecting educational employees who are members of the public employees', teachers', and school employees' retirement systems.

- (c) The state and local government subcommittee shall focus on pension issues affecting state and local government employees who are members of the public employees' retirement system. [2006 c 309 § 4, 2003 c 295 § 2.]

RCW 41.04.281 Select Committee on Pension Policy

Powers and Duties

The select committee on pension policy has the following powers and duties:

- (1) Study pension issues, develop pension policies for public employees in state retirement systems, and make recommendations to the legislature;
- (2) Study the financial condition of the state pension systems, develop funding policies, and make recommendations to the legislature;
- (3) Consult with the chair and vice chair on appointing members to the state actuary appointment committee upon the convening of the state actuary appointment committee established under RCW 44.44.013; and
- (4) Receive the results of the actuarial audits of the actuarial valuations and experience studies administered by the pension funding council pursuant to RCW 41.45.110. The select committee on pension policy shall study and make recommendations on changes to assumptions or contribution rates to the pension funding council prior to adoption of changes under RCW 41.45.030, 41.45.035, or 41.45.060. [2003 c 295 § 5.]

RCW 44.44.013 State Actuary Appointment Committee

Creation ♦ Membership ♦ Powers.

- (1) The state actuary appointment committee is created. The committee shall consist of:
 - (a) The chair and ranking minority member of the house of representatives appropriations committee and the chair and ranking minority member of the senate ways and means committee; and
 - (b) four members of the select committee on pension policy appointed jointly by the chair and vice chair of the select committee, at least one member representing state retirement systems active or retired members, and one member representing state retirement system employers.
- (2) The state actuary appointment committee shall be jointly chaired by the chair of the house of representatives appropriations committee and the chair of the senate ways and means committee.
- (3) The state actuary appointment committee shall appoint or remove the state actuary by a two thirds vote of the committee. When considering the appointment or removal of the state actuary,

the appointment committee shall consult with the director of the department of retirement systems, the director of the office of financial management, and other interested parties.

(4) The state actuary appointment committee shall be convened by the chairs of the house of representatives appropriations committee and the senate ways and means committee

(a) whenever the position of state actuary becomes vacant, or

(b) upon the written request of any four members of the appointment committee.

[2003 c 295 § 13.]

RCW 41.45.100 Pension Funding Council

Creation

(1) The pension funding council is hereby created. The council consists of the:

(a) Director of the department of retirement systems;

(b) Director of the office of financial management;

(c) Chair and ranking minority member of the house of representatives appropriations committee; and

(d) Chair and ranking minority member of the senate ways and means committee.

The council may select officers as the members deem necessary.

(2) The pension funding council shall adopt changes to economic assumptions and contribution rates by an affirmative vote of at least four members. [1998 c 283 § 2.]

RCW 41.45.110 Pension Funding Council

Audits Required ♦ Select Committee on Pension Policy

The pension funding council shall solicit and administer a biennial actuarial audit of the actuarial valuations used for rate setting purposes. This audit will be conducted concurrent with the actuarial valuation performed by the state actuary. At least once in each six year period, the pension funding council shall solicit and administer an actuarial audit of the results of the experience study required in RCW 41.45.090. Upon receipt of the results of the actuarial audits required by this section, the pension funding council shall submit the results to the select committee on pension policy. [2003 c 295 § 10; 1998 c 283 § 3.]

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Office of the State Actuary

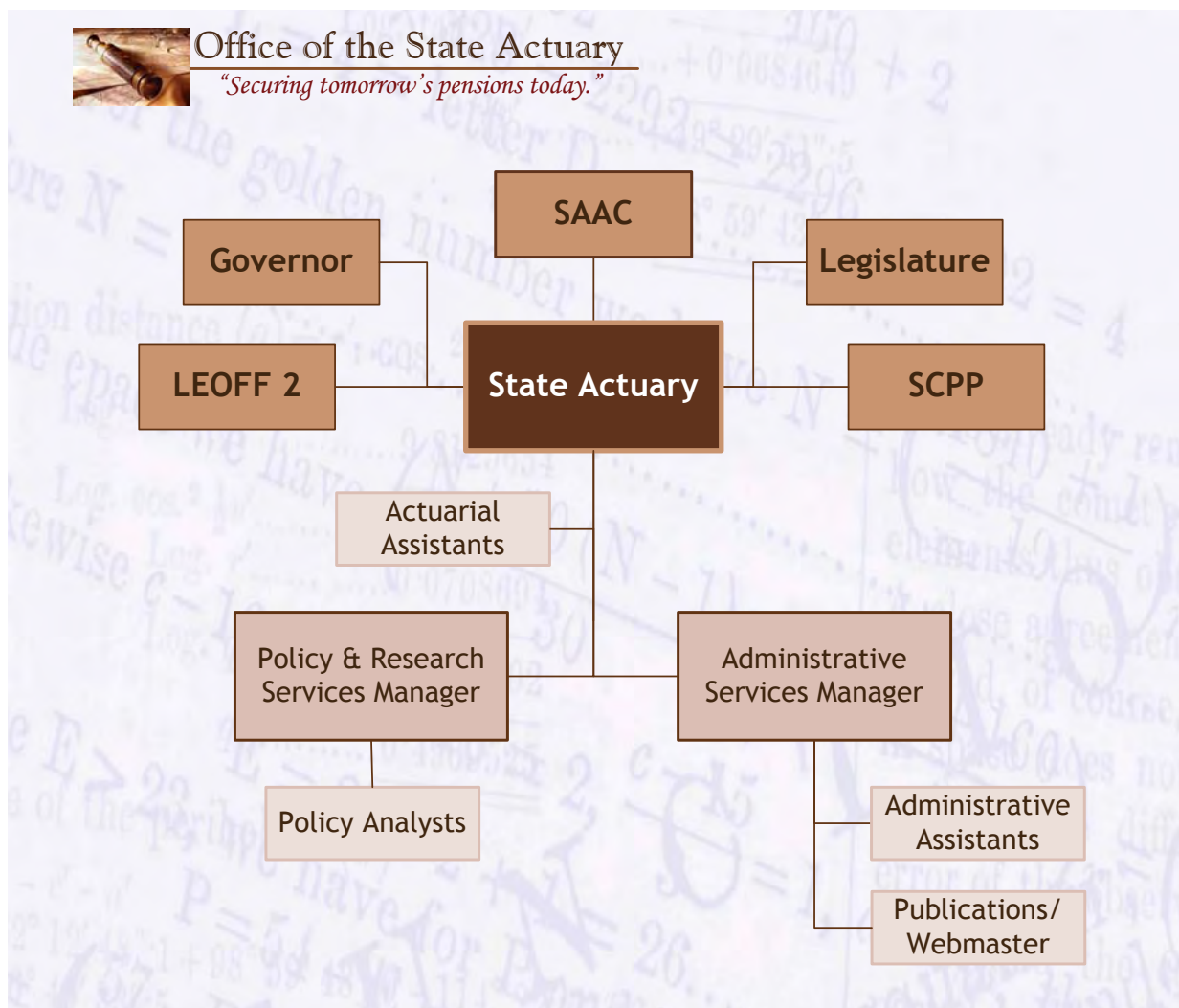
Mission Statement

The Office of the State Actuary promotes the security of Washington State public employees' retirement benefits by providing expert, accurate, and objective actuarial and policy analysis in a cost-effective and timely manner.

Values Statement

We model the highest level of professionalism. We remain independent and unbiased when delivering services in support of our mission. We value teamwork and collaboration to continually improve the quality of our services and working relationships. We promote a fun and friendly office culture that provides work-life balance and opportunities to grow.

Flow Chart



Office of the State Actuary

Staff Directory

State Actuary		
Matthew M. Smith		360.786.6140
actuary.state@leg.wa.gov		
Actuarial Staff		
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Olympia, Washington 98504-0914	Website:	http://www1.leg.wa.gov/SCPP/

Overview of the Office of the State Actuary

The Office of the State Actuary (OSA) is an agency of the Washington State Legislature. OSA was created in 1977 and our duties are set forth in Chapter 44.44 RCW.

Principle Duties

- ✦ Perform actuarial valuations on all state funded and/or state sponsored retirement plans;
- ✦ Recommend employer/state and member contribution rates to the Pension Funding Council (PFC) based on the results of the valuations;
- ✦ Prepare an actuarial fiscal note on each pension bill introduced in the Legislature;
- ✦ Provide staff and assistance to the Select Committee on Pension Policy (SCPP);
- ✦ Provide actuarial assistance to the Law Enforcement Officers' and Fire Fighters' Plan (LEOFF) 2 Board;
- ✦ Perform all actuarial services for the Department of Retirement Systems (DRS);
- ✦ Provide actuarial assistance and advice to the Legislature as may be required from time to time.

Publications

- ✦ **Annual Valuations** - full disclosure and funded status of the state's retirement plans, usually published in August/September.
- ✦ **Experience Studies** - a comparison of actual to assumed experience. OSA is required to perform these studies at least once every five years.
- ✦ **Pension Studies** - periodically, OSA undertakes a major study of a particular pension policy issue (normally in support of the SCPP).
- ✦ **Pension Watch!** - an e-mail service notifying subscribers of significant developments affecting public sector pension plans.

