

Select Committee on Pension Policy

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REGULAR COMMITTEE MEETING

July 15, 2008

APPROVED MINUTES

The Select Committee on Pension Policy met in Senate Hearing Room 4, Olympia, Washington on July 15, 2008.

Committee members attending:

Senator Schoesler, Chair	Senator Holmquist
Representative Conway, Vice-Chair	Robert Keller
Elaine Banks	Sandra Matheson
Representative Bailey	Corky Mattingly
Lois Clement	Doug Miller
Representative Crouse	Victor Moore
Charles Cuzzetto	Senator Murray
Randy Davis	Glenn Olson
Representative Fromhold	J. Pat Thompson
Senator Hobbs	David Westberg

Senator Schoesler, Chair, called the meeting to order at 9:35 a.m.

(1) Approval of Minutes

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

MOTION CARRIED

(2) Election of Retiree Representative to Executive Committee

This issue was postponed until the September 16, 2008 meeting.

(3) LEOFF 2 Board Coordination

Steve Nelsen, Executive Director, LEOFF Plan 2 Retirement Board, reviewed the Board's letter dated June 30, 2008, prioritizing the topics for coordination with the SPCP during the 2008 interim. Steve Nelsen answered members' questions during the presentation.

No action taken.

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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(4) June 20, 2008 Revenue Forecast

Matt Smith, State Actuary, presented a report from the Washington Economic and Revenue Forecast Council and reported on the Senate Ways and Means Six-Year Outlook.

Two members asked staff to follow up on questions about the report.

No action taken.

(5) Pension Funding Council (PFC) Audit Report

Matt Smith, State Actuary, presented a report on the actuarial audits of the Preliminary Experience Study and Actuarial Valuation Report. Staff answered members' questions during the presentation.

No action taken.

(6) Final SCPP Recommendation to PFC

Laura Harper, Policy and Research Services Manager, reported on the SCPP Recommendation to the Pension Funding Council, and explained the 2009-11 Pension Contribution Rates letter to the Pension Funding Council. She also reviewed the Executive Committee's recommendation on this issue. (*See item (A) in the July 15, 2008, Executive Committee minutes.*)

Staff answered members' questions immediately following the presentation.

One member asked staff to follow up on questions about the pension stabilization account.

It was moved to recommend 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

(7) Military Death Benefits

Dave Nelsen, Senior Policy Analyst, presented a report on Military Death Benefits.

It was moved that the Military Death Benefits proposal be recommended to the 2009 Legislature. Seconded.

MOTION CARRIED

The meeting adjourned at 12:20 p.m.

Recorded audio of Select Committee on Pension Policy meetings is often available free of charge at 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.