

SELECT COMMITTEE ON PENSION POLICY

Constituent Correspondence as of September 7, 2009

Received by OSA	From	To	Subject
12/10/08	Philips, Hal	SCPP	Plan 1 COLA, Plan 3 Retirement Age, Health Care
12/12/08	Swan, Gail	SCPP	Pre-LEOFF Benefits
12/23/08	Burns, Joseph W.	SCPP	Pre-LEOFF Survivor Benefits
12/29/08	Hogg, Marcella	Governor Gregoire	Early Retirement Reduction Factor
1/11/09	Gallagher, Kristine	Randy Davis	Dispute with TRS Over Self-Directed Accounts
2/12/09	Wagner, Barbara	SCPP Members	Inequity Between Plans 1 and 2
2/13/09	King, Garrison	SCPP	Early Retirement Incentive
3/19/09	Bloomingtondale, TJ	SCPP	Communications Officers' Retirement Benefits
3/23/09	Krohn, Tommie	SCPP	Early Retirement Incentive
3/29/09	Tennant, Dan	SCPP Members	Complaint RE: TRS 3 Self-Directed Account
3/30/09	Altenhauser, Michael	SCPP Members	Peace Corps Service Credit
4/8/09	Elwell, Sandra	DRS	Dispute Over Beneficiary's Benefit
4/23/09	Warriner, Dale	DRS	Equity in Benefit Structures, TAP Investment Option Performance
5/11/09	Pillow, Tommie	Sen. Schoesler, Chair	Request for Sub-Committee to Review WSPRS Governance
5/13/09	Sen. Prentice	SCPP	LEOFF 1 Survivor Benefits
5/12/09	Stoermer, Paul	SCPP	Lower Retirement Age for PERS 2
6/8/09	Fox, Kelly - LEOFF 2	SCPP	LEOFF 2 Issues for Coordination
6/8/09	Moe, Royce	SCPP	Court Commissioners' Pension Bill
6/12/09	Representative Seaquist	Sen. Schoesler, Chair & Rep. Conway, Vice Chair	Long-Term Planning, Best Practices
6/26/09	Wilfong , Ester and Leslie Main	SCPP	WSSRA Priorities for 2009-10
7/23/09	Senator Zarelli	Rep. Conway, Chair & Sen. Schoesler, Vice Chair	SB 6046
8/3/09	Representative Seaquist	SCPP	Benefit multiplier addressed in SB5523/HB1742
8/26/09	Walker, Arne	Rep. Conway, Chair	Retirement Age for Public Safety Employees Retirement System
9/2/09	Walker, Arne	Rep. Conway, Chair & SCPP	Retirement Age for Public Safety Employees Retirement system
9/4/09	Kvamme, John - WASA & AWSP	SCPP	WASA & AWSP Interim Issues

Wallis, Keri

From: Seaquist, Rep. Larry
Sent: Friday, June 12, 2009 5:59 PM
To: Office State Actuary, WA; Schoesler, Sen. Mark; Conway, Rep. Steve
Cc: Futrell, Oriana
Subject: SCPP - June 16, 2009 meeting agenda

Mark & Steve,

At our June meeting, I'd like to introduce two items for inclusion on our agenda for future 2009 meetings:

1. A thorough and detailed discussion, facilitated by OSA, of the long range fiscal, policy, and governance issues our systems are likely to face over the next, say, 25 years.
2. A thorough review and discussion of current 'best practices' as they may be found in other states and in other relevant sectors. To be facilitated by OSA and to include the personal expert participation of one or more nationally recognized retirement systems experts.

There are at least two reasons for undertaking this kind of thorough, careful review this year. First, because we are in the midst of an extraordinary economic dislocation, recovery from which is expected to take many years; second, because our economy and our state workforce may be undergoing a significant restructuring, in part because of the ongoing recession and our budget-cutting responses.

I look forward to an opportunity to introduce these ideas at next week's SCPP meeting.