Websites Maintained by the OSA

<http://osa.leg.wa.gov>

<http://www1.leg.wa.gov/SCPP>

State Pension Agencies

Authority	Responsibility
Legislative	House Appropriations Senate Ways and Means All Plans • Hold hearings on pension proposals before the Legislature.
	Office of the State Actuary / RCW 44.44.040 All Plans • Prepare actuarial valuations of the Plans • Provide fiscal notes/all pension legislation • Advise Legislature/Governor on pension issues • Staff the Select Committee on Pension Policy • Provide actuarial assistance to: - Department of Retirement Systems - LEOFF 2 Retirement Board
Quasi-Legislative	Pension Funding Council / RCW 41.45 All Plans, except LEOFF 2 • Adopt economic and demographic assumptions • Adopt contribution rates • Provide for an actuarial audit of valuation results
	Pension Funding Workgroup / RCW 41.45.120 All Plans, except LEOFF 2 • Provide support to the Pension Funding Council • Seek public input on pension funding issues
	Select Committee on Pension Policy / RCW 41.04.281 All Plans, except LEOFF 2 • Study state pension issues-benefits and funding • Develop policy and make recommendations to the Legislature/Pension Funding Council
	State Actuary Appointment Committee / RCW 44.44.013 All Plans, except LEOFF 2 • Appoint or remove the state actuary by a 2/3 vote • Approve salaries of state actuary personnel
Executive	Office of Financial Management / RCW 43.41.110 All Plans • Advise Governor on benefit funding policy within the state budget.
	Department of Retirement Systems / RCW 41.50 All Plans • Collect member/employer contributions • Maintain records • Pay benefits • Communicate benefit information • Advise Governor on pension benefits
	Employee Retirement Benefits Board / RCW 41.50.088 Plan 3 defined contribution programs only • Recommend investment options for member contributions • Determine administrative charges
	State Investment Board / RCW 43.33A All Plans • Invest retirement funds • Maintain fund accounting
	LEOFF Plan 2 Retirement Board / RCW 41.26.717, .720 • Adopt actuarial assumptions • Adopt contribution rates • Fiduciary responsibility
Executive / Independent Boards	State Board for Volunteer Fire Fighters and Reserve Officers / RCW 41.24 • Collect contributions • Maintain records • Pay benefits • Communicate benefit information

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Washington Pension Plans

Summary of Plan Provisions

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
PERS Plan 1 (By 9/30/77)	State employees, elected officials, employees of local governments, legislative committees, community/technical colleges, classified employees of school districts, district/municipal court judges, and some employees of the Supreme, Appeals, and Superior Courts	After 5 yrs of eligible svc	At age 60 with 5 yrs of svc, at age 55 with 25 yr of svc, or at any age with 30 yrs of svc	2% of average final compensation (AFC) per yr of svc; maximum 60% of AFC
PERS Plan 2 (On or after 10/1/77)	Same as PERS Plan 1, except classified school district employees; new employees hired on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers, must choose Plan 2 or Plan 3	After 5 yrs of eligible svc	At age 65 with 5 yrs svc, reduced benefits available at age 55 with 30 yrs of svc or an actuarially reduced benefit available at age 55 with 20 yrs of svc	2% of AFC per yr of svc
PERS Plan 3 (Varies by employer)	Same as PERS Plan 2; new employees hired on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers, must choose Plan 2 or Plan 3	After 10 yrs of svc, after five yrs if 12 months of svc earned after age 44	At age 65 if vested; reduced benefits available at age 55 with 30 yrs of svc or an actuarially reduced benefit available at age 55 with 10 yrs of svc	1% of AFC per yr of svc (defined benefit portion)*
SERS Plan 2 (On or after 9/1/00)	All classified employees of school districts or educational svc districts	After 5 yrs of eligible svc	At age 65 with 5 yrs of svc; reduced benefits available at age 55 with 30 yrs of svc or an actuarially reduced benefit available at age 55 with 20 yrs of svc	2% of AFC per yr of svc
SERS Plan 3 (On or after 9/1/00)	All classified employees of school districts or educational svc districts	After 10 yrs of svc; after 5 yrs if 12 months of svc earned after age 44	At age 65 if vested; reduced benefits available at age 55 with 30 yrs of svc or an actuarially reduced benefit available at age 55 with 10 yrs of svc	1% of AFC per yr of svc (defined benefit portion)*
TRS Plan 1 (BY 9/30/77)	All certificated public school employees	After 5 yrs of eligible svc	At age 60 with 5 yrs of svc, at age 55 with 25 yrs of svc, or at any age with 30 yrs of svc	2% of AFC per yr of svc. Maximum 60% of AFC
TRS Plan 2 (On or after 10/1/77 and by 6/30/96)	All certificated public school employees	After 5 yrs of eligible svc	At age 65 with 5 yrs of svc; reduced benefits available at age 55 with 30 yrs of svc or an actuarially reduced benefit available at age 55 with 20 yrs of svc	2% of AFC per yr of svc
TRS Plan 3 (On or after 7/1/96)	All certificated public school employees	After 10 yrs of svc. After 5 yrs if 12 months of svc earned after age 44	At age 65 if vested; reduced benefits available at age 55 with 30 yrs of svc or an actuarially reduced benefit available at age 55 with 10 yrs of svc	1% of AFC per yr of svc (defined benefit portion)*

*PERS, SERS, and TRS Plan 3 are defined benefit and defined contribution plans. Employers contribute to the defined benefit portion of the plan. Employee contributions are determined by the individual employee, but must be a minimum of 5% of pay.

Note: Average final compensation (AFC), final average salary (FAS), and average final salary (AFS) in the Plans 1 is based on the highest consecutive 2-years' salary. AFC, FAS, and AFS in the Plans 2/3 is based on the highest consecutive 60-months' salary.

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
LEOFF Plan 1 (By 9/30/77)	All full time, fully compensated law enforcement officers and fire fighters	After 5 yrs of eligible svc	At age 50 with 5 yrs of svc	2% of FAS** per yr of svc for members with at least 20 yrs of svc. Lesser accruals for members with less svc
LEOFF Plan 2 (On or after 10/1/77)	All full time, fully compensated law enforcement officers and fire fighters	After 5 yrs of eligible svc	At age 53 with 5 yrs of svc; or at age 50 after 20 yrs of svc with a 3% per yr reduction	2% of FAS per yr of svc
WSPRS Plan 1 (On or after 8/1/47 and by 12/31/02)	Commissioned employees of the Washington State Patrol	After 5 yrs of eligible svc	At age 55 or after 25 yrs of svc; mandatory retirement at age 65	2% of average final salary per yr of svc. Maximum 75% of AFS
WSPRS Plan 2 (On or after 1/1/03)	Commissioned employees of the Washington State Patrol	After 5 yrs of eligible svc	At age 55 or after 25 yrs of svc; mandatory retirement at age 65	2% of average final salary per yr of svc. Maximum 75% of AFS
JRS (On or after 8/9/71 and by 6/30/88 New judges on or after 7/1/88 join PERS Plan 2)	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts	After 15 yrs of svc	At age 60	15 yrs of svc = 3.5% of AFC per yr of svc; 10-14 yrs of svc = 3% of AFC per yr of svc
Judges (By 8/8/71)	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts	After 12 yrs of svc	At age 70 with 10 yrs of svc or any age with 18 yrs of svc	1/2 of the monthly salary
Volunteer Firefighters and Reserve Officers (1945)	Volunteer firefighters, emergency workers, and reserve officers	After 10 yrs of svc	At age 65 with 25 yrs of svc. Early retirement at age 60 with 10 yrs of svc	\$50/month plus \$10 for each yr in which a contribution was made, to a maximum of \$300
Higher Education (1945)	Appointed faculty of institutions of higher education, including community colleges, or non-faculty employees as specified; optional for 1st two yrs in an eligible position and for members transferred to ineligible positions	Immediately for contributory plan; after 10 yrs of eligible svc for the supplemental benefit	At age 65 with 10 yrs of credited svc in an in-state institution. For members with 25 yrs of svc, the employee's contributory fund is annuitized	After 25 yrs an annuity with a supplemental benefit to assure 50% of AFC; for 10-24 yrs, supplement is calculated at 2%/yr; if member did not contribute maximum amount authorized after age 50, 75% of supplemental amount is available
PSERS Plan 2 (On or after 7/1/06)	State and county corrections officers, city correction officers (other than those covered under first class cities), state park rangers, natural resource enforcement officers, gambling commission enforcement officers, liquor control enforcement officers, and commercial vehicle enforcement officers	After 5 yrs of eligible svc	At age 65 with 5 yrs of svc credit, at age 60 (unreduced) after 10 yrs, or at age 53 after 20 yrs with a 3% per yr reduction	2% of AFC per yr of svc

Retirement System Membership

Public Employees' Retirement System (PERS)

State employees, employees of political subdivisions (with some exceptions), some classified (non certificated) school employees.

Public Safety Employees' Retirement System (PSERS)

Certain employees whose jobs with a PSERS employer contain a high degree of physical risk to their own personal safety and who provide public protection of lives and property, but who are not eligible for LEOFF membership. PSERS employers include the Washington State Department of Corrections, Washington State Parks and Recreation Commission, Washington State Gambling Commission, Washington State Patrol, Washington State Liquor Control Board, Washington State Department of Natural Resources; any county corrections department, and any city corrections department not covered under RCW 41.28.

