

Select Committee on Pension Policy


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October 15, 2013

TO: PENSION FUNDING COUNCIL MEMBERS

Senator Andy Hill, Chair,
Senate Ways and Means Committee
Senator James Hargrove, Ranking Minority Member,
Senate Ways and Means Committee
Representative Ross Hunter, Chair,
House Appropriations Committee
Representative Gary Alexander, Ranking Minority Member,
House Appropriations Committee
David Schumacher, Director,
Office of Financial Management
Marcie Frost, Director,
Department of Retirement Systems

FROM: Representative Timm Ormsby, Chair 
Select Committee on Pension Policy

Senator Barbara Bailey, Vice Chair 
Select Committee on Pension Policy

**SUBJECT: SELECT COMMITTEE ON PENSION POLICY
RECOMMENDATION REGARDING
ECONOMIC ASSUMPTIONS**

Pursuant to RCW 41.04.281(4), the Select Committee on Pension Policy (SCPP) hereby submits its recommended changes to economic assumptions to the Pension Funding Council (PFC).

The SCPP recommends the PFC adopt the state actuary's recommended long-term investment return assumption of 7.5 percent by extending the current phase-in. The investment return assumption is currently scheduled in statute to decrease by 0.10 percent a biennium until reaching 7.7 percent in the 2017-19

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**Executive Committee*

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Select Committee on Pension Policy Recommendation Regarding Economic Assumptions

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Biennium. Adopting this recommendation would lower the assumption to 7.5 percent in the 2021-23 Biennium.

The state actuary's recommendations are contained in the *2013 Reports on Financial Condition and Long-Term Economic Assumptions*. These reports were provided to the PFC on August 30, 2013.

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