Thank you,

Larry

Rep. Larry Seaquist
26th Legislative District Office
LA Oriana Futrell 253.858-1013
3206 50th St. Ct. NW
Gig Harbor WA 98335
seaquist.larry@leg.wa.gov



Washington State School Retirees' Association

4726 Pacific Ave. SE • Lacey, WA 98503 • (360) 413-5496 • 1-(800) 544-5219 • www.wssra.org

MEMORANDUM

RECEIVED

TO: Select Committee on Pension Policy

FROM: Ester Wilfong, WSSRA Legislative Committee Chair
Leslie Main, WSSRA Legislative Coordinator

DATE: June 25, 2009

SUBJECT: WSSRA Priorities for 2009-10

JUN 26 2009

Office of
The State Actuary

The 2009 Legislative Session has drawn to a close and the Washington State School Retirees' Association (WSSRA) once again looks forward to working with members of the Select Committee on Pension Policy (SCPP) to address school retiree pension and health benefit concerns. Following are WSSRA's Legislative Goals for 2009-10. These goals represent the continuing interests and concerns of 16,300+ statewide members and will continue to be pursued as conditions permit.

At this point in time, due to the current economic downturn, WSSRA intends on focusing its efforts on the goals highlighted in yellow/italicized print. WSSRA views these goals as issues especially important to pursue, particularly in this economic climate and in light of legislation enacted during the '09 Session regarding pension funding.



WSSRA LEGISLATIVE GOALS ~ 2009-10



WSSRA: Providing leadership and promoting action.

Recovery of lost purchasing power for all TRS/PERS 1 retirees.

Objective:

- ◆ Preservation and protection of the full value of the Teacher Retirement Systems / Public Employees Retirement Systems (TRS/PERS) Plan 1 defined benefit from inflation:
- ◇ Short-term – Improvement of the Plan 1 dollars/per months/per years of service post-retirement adjustment known as the Uniform Cost-of-Living Adjustment (COLA).
- ◇ Long-term – Establishment of a true, Consumer Price Index (CPI)-based, Plan 1 COLA.

Full funding of Washington State's Plan 1 and Plans 2/3 pension systems.

Objective:

- ◆ *Adherence to RCW 41.45.010 which calls for, "dependable and systematic pension funding processes and pension contribution rates which will remain a relatively predictable proportion of future state budgets."*
- ◆ *Reestablishment of the June 30, 2024, amortization date for the Teacher Retirement Systems / Public Employees Retirement Systems (TRS/PERS) Plan 1 Unfunded Liabilities.*

Pension plan improvements for members of TRS/SERS/PERS 2/3.

Objectives:

- ◆ A full retirement benefit for Teacher Retirement System / School Employees Retirement System / Public Employees Retirement System (TRS/SERS/PERS) Plan 2/3 members below the alternate Early Retirement Reduction Factor (ERRF) eligibility option of age 62 with 30 years of service.
- ◆ Improvement of pension benefits which address concerns unique to classified school employees in SERS 2/3 and current TRS/SERS/PERS 3 retirees remaining from the 2007 repeal of Gain Sharing.
- ◆ *Removal of age restrictions on 5-year vesting eligibility criteria for members of TRS/SERS/PERS Plan 3.*

 **Improved health insurance benefits and lower premiums for school retirees.**

Objectives:

- ◆ Increases in the Public Employee Benefits Board (PEBB) Medicare eligible retiree subsidies that reflect increases in the rate of medical inflation.
- ◆ *Protection plan design and containment of costs related to PEBB sponsored retiree health insurance plans (i.e. comprehensive benefit coverage, and containment of plan premiums, co-payments, and deductibles).*
- ◆ A "2nd chance" PEBB enrollment window for those state and K-12 employees who retired prior to 1/1/01, missed their initial enrollment opportunity, and can meet PEBB continuity of care requirements.

 **Improved livelihood for current and future school retirees.**

Objectives:

- ◆ Support efforts of other senior advocate groups on long-term care and health care reform.
- ◆ Support efforts of other senior advocate groups on consumer privacy and protection, and fraud prevention.
- ◆ Support efforts of other senior advocate groups when their goals are consistent with ours.