School Employees' Retirement System (SERS)

Classified employees of school districts and educational service districts. System began on September 1, 2000.

Teachers' Retirement System (TRS)

Teachers, school superintendents, education staff associates (ESAs) and all employees certificated by the Superintendent of Public Instruction.

Law Enforcement and Fire Fighters' Retirement System (LEOFF)

Fire fighters, and law enforcement officers (sheriffs, Higher Education, police officers, city police officers, and town marshals), port police (Port of Seattle), and Fish and Wildlife enforcement officers serving on a full-time fully-compensated basis.

Washington State Patrol Retirement System (WSPRS)

Commissioned officers of the Washington State Patrol.

Judicial Retirement System (JRS) (closed 6-30-88)/Judges (closed 8-8-71)

Elected and appointed supreme court, court of appeals, or superior court judges.

Higher Education Retirement System

Faculty of institutions of higher education and non faculty, as specified by the Board of Regents or Trustees.

Volunteer Firefighters' Retirement System

Fire fighters who are members of a municipal fire department and reserve police officers who are not full time, paid members of LEOFF.

Pension Highlights, 1976 - Present

1976	Department of Retirement Systems created. Office of the State Actuary created.
1977	PERS, TRS, and LEOFF Plan 2 systems created.
1980	PERS/TRS 1 early retirement window enacted.
1981	State Investment Board created to manage and invest state retirement funds.
1982	PERS/TRS 1 early retirement window enacted.
1987	Joint Committee on Pension Policy created. Portability between PERS, TRS, and WSPRS enacted.
1989	Pension Funding Reform enacted. Legislation established a new procedure for setting pension system contribution rates. Plan 1 Age-65 COLA enacted. This is the first automatic cost-of-living adjustment granted in the PERS/TRS 1 systems.
1990	Annual notification of membership service credit earned is approved.
1991	Coordinated employee benefit communications program initiated. State employees begin receiving notification of pension service credit earned to date.
1992	PERS/TRS 1 early retirement window enacted.
1993	PERS/TRS 1 early retirement window enacted. LEOFF 2 benefits amended to: • Reduce the service retirement age to 55. • Allow portability with other state retirement systems. • Provide those members terminating membership after 10 years of service with a refund of 150% of employee contributions plus interest. • Provide terminated vested members with at least 20 years of service an annual 3% increase in eligible benefits between the time of their termination and commencement of benefits.
1995	Uniform COLA design replaces Plan 1 Age-65 COLA. TRS Plan 3 Retirement System created. Plan became effective in 1996.
1996	\$150,000 Death benefit for LEOFF and WSPRS members.
1998	Plan 1 gain-sharing enacted. Pension Funding Council created to adopt economic assumptions and contribution rates for the retirement systems. School Employees' Retirement System (SERS) Plans 2/3 created. Plans became effective in 2000.
1999	Plan 1 members with 30 years of service may direct their employee contributions into separate retirement investment accounts. Automatic cost-of-living adjustments for WSPRS survivor benefits enacted.
2000	Optional PERS 3 enacted. Became effective in 2002. LEOFF 2 retirement age lowered from age 55 to age 53.
2001	New tier of benefits added to the Washington State Patrol retirement system. Tier became effective 2003.

2002	New survivor options created in all retirement plans to address changes in members' marital status both before and after retirement. The retirement age for PERS 1 terminated vested members who have at least 20 years of service, and are at least age 50 when they leave service, is reduced from age 65 to age 60. Passage of Initiative 790 creates a new LEOFF 2 board of trustees.
2003	Joint Committee on Pension Policy replaced by 20 member Select Committee on Pension Policy. \$150,000 Death Benefit for PERS, TRS, and SERS members.
2004	Public Safety Employees' Retirement System (PSERS) Plan 2 created, to be effective July 1, 2006. \$1,000 minimum benefit for PERS 1 and TRS 1 members who have been retired at least 20 years with at least 25 years of service.
2005	LEOFF 2 disability benefit amended to remove the actuarial reduction for duty-related disabilities.
2006	PSERS becomes effective. \$1,000 minimum benefit for PERS 1 and TRS 1 members who have been retired at least 25 years with 20 years of service. Contribution rate floors established for the Plan 1 UAAL in PERS and TRS and the Plans 2/3 normal cost in PERS, TRS, and SERS (effective July 1, 2009). LEOFF 1 benefit cap repealed. Five-year vesting for Plan 3 members earning 12 months of service after age 44. Pension funding stabilization account created. LEOFF 2 catastrophic disability benefit established and additional survivor health care benefits provided.
2007	WSPRS mandatory retirement age increased to 65. Gain-sharing replaced: • Plan 1 and Plan 3 gain-sharing to be repealed after the 2008 event. Plan 2/3 choice established for new hires in TRS and SERS. • Unreduced retirement at age 62 for Plan 2/3 members of PERS, TRS, and SERS with 30 years of service, and improved early retirement benefits. • Plan 1 Uniform COLA enhanced beyond that provided by the 2008 gain-sharing event.
2008	New funding source dedicated to LEOFF 2 benefit improvements.

Leading Pension Cases

Summary of *Bakenhus v. City of Seattle*

48 Wn.2d 695; 296 P.2d 536 (1956)

Pension Benefits Are Contractual Rights

The Washington Supreme Court (the Court) ruled that an employee who accepts a job with a pension plan has entered into a contract with the employer. When the employee becomes eligible to receive the pension, the employer must pay the pension according to the contract. The employee's pension rights may be changed prior to retirement, but only for the purpose of keeping the pension system flexible and maintaining its integrity.

The City of Seattle Could Not Reduce Mr. Bakenus' Expected Pension

H. D. Bakenhus was a retired policeman. When he became a member of the Seattle police department in 1925, the law set his pension as one-half the salary for the rank he held during the year just before his retirement. The pension fund law was later changed in 1937 to provide a cap on police retirement pensions.

Mr. Bakenhus became a police captain in 1943 and retained that status until he retired in 1950. For the year before his retirement his salary was \$370 a month, which would have given him a monthly retirement pension of \$185 per month. At retirement, the city authorized a retirement pension of \$125 per month based on the cap that passed in 1937. Mr. Bakenhus sued to force the city to pay him \$185 instead of \$125.

Mr. Bakenhus Prevailed in Court

The trial court ordered the city to pay Mr. Bakenhus the higher pension amount plus the difference between the increased pension and the pension he had received since retirement. The City of Seattle appealed but lost. The Court decided that the 1937 amendment to the pension law impaired the obligation of Mr. Bakenhus' contract with the city. The 1937 amendment was void as to Mr. Bakenhus (and all who became members of the police department prior to the 1937 enactment).

What Was the Court's Reasoning?

The Court agreed with the so called "California rule." Under this rule, pension provisions are part of the expected compensation set out in the employment

contract. Further, contractual pension rights become vested at the time the employee enters public service. This means that when the employee joins the pension plan, he or she has a right to continued membership in the plan under the same rules existing at the time of employment. When the employee fulfills all requirements for receiving benefits, he or she is then entitled to receive a pension according to the vested pension rights.

This does not mean that the employer may never change pension rules. But the Court was clear that a new limit on contractual pension rights must be justified. For example, a change that removes a benefit might be justified by a showing of a corresponding benefit to those affected by the change. In this case, there had been no showing of a corresponding benefit, and no showing that reducing the benefit was necessary to preserve and perfect the system, or that it bore a reasonable relation to the purposes of the pension plan.

Summary of Weaver v. Evans

80 Wn.2d 461, 495 P.2d 639 (1972)

The Systematic Funding of the Retirement Systems is a Contractual Right

The Washington Supreme Court (the Court) ruled that the Governor could not stop the transfer of \$18 million from the general fund to the retirement system. The \$18 million was part of the Legislature's larger appropriation for retirement system funding. The Court ordered the Governor to allow the transfer; otherwise the Governor would be interfering with the Legislature's promise to attain and maintain a financially sound retirement system through its systematic funding program.

The Court Ordered the Governor to Allow Transfers of Money Appropriated to the Retirement System

The Legislature had appropriated more than \$62 million to the retirement system for the biennium ending June 30, 1971. Funds would be transferred from the state general fund to the retirement system on a quarterly basis. The system's board of trustees (the board) would direct the transfers and determine the rate of the transfers.

In late December of 1970, the Governor advised the board that to prevent state expenditures from exceeding revenues, he needed to revise the scheduled transfers from the general fund. He gave notice that transfers to the retirement system would be curtailed for the remainder of the fiscal biennium. (The Governor ultimately curtailed the transfer of about \$18 million.)

A retired teacher, an active teacher, and the Washington Education Association sued for an order to compel the Governor, the State Treasurer, and the Director of Program Planning and Fiscal Management to transfer to the teachers' retirement system the previously appropriated moneys that had been withheld by the Governor. The Court issued the order.

What Was the Court's Reasoning?

The Court reasoned that the Legislature had, over a span of years, indicated a deep concern for the actuarial soundness of the retirement system. Further, the Legislature had expressly adopted a systematic method of funding to ultimately attain the desired soundness. The Court characterized the systematic funding of the retirement system as one of the vested contractual pension rights flowing to members of the retirement system.

