

# Select Committee on Pension Policy

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## REGULAR EXECUTIVE COMMITTEE MEETING

July 15, 2008  
APPROVED MINUTES

The Select Committee on Pension Policy's Executive Committee met in Conference Rooms A/B/C, Olympia, Washington on July 15, 2008.

### 9:00 a.m. – 9:30 a.m.

#### **Executive Committee members attending:**

Senator Schoesler, Chair  
Representative Conway, Vice Chair  
Elaine Banks  
Sandra Matheson  
Corky Mattingly

#### **Other SCPP members attending:**

Charles Cuzzetto  
Randy Davis  
Robert Keller  
Doug Miller  
Victor Moore  
Glenn Olson

Senator Schoesler, Chair, called the meeting to order at 9:10 a.m.

#### **(A) SCPP Recommendation to PFC**

Matt Smith, State Actuary, reported on the status of the actuarial audit and reviewed the attachments to his 2008 letter to the Pension Funding Council (PFC). Laura Harper, Policy and Research Services Manager, reported on the procedural issues related to the SCPP's recommendation to the PFC and reviewed options for the SCPP's recommendation. Staff answered members' questions during the presentation.

*Representative Conway moved to recommend to the Full Committee that the Pension Funding Council adopt the State Actuary's recommended contribution rates for the 2009-2011 biennium with projected mortality improvements, using the general salary increase assumption of 4.25 percent and further, that the SCPP recommend legislation for 2009 that reduces the salary growth assumption in RCW 41.45.035 (b) from 4.50 to 4.25 percent. Seconded.*

**MOTION CARRIED**

#### **Representative Barbara Bailey**

**Don Carlson**  
*TRS Retirees*

**Lois Clement**  
*PERS Retirees*

#### **\*Representative Steve Conway, Vice Chair**

#### **Representative Larry Crouse**

**Charles E. Cuzzetto**  
*TRS and SERS Employers*

**Randy Davis**  
*TRS Actives*

#### **Representative Bill Fromhold**

**Senator Steve Hobbs**

**Senator Janea Holmquist**

**Robert Keller**  
*PERS Actives*

**\*Sandra J. Matheson, Director**  
*Department of Retirement Systems*

**\*Corky Mattingly**  
*PERS Employers*

**Doug Miller**  
*PERS Employers*

**Victor Moore, Director**  
*Office of Financial Management*

**Senator Ed Murray**

**Glenn Olson**  
*PERS Employers*

**\*Senator Mark Schoesler, Chair**

**J. Pat Thompson**  
*PERS Actives*

**\*David Westberg**  
*SERS Actives*

**\*Executive Committee**

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(B) The meeting adjourned at 9:40 a.m.

**12:20 p.m. – 1:40 p.m.**

**Executive Committee members**

**attending:**

Senator Schoesler, Chair  
Representative Conway, Vice Chair  
Elaine Banks  
Corky Mattingly  
David Westberg

**Other SCPP members**

**attending:**

Representative Bailey  
Charles Cuzzetto  
Randy Davis  
Representative Fromhold  
Senator Holmquist  
Robert Keller

(C) **Approval of Minutes**

*It was moved to approve the June 17, 2008, Executive Committee Draft Minutes.  
Seconded.*

**MOTION CARRIED**

(D) **Correspondence**

Darren Painter, Policy Analyst, reviewed the correspondence received by the Office of the State Actuary as of July 10, 2008.

- Member Westberg asked if some of the issues listed on the correspondence log would be scheduled for upcoming meetings.
- Leslie Main, PEPR Coalition, requested that three issues be scheduled. (1) "Disability Retirement Benefits," (2) "Plan 1 Purchasing Power-COLA Improvement," and (3) "Plan 2/3 Post-Retirement Employment–Repeal of Penalty of Improved ERF."
- Member Banks asked that Plan 1 COLA Purchasing Power be put on the September agenda.

(E) **Direction on Today's Agenda**

Matt Smith, State Actuary, reviewed the issues on the day's agenda.

- Election of Retiree Representative to Executive Committee  
*Postponed until September meeting.*
- Remaining Full Committee agenda items  
*(See Full Committee agenda minutes for a description of actions taken by the SCPP.)*

**(F) Draft September Meeting Agenda – 9:00 a.m. – 12:00 p.m.**

The following items were recommended for the September meeting:

- Pensions 102
- Election of Retiree Representatives to Executive Committee
- Proposed 2009-11 OSA Budget

**Work Sessions**

- Fish and Wildlife Service Credit Transfer
- Interruptive Military Service Credit
- Plan 1 COLA Proposals

**Public Hearing with Possible Executive Session**

- SCPP Recommended Legislation to Lower General Salary Increase Assumption

**(G) Options for Legal Services**

Laura Harper, Policy and Research Services Manager, reviewed several options for legal services. Assistant Attorneys General Anne Hall and Kyle Crews, answered member questions.

*Chair Schoesler asked staff to draft a letter requesting assignment of a separate AAG to the Select Committee on Pension Policy.*

The meeting adjourned at 1: 40 p.m.

*Recorded audio of Select Committee on Pension Policy meetings is often available free of charge at [www.tow.org](http://www.tow.org). Additionally, you may request a CD-ROM copy of the audio. Please contact the Office of the State Actuary for further information.*