WSSRA's looks forward to working with the SCPP during the 2009 Interim to address these challenging and critical issues. Please contact WSSRA at 1-800-544-5219 if you have any questions regarding these requests. Thank you.



Washington State Senate

Olympia Address:
204 Irv Newhouse Building
(360) 786-7634
FAX: (360) 786-7524

Senator Joseph Zarelli
18th Legislative District

Mail Address:
PO Box 40418
Olympia, WA 98504-0418
e-mail: Zarelli.Joseph@leg.wa.gov

July 22, 2009

Rep. Steve Conway, Chair
JLOB 307

Sen. Mark Schoesler, Vice-Chair
INB 110

Dear Steve & Mark,

As the Select Committee meets this interim, I would like to request that SB 6046 be added to your work plan of possible ideas to endorse for next session.

The bill attempts to set investment policies that would "secure the surplus" in the state's major closed plans (PERS 1, TRS 1, and LEOFF 1) should a surplus arise in the future. This is not merely an abstract exercise, because as recently as a few years ago LEOFF 1 was fully funded on a market value basis. But due to recent market volatility and the lack of an asset liability management policy for closed plans, the plan is no longer in full-funding status. This is unfortunate.

The goal for the state's closed plans is to achieve full-funding status. Once that is achieved, the policy objective should be to preserve the assets for future benefit payments. This avoids having to reinstate contributions in the future, and promotes benefit security through future market downturns.

The difficulty under current law is there is no mechanism in place to notify the State Investment Board that a closed plan is in full-funding status, or to direct the Board that the goal has shifted from maximizing returns to preserving the assets for future benefit payments.

SB 6046 remedies this. The bill directs the state actuary to make a determination of when, in his/her professional judgment, PERS 1, TRS 1, or LEOFF 1 are fully funded on a market value basis. Upon such a determination, the actuary then notifies the state investment board. The state investment board's primary objective then becomes to establish investment policies designed to preserve the fully funded status of the plan.

I hope that you give this request due consideration, as I believe this bill fits with the goals of the Select Committee on Pension Policy.

Yours truly,

A handwritten signature in black ink, appearing to read "J. Zarelli".

Senator Joseph Zarelli
18th Legislative District

Wallis, Keri

From: Smith, Matt
Sent: Tuesday, August 04, 2009 7:00 AM
To: Seaquist, Rep. Larry
Cc: Conway, Rep. Steve; Futrell, Oriana; Harper, Laura; Burkhart, Kelly
Subject: RE: Court Commissioner's Pension Proposal

Rep. Seaquist,

We'll forward your e-mail to the executive committee at their next meeting. Thanks.

Matt

From: Seaquist, Rep. Larry
Sent: Monday, August 03, 2009 5:18 PM
To: Smith, Matt
Cc: Conway, Rep. Steve; Futrell, Oriana
Subject: Court Commissioner's Pension Proposal

Matt,

I met today with one of my constituents, a Kitsap Superior Court Commissioner. On behalf of the state's court commissioners he asks for SCPP consideration in the next session of the benefit multiplier addressed in SB5523/HB1742.

What is our procedure for proposing this to the SCPP and for their review?

Thank you,
Larry

Rep. Larry Seaquist
26th Legislative District Office
LA Oriana Futrell 253.858-1013
3206 50th St. Ct. NW
Gig Harbor WA 98335
seaquist.larry@leg.wa.gov

Wallis, Keri

From: Arne Walker [mailto:arne@awalker.us]
Sent: Wednesday, August 26, 2009 10:10 PM
To: Conway, Rep. Steve
Cc: Smith, Matt; 'Mark Gjurasic'; Terry Kohl; 'David Brown'; Douglas Justus; 'Weaver, Randy'
Subject: PSERS Related Letter to the SCPP

Representative Conway,

In follow-up to our meeting on August 14th at the Harmon Brewery, I am providing you an update on our progress contacting the different groups that have members in the Public Safety Employees Retirement System. (PSERS) Our goal at the moment is to contact these groups, provide information about and a copy of our letter to the SCPP, and hopefully gain the support of these different groups and individuals.