The Court relied on the *Bakenhus* case for the proposition that a vested contractual right cannot be unilaterally changed except to keep the retirement

system flexible and maintain its integrity. Any modification, to be upheld, must be reasonable and bear some material relation to the theory of a pension system and its successful operation; otherwise the vested contractual right is unconstitutionally impaired.

IV. Pension Funding

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Pension Plan Costs: The Basics

The cost of a defined benefit plan is determined by an actuary. Actuaries determine how to spread the cost of the pension plan over each participant's working lifetime. There are three basic principles used:

- ♣ Normal Cost - The value of the additional benefits earned each year.
- ♣ Unfunded Liability - The excess of the actuarial liabilities over the assets.
- ♣ Assumptions and Methods - Actuaries set assumptions and select methods to measure the normal cost and the actuarial liability.

The annual cost of a plan is the normal cost plus a payment towards the unfunded liability. An unfunded liability, when the actuarial liability exceeds the assets, will increase the annual cost. An asset surplus, when the actuarial liability is less than the assets, will decrease the annual cost.

Asset Methods

Assets can be measured using the market value or the actuarial value.

- ♣ The market value is the value at which the securities in the pension fund could be traded on the market.
- ♣ The actuarial value of assets is the value of pension plan investments and other property used by the actuary for the purpose of an actuarial valuation (sometimes referred to as valuation assets). It is common for actuaries to select an actuarial valuation method that smoothes the effects of short-term volatility in the market value of assets. This value is also subject to a corridor around the market value of assets.

Actuarial Cost Methods

Actuarial cost methods are used to determine the pension liabilities, and to split the liabilities between the accrued liability and the normal cost. Common actuarial cost methods include the Entry Age Normal (EAN) Cost Method, the Projected Unit Credit (PUC) Cost Method, and the Aggregate Cost Method.

- ♣ EAN - The cost for each member is determined as a level percentage of payroll from date of entry into the system until retirement age. This method produces an actuarial liability and a normal cost.
- ♣ PUC - The cost for each member is determined based on the ratio of current years of service to the projected years of service at retirement age. This method produces an actuarial liability and a normal cost.
- ♣ Aggregate - The cost is based on a level percentage of payroll for all members in the system. This method produces a normal cost, but no unfunded actuarial accrued liability since the actuarial liability is equal to the actuarial value of assets.

The cost under the different methods depends on the actuarial assumptions used to determine the liabilities. Actuaries are given very specific guidance about how assumptions are chosen, who chooses them, and what conditions they must reflect.

Actuarial Assumptions

Pension funding requires assumptions to be made about the future. These assumptions are called actuarial assumptions and they, along with current plan participant data and the benefit formula described in the pension plan, are used to project future benefit obligations.

There are two types of assumptions selected:

- ♣ Economic Assumptions - interest rates paid on member accounts, salary increases, inflation, and rates of return on investments.
- ♣ Demographic Assumptions - retirement rates, turnover rates, disability rates, and mortality rates amongst others.

Actuarial Gains or Losses

A pension plan has actuarial gains or losses each year because the actual events during the year (“experience”) will not exactly match the long term assumptions made. Gains or losses on plan assets occur when the actual investment returns are higher or lower than anticipated. Annual gains or losses on actuarial liabilities can occur because long term assumptions (e.g. mortality, salary increase, termination, retirement) were not met in a given year.

Present Values

Under any method of calculating liabilities, the actuary calculates the expected future pension payments for each participant in the plan. Each future payment is discounted from the date of payment to the valuation date using the actuarial assumptions to determine the actuarial present value of each payment. The present value of future salaries is the sum of the projected payroll for each year into the future for the members active as of the valuation date, also discounted to the valuation date using the actuarial assumptions.

Contribution Rates

The contribution rates are expressed as a percentage of pay. In general, this is calculated by taking the excess of the projected liabilities over the assets, and dividing by the present value of future salaries.

Projections

Actuarial valuations can be projected each year for several years into the future, and assumptions can be made about future investment returns and future new entrants for each year. Then projected contribution rates can be developed.

Asset/Liability Modeling

Using asset/liability modeling, the liabilities from the actuarial projection can be combined with asset projections under different scenarios and different investment mixes to determine the asset portfolio with the optimal risk/return tradeoff for the fund. Results are typically given as a range of expected results rather than as a single estimate.

Funding Policy

The funding policy determines the rate at which contributions are made to the fund. The pension fund has contributions and investment earnings going in and benefit payments and expenses going out. Benefit payments are independent of the method used to determine the contributions. With everything else remaining the same, higher investment earnings result in lower required contributions, and lower investment earnings result in higher required contributions.

Pre-funding the plan has the effect of having more of the benefits being paid from investment earnings instead of from contributions. Other advantages of pre-funding include:

- ♣ Increased benefit security.
- ♣ Investment earnings on assets held in a qualified pension plan's trust are tax free.
- ♣ Benefits earned under the plan are not taxed until they are paid to the participant.
- ♣ Intergenerational equity is preserved by paying for benefits as they are earned.

How Contribution Rates Are Established

Contribution rates are established by a process mandated in Chapter 41.45 RCW, Actuarial Funding of the State Retirement Systems. In a few Plans, rates are a specific percent of salary prescribed in statute. But in the majority of Plans, rates are the product of a funding formula.

The following summary describes the funding process as embodied in state law. Any part of the funding laws may be modified either temporarily, or permanently at the discretion of the Legislature.

Step 1: (Spring of even numbered years)

An actuarial valuation is performed by OSA on the most recent data available. The valuation identifies the contribution rates that must be collected annually to pay for the benefits members are expected to earn during their public service. The manner in which the valuation is performed is subject to statutory requirements and actuarial standards of practice.

Step 2: (July of even numbered years)

The valuation rates¹ developed by OSA for all Plans except LEOFF 2 are submitted to the Pension Funding Council (PFC) for official adoption. The PFC also solicits an independent audit of the OSA results. LEOFF 2 rates are adopted by the LEOFF 2 Retirement Board.

Valuation rates become effective at the beginning of odd numbered fiscal years and remain in effect for two years.

Step 3: (Beginning in January each year)

When the Legislature convenes in January of each year it may enact benefit changes that alter the funding status of the Plans. State law requires that contribution rates be adjusted accordingly.

OSA calculates the cost of benefit changes in documents known as fiscal notes and an adjustment is made via a temporary supplemental rate increase. At the beginning of the next rate setting cycle the cost of any benefit changes is included in the valuation study.

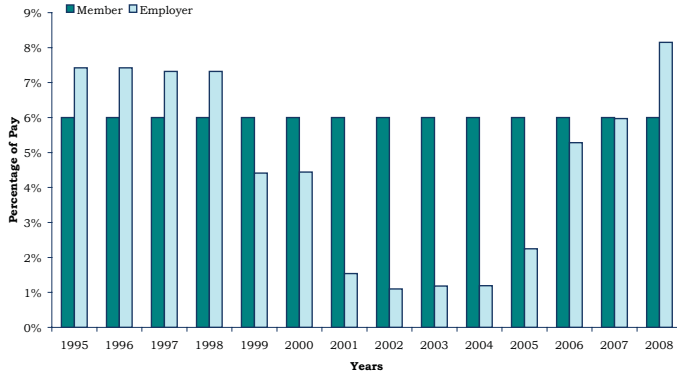
Step 4: (September of each year)

Supplemental contribution rates typically become effective September 1, unless legislation mandates otherwise. In some years, rates may change more than once as a result of separate effective dates for new legislation.

¹ Contribution rates developed by the valuations are referred to as **valuation rates** or **basic rates**.

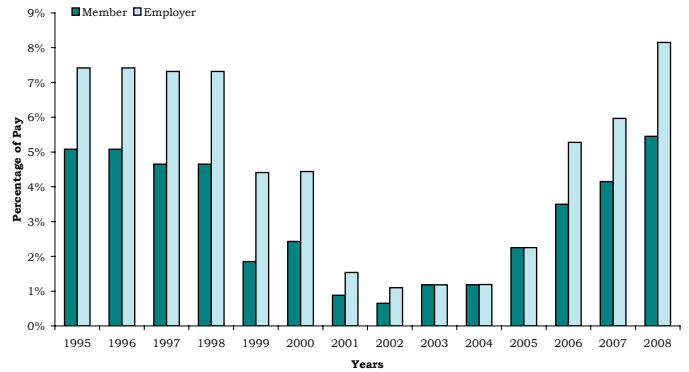
History of Contribution Rates - 1995 to 2008

PERS 1 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 Legislation.

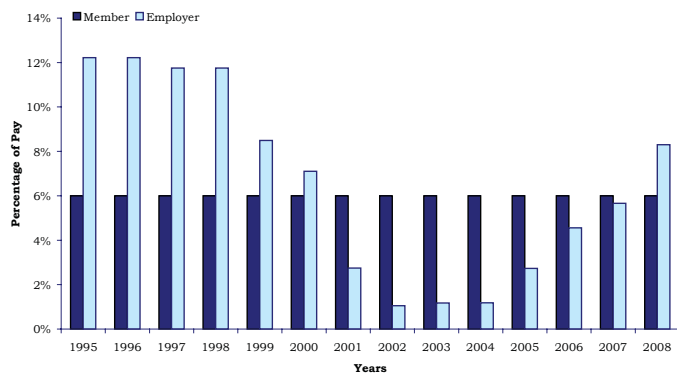
PERS 2/3 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

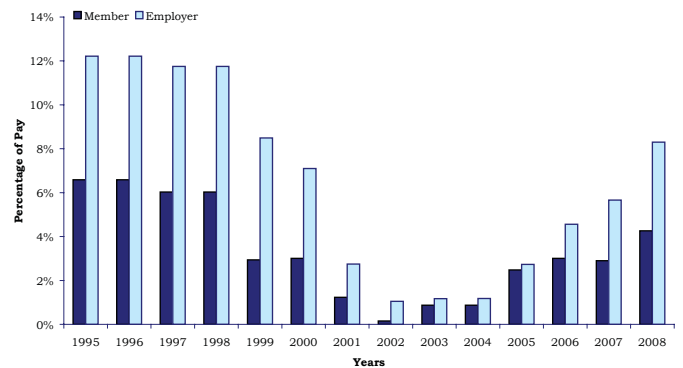
** Plan 3 members do not contribute to the defined benefit plan.*

TRS 1 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 Legislation.

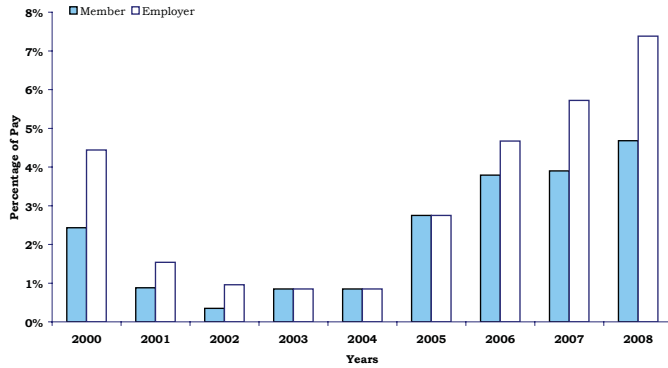
TRS 2/3 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

** Plan 3 members do not contribute to the defined benefit plan.*

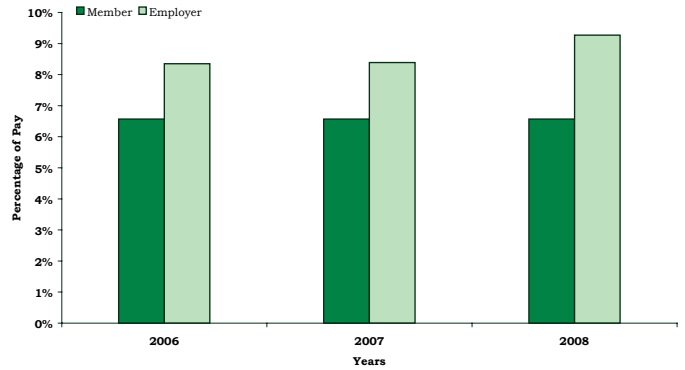
SERS 2/3 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

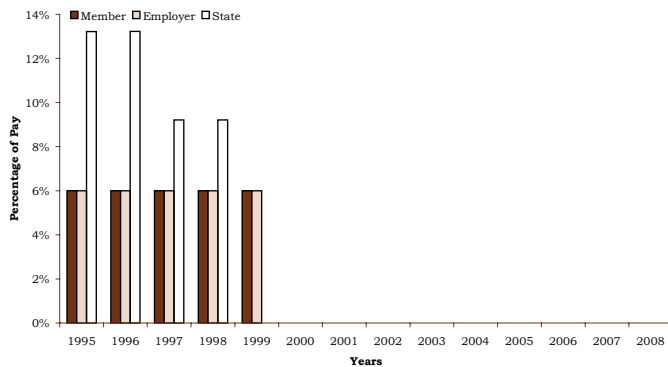
** Plan 3 members do not contribute to the defined benefit plan.*

PSERS 2 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

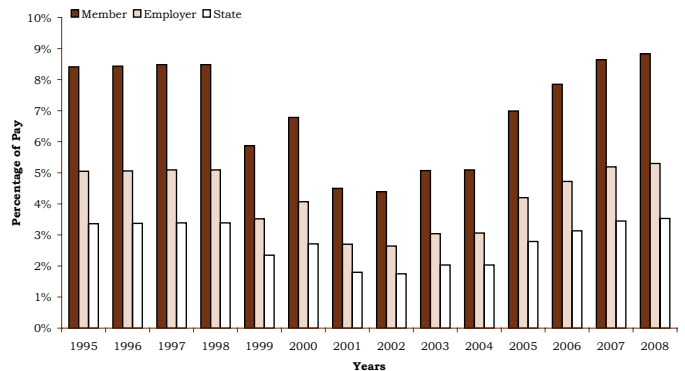
LEOFF 1 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

** LEOFF 1 is fully funded, so no contributions are required at this time.*

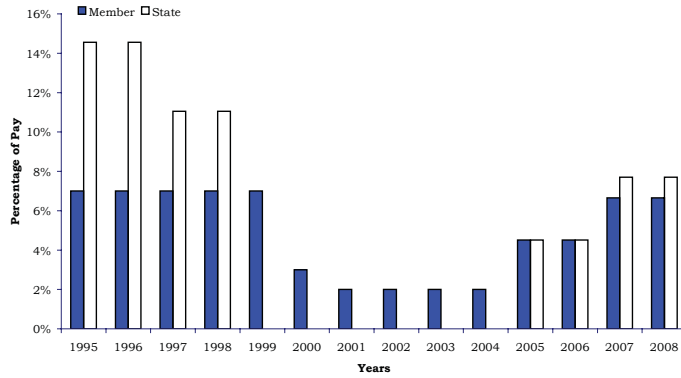
LEOFF 2 Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

** The state pays 20 percent of the total normal cost for LEOFF 2, the member pays 50 percent, and the employer pays 30 percent.*

WSP Contribution Rates



Note: Employer rate does not include administrative expense charge, currently 0.16 percent. Includes supplemental contribution rates from 2008 legislation.

** Members pay 50 percent of the total normal cost, but not more than 7 percent, plus 50 percent of supplemental rates in effect after July 1, 2007. The employer pays the balance of the cost of benefits.*

Contribution Rates

The tables on the following pages show current and projected contribution rates for Washington's public retirement systems. Projected rates represent our best estimate for future rates based on projected assets and liabilities. They are subject to change based on changes to: plan provisions, assumptions, the actuarial experience of the systems, and interpretations of the law.

Contribution rates in effect are those currently being collected by the Department of Retirement Systems. They include supplemental rates for the cost of 2007 pension legislation.

Adopted rates are those approved by the Pension Funding Council (PFC) and the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF Board), they include supplemental rates for the cost of 2008 pension legislation.

Projected rates are our best estimate for future rates based on projected assets and liabilities.

All rates are subject to change by the Legislature.

Effective Dates: Unless otherwise specified, PERS, PSERS, LEOFF, and WSPRS rates are effective from 7/1 to 6/30 of the following year. TRS and SERS rates are effective from 9/1 to 8/31 of the following year.

Employer Contribution Rates (Revised 4/18/08)				
	In Effect	Adopted	Projected	
	(7/1/07 - 6/30/08) ¹	(7/1/08 - 6/30/09) ^{1,5}	(7/1/09 - 6/30/11) ¹	(7/1/11 - 6/30/13) ¹
	2007-08²	2008-09²	2009-11³	2011-13³
PERS Plans 1, 2, & 3				
Normal Cost	4.15%	5.45%	4.76%	4.45%
Plan 1 UAAL	1.82%	2.70%	3.01%	2.90%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total	6.13%	8.31%	7.93%	7.51%
PSERS				
Normal Cost	6.57%	6.57%	6.98%	7.01%
PERS 1 UAAL	1.82%	2.70%	3.01%	2.90%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total	8.55%	9.43%	10.15%	10.07%
TRS Plans 1, 2, & 3				
Normal Cost	3.15%	4.51%	5.56%	5.55%
Plan 1 UAAL	2.51%	3.79%	4.83%	4.71%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total	5.82%	8.46%	10.55%	10.42%
SERS Plans 2 & 3				
Normal Cost	3.90%	4.68%	5.24%	5.22%
PERS 1 UAAL	1.82%	2.70%	3.01%	2.90%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total	5.88%	7.54%	8.41%	8.28%
LEOFF Plan 1				
Local Employer	0.00%	0.00%	0.00%	0.00%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Local Employer Total	0.16%	0.16%	0.16%	0.16%
State ⁶	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan 1 Total	0.16%	0.16%	0.16%	0.16%
LEOFF Plan 2				
Local Employer	5.19%	5.30%	5.01%	5.01%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Local Employer Total	5.35%	5.46%	5.17%	5.17%
State ⁶	<u>3.45%</u>	<u>3.53%</u>	<u>3.34%</u>	<u>3.34%</u>
Plan 2 Total	8.80%	8.99%	8.52%	8.52%
WSPRS Plans 1 & 2				
Normal Cost - State	7.70%	7.70%	8.81%	8.49%
DRS Expense Charge	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total	7.86%	7.86%	8.97%	8.65%

Employee Contribution Rates (Revised 4/18/08)				
	In Effect	Adopted	Projected	
	(7/1/07 - 6/30/08) ¹	(7/1/08 - 6/30/09) ^{1,5}	(7/1/09 - 6/30/11) ¹	(7/1/11 - 6/30/13) ¹
	2007-08 ²	2008-09 ²	2009-11 ³	2011-13 ³
PERS⁴				
Plan 1 Members	6.00%	6.00%	6.00%	6.00%
Plan 2 Members	4.15%	5.45%	4.66%	4.35%
PSERS				
Members	6.57%	6.57%	6.98%	7.01%
TRS⁴				
Plan 1 Members	6.00%	6.00%	6.00%	6.00%
Plan 2 Members	2.90%	4.26%	5.11%	5.10%
SERS				
Plan 2 Members	3.90%	4.68%	4.36%	4.34%
LEOFF				
Plan 1 Members	0.00%	0.00%	0.00%	0.00%
Plan 2 Members	8.64%	8.83%	8.36%	8.36%
WSPRS				
Plan 1 Members	6.65%	6.65%	6.96%	6.96%
Plan 2 Members	6.65%	6.65%	6.96%	6.96%

¹ TRS and SERS rates are effective from 9/1 to 8/31 of the following year.

² Rates shown for 2007-2009 are based on the 2005 Actuarial Valuation. They reflect current plan provisions. LEOFF 2 rates were adopted by the LEOFF Board and match rates previously projected for this period. The rates for all other plans were adopted by the PFC. These rates are subject to change by the legislature.

³ Rates shown for 2009-11 and beyond are projections based on 2006 data and current plan provisions. Rates for this period also include a rate increase to reflect the impact of the January 1, 2008, gain-sharing event.

⁴ Plan 1 members' contribution rate is statutorily set at 6.0%. Members in Plan 3 do not make contributions to their defined benefit.

⁵ Supplemental contribution rates from the 2008 Legislative session are effective 9/1/08.

⁶ In the LEOFF plans only, the state pays a percent of the total cost of benefits.

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Glossary of Pension and Actuarial Terms

A

Active: A member of a retirement system who is currently employed.

Actuarial Accrued Liability: Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the present value of fully projected benefits attributable to service credit that has been earned (or accrued) as of the valuation date.

Actuarial Assumptions: Factors which actuaries use in estimating the cost of funding a defined benefit pension plan. Examples include: the rate of return on plan investments; mortality rates; and the rates at which plan participants are expected to leave the system because of retirement, disability, termination, etc.

Actuarial Cost Methods: An actuarial method which defines the allocation of pension costs (and contributions) over a member's working career. All standard actuarial cost methods are comprised of two components: normal cost and the actuarial accrued liability. It is important to note that an actuarial cost method determines the incidence of pension costs but not the ultimate cost of a pension plan. The ultimate cost is determined by the actual benefits paid less the actual investment income.

Actuarial Equivalent: A benefit having the same present value as the benefit it replaces. Also, the amount of annuity that can be provided at the same present value cost as a specified annuity of a different type or a specified annuity payable from a different age.

Actuarial Present Value: The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions (i.e. interest rate, rate of salary increases, mortality, etc.)

Actuarially Reduced: The method of adjusting a benefit received at an early date so that the expected total cost to the retirement system is equivalent to the cost if the benefit did not begin until later.

Actuarial Value of Assets (AVA): A measure of the assets of a pension fund that may use market value or may use a smoothing technique to defer the recognition of investment gains and losses.

Actuary: A credentialed member of an actuarial organization such as the Society of Actuaries, the American Academy of Actuaries, or the Conference of Consulting Actuaries. Actuaries in the pension field use math skills to determine the liabilities and costs of pension plans.

Age Difference: When the actual age difference between a member and the member's spouse is not available, an assumption is made about the average age difference.

Age Retirement: Normal retirement dependent upon attainment of a specified age.

Alternate Payee: An alternate payee is entitled to receive benefits from the retirement system as the result of a Qualified Domestic Relations Order (QDRO).

Amortization: Paying off an interest bearing liability by gradual reduction through a series of installments, as opposed to paying it off by one lump sum payment. Amortization payments can be level dollar amounts or level percentages of payroll.

Annuitant: One who receives periodic payments from the retirement system. This broad term includes service and disability retirees, and their survivors.

Annuity: A series of periodic payments, usually for life, payable monthly or at other specified intervals. The term is frequently used to describe the part of a retirement allowance derived from a participants's contributions. Compare with "pension".

Antiselection: The tendency of a person to recognize his/her health status in selecting the option under a retirement system which is most favorable to him or herself.

Asset/Liability (A/L) Study: An asset/liability (A/L) study involves projecting the assets and liabilities of a retirement system to determine the impact that choices on asset allocation have on contribution rates and funded ratios

Asset Allocation: Asset allocation refers to the mix of investments in the pension fund

Average Final Compensation (AFC): Pay used in calculating benefits under the retirement system is based on the average of a member's pay over a specified period.

B

Beneficiary: The person designated to receive benefits under an employee benefit plan in the event of the death of the person covered by the plan.

Building Block Method: The building block method is a method for estimating the rate of return for a pension fund based on the asset allocation and the expected rate of return for each asset class.

C

Cash Balance Pension Plan: A hybrid defined benefit plan that has some of the features of a defined contribution plan. The most distinguishing feature of a cash balance pension plan is the use of a separate account for each participant. The plan sponsor is responsible for investment decisions. Investment risk is borne by the plan sponsor, not the participant.

Cash Flow Matching: Cash flow matching refers to matching expected retirement system benefit payments with expected cash flows from fixed income investments.

Cash Out: A lump sum payment of the member's contributions prior to retirement.

Closed Group: A closed group means that the valuation is based on current members only and no new entrants.

Cost of Living Adjustment (COLA): A Cost of Living Adjustment (COLA) is an increase in retirement benefits to adjust for inflation.

Contributory Plan: A plan to which participants, as well as the employer, contribute. Under certain contributory plans participants may be required to contribute as a condition of eligibility.

Contribution Rate: The contribution rate is the percent of pay that is deposited into the pension fund for each active member of a retirement system.

Contributions: The contributions are the cash flows that are deposited to the pension fund on behalf of the members of a retirement system.

Credited Projected Benefits: Credited projected benefits are benefits based on current pay and projected service.

Credited Service: A period of employment which is recognized as service for purposes of determining eligibility to receive pension payments and/or determining the amount of such payments.

Credited Projected Liability: Also known as the Present Value of Fully Credited Benefits (PVFCB), the credited projected liability is the liability based on credited projected benefits. It is calculated in the same way as a measure of liabilities used for accounting purposes called the Projected Benefit Obligation (PBO). It is calculated using the Projected Unit Credit Cost Method.

D

Death Benefit: A benefit payable by reason of a member's death. The benefit can be in the form of a lump sum, an annuity or a refund of the member's contributions.

Decrement: Decrements are reasons for leaving the retirement system including retirement, death, disability, and termination.

Deferral Period: The deferral period is the time between when an inactive member leaves employment and benefits from the retirement system begin.

Deferred Annuity: An annuity for which payments do not commence until a designated time in the future.

Deferred Compensation: Considerations for employment that are not payable until after the regular pay period. The most common form of deferred compensation are pension plans, but private employers may also offer bonuses, incentive clauses, etc.

Defined Benefit (DB) Plan: A pension plan providing a definite benefit formula for calculating benefit amounts such as a flat amount per year of service; a percentage of salary; or a percentage of salary, times years of service.

Defined Contribution Plan (DCP): A pension plan in which the contributions are made to an individual account for each employee. The retirement benefit is dependent upon the account balance at retirement. The balance depends upon amounts contributed during the employee's participation in the plan and the investment experience on those contributions.

Demographic Assumptions: Demographic assumptions are actuarial assumptions regarding rates of retirement, withdrawal, mortality, and disablement.

Deterministic Forecast: A deterministic forecast is a projection of contribution rates based on a specified set of assumptions about future interest rates and investment earnings.

Disability Retirement: A termination of employment involving the payment of a retirement allowance as a result of an accident or sickness occurring before a participant is eligible for normal retirement.

Deferred Retirement Option Plan (DROP): A DROP, or Deferred Retirement Option Plan, allows a pension plan participant to elect to have a retirement benefit calculated prior to actual retirement, in order to accumulate a lump sum at retirement, based on payments that would have been made had the member actually retired, in exchange for a reduced annuity.

Duration: Duration is the average deferral period of payments, weighted by present value. It is useful in estimating how liabilities change with changes in interest rates.

E

Early Retirement: A termination of employment involving the payment of a retirement allowance before a participant is eligible for normal retirement. The retirement allowance payable in the event of early retirement is often lower than the accrued portion of the normal retirement allowance.

Economic Assumptions: Economic assumptions are actuarial assumptions about investment return, salary inflation, salary merit scale, and Cost of Living Adjustments.

Enrolled Actuary (EA): An actuary certified by the Joint Board for the Enrollment of Actuaries as being qualified to perform actuarial services under the Employee Retirement and Income Security Act of 1974 (ERISA).

Equities: Ownership of a company (as opposed to debt.) Examples include stocks, venture capital, and leveraged buy outs.

ERISA: Acronym for the Employee Retirement Income Security Act. This federal legislation sets minimum standards for pension design to increase the security of private sector employees' benefits.

F

Fiduciary: (1) Indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person; (2) anyone who exercises power and control, management or disposition with regard to a fund's assets, or who has authority to do so or who has authority or responsibility in the plan's administration. Fiduciaries must discharge their duties solely in the interest of the participants and their beneficiaries, and are accountable for any actions which may be construed by the courts as breaching that trust.

Financial Economics: Financial economics is a theory about pension mathematics that focuses on recognizing assets and liabilities on a market value basis.

401(k), 403(b), and 457 Plans: These defined contribution plans allow employees to save for retirement on a tax-deferred basis. 401(k) plans are found in the private sector and the public sector in some states. 403(b) plans are for employees of public educational institutions and certain non-profit tax-exempt organization. 457 plans (also known as deferred compensation plans) are for governmental employees and non-church-controlled tax-exempt organizations.

Fully Projected Benefits: Fully projected benefits are expected benefits from the retirement system based on future pay and future service.

Funding Ratio: The funding ratio is the ratio of the assets of a retirement system to the liabilities.

G

Gain-Sharing: Gain-sharing is a feature of a retirement system in which fund earnings over a threshold are used to provide benefit improvements.

General Accounting Standards Board (GASB): This governmental agency sets the accounting standards for state and local government operations.

H

Hybrid Plan: A hybrid plan is a plan with both defined benefit and defined contribution plan features.

I

Individual Retirement Account (IRA): A retirement account to which an individual can make annual tax deductible contributions according to annual limits that are specified by the Internal Revenue Service.

Integrated Pension Plan: So as not to duplicate Social Security benefits, defined benefit plans often provide that part of the Social Security pension be subtracted from the member's annuity. Defined benefit or defined contribution plans can provide that lower pension accruals be applied to employee's earnings below a specified level, generally the Social Security taxable wage base. Employees earning more than the social security taxable wage base receive greater contributions to reflect that social security benefits are not provided on pay over that amount.

Interest Rate: The interest rate is the rate used to determine present values.

Investment Return: Investment return refers to the earnings on the investments in the pension fund.

J

Joint and Survivor Annuity: A provision that enables a plan participant to take annuity payments with continuing payments of all or part of the benefits after his or her death going to a designated beneficiary. The survivor annuity will automatically be provided to a married participant if he or she does not choose against it. The annual pension benefits of the participant electing to have such a survivor annuity are generally reduced to provide for the survivor.

K

KEOGH (HR 10) Account: These plans allow a self employed individual or small business owner to establish a qualified pension or profit sharing plan funded by pre-tax contributions, subject to certain restrictions and limitations as specified by the Internal Revenue Service.

L

Leap-Frogging: The practice by each of two or more retirement systems (often in the same state or province) of obtaining in rotation better benefits for its members than those of the other systems.

Life Annuity: A monthly benefit payable as long as the annuitant is alive. There are no residual payments to survivors.

Life Expectancy: The average number of years a person of a given age might be expected to live.

Lump Sum Distribution: Payment within one taxable year of the entire balance payable to the participant from a qualified pension or employee annuity plan.

M

Market Value of Assets (MVA): The market value of assets is the value of the pension fund based on the value of the assets as they would trade on an open market, including accrued income and expenses.

Merit Scale: The merit scale is the actuarial assumption about pay increases in excess of inflation.

Money Purchase Plan: A type of pension plan where the employer agrees to make a fixed contribution each year for each eligible employee. The contribution is typically expressed as a percentage of the employee's pay and the contribution constitutes a non discretionary commitment on the part of the employer. The contribution must be made each year, regardless of employer profits, and can only be varied by plan amendment. Although treated differently under federal tax law, money purchase plans are fundamentally defined contribution plans.

Mortality Tables: Mortality tables are tables of death rates developed by actuaries.

Multi Employer Plan: A collectively bargained pension plan to which more than one non related employer contributes.

N

Non Contributory: A retirement system in which no contributions are required of its members to aid in its financing.

Normal Cost: Computed differently under different funding methods, the normal cost generally represents the portion of the cost of projected benefits allocated to the current plan year.

Normal Retirement Age: The age, as established by a plan, when unreduced benefits can be received. ERISA defines “normal retirement age” as the earlier of: (a) the time a plan participant attains normal retirement age under the plan or (b) the later of (i) the time a plan participant attains age 65, or (ii) the 10th anniversary of the time a plan participant commenced participation in the plan.

O

Offset Plan: A pension plan in which the employer’s participation in Social Security is used as “credit” against members’ benefits.

Open Group: An open group means that the valuation is based on current members plus new entrants.

Other Post-Employment Benefits (OPEB): Other Post-Employment Benefits are benefits for inactive members other than pension benefits, such as retiree medical benefits.

P

Pay As You Go: A method of recognizing the costs of a retirement system only as benefits are paid. Also known as the current disbursement cost method.

Pension: A series of periodic payments, usually for life, payable monthly or at other specified intervals. The term is frequently used to describe the part of a retirement allowance financed by employer contributions. Compare with “annuity”.

Pension Benefit Obligation (PBO): The portion of the Actuarial Present Value of future benefits attributable to service credit that has been earned to date (past service).

Pension Equity Plan: A pension equity plan is a hybrid plan with a formula for paying a lump sum based on pay and service.

Percent Married: The percent married assumption is used to estimate the cost of death benefits.

Phased Retirement: Phased retirement is a provision to allow members to work reduced hours while receiving proportionately reduced pensions.

Pop Up Option: A type of joint and survivor option. If the retiree's named beneficiary predeceases him or her, the amount of the retirement benefit increases (pops-up), to the amount payable for a life only payment option.

Portability: The ability of an employee who changes jobs to transfer his or her accrued benefits from the previous to the present employer's pension system.

Pre Funding: To accumulate a reserve fund in advance of paying benefits. This is the opposite of "pay as you go".

Present Value: The current worth of an amount or series of amounts payable in the future, after discounting each amount at an assumed rate of interest and adjusting for the probability of its payment or receipt.

Present Value of Fully Credited Benefits: Also known as the credited projected liability, the present value of fully credited benefits is the liability based on credited projected benefits. It is calculated in the same way as a measure of liabilities used for accounting purposes called the Projected Benefit Obligation (PBO). It is calculated using the Projected Unit Credit Cost Method.

Present Value of Fully Projected Benefits (PVFPB): Also known as the present value of benefits (PVB), the present value of fully projected benefits is the liability based on fully projected benefits. It includes the actuarial accrued liability and the present value of future normal costs.

Present Value of Benefits (PVB): The present value of benefits (PVB) is the same as the present value of fully projected benefits (PVFPB).

Present Value of Future Salaries (PVFS): The value of future expected salaries discounted with interest.

Projected Benefits: Pension benefit amounts which are expected to be paid in the future taking into account such items as the effect of advancement in age as well as past and anticipated future compensation and service credits.

Projection Valuation: A set of actuarial valuations projected for a period of years into the future based on assumptions that include new entrants.

Prudent Man Rule: A requirement imposed by ERISA that plan fiduciaries carry out their duties with the care, skill, prudence and diligence which a prudent man, acting in a like capacity and familiar with such matters, would use under conditions prevailing at the time.

Public Plan: A retirement system that covers government employees.

Q

Qualified Domestic Relations Order (QDRO): A court order that allocates a portion of a member's current or future retirement benefits to an alternate payee following a divorce.

Qualified Plan: An employee benefit plan approved by the Internal Revenue Service, meeting requirements set forth in IRS Code Section 401. Contributions to such plans are subject to favorable tax treatment.

R

Rate Smoothing: Rate smoothing is a method for deferring large increases or decreases in contribution rates.

Refund of Contributions: A refund of contributions benefit is a feature of contributory defined benefit plans that allows members to receive a lump sum benefit based on the accumulated member contributions.

Replacement Ratio: A calculation of the degree to which retirement income supplants a pre-retirement member's take home pay, less working expenses. To determine this ratio, several factors must be taken into account: a retiree's pre retirement earnings; changes in tax liabilities after retirement; changes in Social Security tax liability; the elimination of work related expenses including contributions to the retirement system; and savings.

Restoration: Restoration allows a rehired member to make a deposit for a prior refund of contributions to restore service credit under the system.

Retiree: A retiree is a member in pay status.

Retire/Rehire: Retire/rehire is a feature that allows members to retire and return to work while continuing to receive retirement benefits.

Retiree Medical: Retiree medical benefits are health insurance benefits available to members following retirement.

Retirement Rates: Tables of retirement rates based on age and service are used to determine retirement system liabilities.

Roth IRA: A retirement account which an individual can make after-tax contributions according to annual limits that are specified by the IRS. Eligible withdrawals from the account are tax-free.

Roth 401(k) An employer sponsored retirement savings account in which an individual can make after tax contributions through payroll deductions according to annual limits that are specified by the IRS. Eligible withdrawals from the account are tax-free.

S

Salary Inflation: Salary inflation is the part of the salary increases that are the result of general wage inflation rather than for merit.

Service Retirement: Normal retirement dependent upon completion of a specified period of service. In some usages, the term has the same meaning as "normal retirement".

Status: The status of a member of a retirement system can be active, terminated vested, retired, disabled, or survivor.

Stochastic Forecast: A stochastic forecast is a set of projection valuations based on a variety of scenarios to produce of range of results for expected contribution rates and funded ratio. It is often used in asset/liability studies.

Supplemental Cost: A separate element of actuarial cost which results from future normal costs having a present value less than the present value of the total prospective benefits of the system. Such supplemental cost is generally the result of assuming that actuarial costs accrued before the establishment of the retirement system. A supplemental cost may also arise after inception of the system because of benefit changes, changes in actuarial assumptions, actuarial losses, or failure to fund or otherwise recognize normal cost accruals or interest on supplemental cost.

Survivor: A beneficiary in a retirement system entitled to a benefit following the death of a member.

T

Terminated Vested: - A former member entitled to deferred benefits.

Terminated Non-Vested: A former member with no future benefits other than a return of contributions.

Thirteenth Check: An annual supplemental retirement allowance arising from earnings on investments of the system in excess of those determined as needed for other purposes.

Total Allocation Portfolio (TAP): A diversified investment portfolio in the DCP designed for the long term investor. Assets are invested across five broad asset classes divided between public market securities such as stocks, fixed income, cash, and private market investments such as real estate and private equity.

Transfer: A transfer is a member of a retirement system with prior service in another retirement system of the same plan sponsor.

Turnover: Also known as withdrawal, turnover refers to active members who leave prior to retirement for reasons other than death or disability. Tables of turnover rates are used in calculating liabilities.

U

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any, of the actuarial accrued liability over the actuarial value of assets. In other words, the present value of benefits earned to date that are not covered by plan assets.

Unfunded Liability (Unfunded PBO): The excess, if any, of the Pension Benefit Obligation over the Valuation Assets. This is the portion of all benefits earned to date that are not covered by plan assets.

Uniform COLA: A cost of living adjustment (COLA) based on a flat amount times years of service.

V

Valuation Assets: Also known as the actuarial value of assets, the valuation assets are the assets used in the actuarial valuation to determine contribution rates.

Variable Annuity: A benefit whose payments vary from year to year depending upon the value of a portfolio of securities (usually common stocks).

Vesting: The right of an employee to the benefits he or she has accrued, or some portion of them, even if employment under the plan is terminated. An employee who has met the vesting requirements of a pension plan is said to have a vested right. Voluntary and mandatory employee contributions are always fully vested.

W

Withdrawal: The termination of employment prior to becoming eligible for any benefits. The term sometimes refers to subsequent termination of membership in a system by withdrawal of the employee's accumulated contributions from the system.

Acronyms

AARP	American Association of Retired Persons
AFC	Average Final Compensation
AFS	Average Final Salary
ATULC	Amalgamated Transit Union Legislative Council
AWC	Association of Washington Cities
AWSP	Association of Washington School Principals
CARE	Coalition of Active and Retired Employees
COLA	Cost of Living Adjustment
CRHEE	Coalition of Retired Higher Education Employers
CTF	Commingled Trust Fund
DB	Defined Benefit
DCP	Defined Contribution Plan
DRS	Department of Retirement Systems
ERBB	Employee Retirement Benefits Board
ERFC	Economic and Revenue Forecast Council
ERRF	Early Retirement Reduction Factor
FAS	Final Average Salary
F&W	Department of Fish and Wildlife
IFPTE	International Federation of Professional and Technical Engineers
IUOE	International Union of Operating Engineers Local 609
JLARC	Joint Legislative Audit and Review Committee
LEAP	Legislative Evaluation and Accountability Program Committee
LEOFF	Law Enforcement Officers and Fire Fighters Retirement System
MAP	Multiple Asset Portfolio

OFM	Office of Financial Management
OSA	Office of the State Actuary
P&R	State Parks and Recreation Commission
PEPC	Public Employee Pension Coalition
PEPR	Public Employees for Pension Reform
PERS	Public Employees' Retirement System
PFC	Pension Funding Council
PSE	Public School Employees
PSERS	Public Safety Employees' Retirement System
PVS	Present Value of Projected Salaries
RCW	Revised Code of Washington
REARG	Retired Employees Advocacy and Research Group
RPEC	Retired Public Employee's Council
SBCTC	State Board for Community and Technical Colleges
SCPP	Select Committee on Pension Policy
SEIU	Service Employees International Union
SERS	School Employees' Retirement System
TAP	Total Allocation Portfolio
TRS	Teachers' Retirement System
UAAL	Unfunded Actuarial Accrued Liability
USERRA	Uniformed Service Employment and Re-employment Rights Act
UW	University of Washington
UWRA	University of Washington Retirement Association
WAC	Washington Administrative Code
WACOPS	Washington Council of Police and Sheriffs
WASA	Washington Association of School Administrators
WASPC	Washington Association of Sheriff and Police Chiefs

WEAR	Washington Education Association Retired
WEA	Washington Education Association
WFCA	Washington Fire Commissioners Association
WFSE	Washington Federation of State Employees
WFT	Washington Federation of Teachers
WPEA	Washington Public Employees Association
WSIPC	Washington School Information Processing Cooperative
WSCFF	Washington State Council of Fire Fighters
WSCPO	Washington State Council of Police Officers
WSFCA	Washington State Fire Chiefs Association
WSIB	Washington State Investment Board
WSLEA	Washington State Law Enforcement Association
WSP	Washington State Patrol
WSPRS	Washington State Patrol Retirement System
WSPTA	Washington State Patrol Troopers Association
WSRLEA	Washington State Retired Law Enforcement Association
WSRTA	Washington State Retired Teachers' Association
WSU	Washington State University
YOS	Years of service

Retirement Links

The Office of the State Actuary is just one of several state agencies that provide the services necessary to administer Washington's public retirement systems. Other agencies and their responsibilities are identified below.

Department of Retirement Systems

<http://www.drs.wa.gov/>

Maintains membership records, collects contributions from members and employers, pays benefits, communicates benefit information and advises the Governor on pension benefits.

Employee Retirement Benefits Board

<http://www.drs.wa.gov/Administration/erbb/>

Determines the administrative charges applied to Plan 3 defined contribution investments and recommends pay out options for benefits paid from Plan 3 defined contribution savings.

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board

<http://www.leoff.wa.gov/>

Policy making board with the responsibility to study pension issues, set contribution rates, and recommend pension policy to the Legislature solely in the interest of LEOFF Plan 2 members and beneficiaries.

Public Employees Benefit Board

<http://www.pebb.hca.wa.gov/>

The Public Employees Benefits Board, created within the Washington State Health Care Authority, establishes eligibility requirements and approves employee premium contributions and the benefits of all participating health care organizations.

Select Committee on Pension Policy

<http://www1.leg.wa.gov/scpp/>

Studies issues related to the provision of retirement benefits and the funding of the retirement systems. Also develops underlying retirement policies and recommends legislation to the Legislature.

State Investment Board

<http://www.sib.wa.gov>

Invests the retirement funds and maintains comprehensive accounting of gains and losses.

The State Board for Volunteer Fire Fighters and Reserve Officers

<http://www.bvff.wa.gov>

Administers the Volunteer Firefighter's and Reserve Officers' Relief and Pension Fund.

Pension-Related Websites

Actuary.ca

<http://www.actuary.ca/>

Actuarial Foundation

<http://www.actuarialfoundation.org/>

Actuary.com

<http://www.actuary.com/>

American Academy of Actuaries

<http://www.actuary.org/>

Actuarial Board for Counseling and Discipline

<http://www.abcdboard.org/>

American Society of Pension Professionals and Actuaries

<http://www.aspa.org/>

Benefits Canada

<http://www.benefitscanada.com/>

Benefits Link

<http://www.benefitslink.com/>

Bureau of National Affairs, Inc.

<http://www.bna.com/>

CalPERS

<http://www.calpers.ca.gov/>

Contingencies

<http://www.contingencies.org/>

Conference of Consulting Actuaries

<http://www.ccactuaries.org/>

Department of Labor, U.S.

<http://www.dol.gov/>

Employee Benefit Research Institute (EBRI)

<http://www.ebri.org/>

International Actuarial Association

<http://www.actuaries.org/>

International Foundation of Employee Benefits Plans

<http://www.ifebp.org/>

Internal Revenue Service

<http://www.irs.gov/>

Joint Board for the Enrollment of Actuaries

<http://www.irs.gov/taxpros/actuaries/>

National Association of State Retirement Administrators

<http://www.nasra.org/>

National Conference of State Legislatures

<http://www.ncsl.org/>

National Council on Teacher Retirement

<http://www.nctr.org/>

National Conference on Public Employee Retirement Systems

<http://www.ncpers.org/>

National Institute of Pension Administrators

<http://www.nipa.org/>

Pension Surveys

<http://www.perspective.info/pensionsurveys>

Pension and Investments

<http://www.pionline.com/>

Pension Benefit Guaranty Corporation

<http://www.pbgc.gov/>

Pension Research Council

<http://www.pensionresearchcouncil.org>

Publication 939, General Rule for Pensions and Annuities

<http://www.irs.gov/pub/irs-pdf/p939.pdf>

Public Retirement Information Systems Management

<http://www.prism-assoc.org/>

Social Security Online

<http://www.ssa.gov/>

Society of Actuaries

<http://www.soa.org/>

State Retirement Systems

<http://calhounlawgroup.com/>

Washington Deferred Compensation Program

<https://dcp.csplans.com/portal/PortalLogin.jsp>