In addition to yourself, we have also reviewed this issue with the following:

SCPP Members (We are in the process of contacting additional SCPP members.)

Senator Mark Schoesler

Don Carlson

- Pat Thompson (Have attempted to make contact, but have not yet been able to speak with him.)

PSERS Member Groups & Contact Name(s)

The Washington State Dept of Corrections / Clela Steelhammer

- The Washington State Parks and Recreation Commission / Fred Romero (Fred has been on Vacation until this week. Have not yet talked with him.)

The Washington State Gambling Commission / Amy Hunter (Also Terry Westhoff)

The Washington State Patrol / Captain Jeff Devere

The Washington State Liquor Control Board / Karen McCall (Also Rick Garza)

All of the PSERS Member groups listed in **bolded text** have received a copy of our draft letter, and have reviewed the issue with us over the phone. Each of these individuals will be taking the information they have gathered to be reviewed by the leadership of their respective organizations so that a determination can be made as to their official position on the issue. We hope to hear back from these organizations before the Sept 15th SCPP meeting.

Senator Schoesler and Don Carlson are both supportive of reviewing this issue at the next SCPP meeting. Thank you for your support as well, and for giving us 5 minutes in the Sept. 15th SCPP meeting to discuss the policy question posed in our letter.

We have received input and suggestions on our draft letter which we have incorporated into the letter. The updated version of our letter is attached for your review.

We really appreciate your time, and the advice you have offered us on this issue. Please call if you have any question, and we look forward to seeing you on September 15th if not before.

With best regards,

Arne Walker

Arne Walker | *Government Affairs Consultant* | Cell: 253-380-2562 arne@awalker.us | www.lobbywa.com | Tacoma eFax: 201-367-5022

Wallis, Keri

From: Smith, Matt
Sent: Wednesday, September 02, 2009 7:18 AM
To: Wallis, Keri
Cc: @OSAANALYST; Burkhart, Kelly
Subject: FW: SCPP Letter of Request / PSERS Retirement Age Policy Issue
Attachments: KCCG Sept 1 09 Letter to SCPP.doc

From: Arne Walker [mailto:arne@awalker.us]

Sent: Tuesday, September 01, 2009 8:28 PM

To: Conway, Rep. Steve

Cc: Schoesler, Sen. Mark; Bailey, Rep. Barbara; Crouse, Rep. Larry; Hobbs, Sen. Steve; Holmquist, Sen. Janéa; Murray, Sen. Edward; Seaquist, Rep. Larry; steve.hill@hca.wa.gov; Moore, Victor; marsyvillecoach@hotmail.com; Keller, Bob; c2everett@council1.com; Westberg, David; Cuzzetto, Charles; Mattingly, Corky; Miller, Doug; Olson, Glenn; Carlson, Don; 'Mark Gjurasic'; 'Terry Kohl'; Smith, Matt; Douglas.Justus@KingCounty.Gov

Subject: SCPP Letter of Request / PSERS Retirement Age Policy Issue

Representative Conway,

On behalf of Captain Doug Justus and the King County Corrections Guild, Mark Gjurasic, Terry Kohl and I are forwarding you the attached letter requesting the SCPP to review a policy question dealing with the standard retirement age for public employees that are members of the Public Safety Employees Retirement System, (PSERS).

I have carbon copied (Cc'd) this email to the other members of the SCPP. (Except for Mrs. Lois Clement for which I do not yet have an email address for.)

As we discussed, it is our goal to work with the other entities that have members in PSERS so that we can identify challenges and find solution as early on as possible. We have already contacted the entities listed below that have employees in PSERS. These groups are reviewing the policy question contained in the attached letter and will inform us when they are able to determine a position on this issue.

The Washington State Department of Corrections / [Clela Steelhammer](#)
The Washington State Parks and Recreation Commission / [Fred Romero](#)
The Washington State Gambling Commission / [Amy Hunter](#)
The Washington State Patrol / [Captain Jeffrey Devere](#)
The Washington State Liquor Control Board / [Karen McCall](#)

We look forward to seeing you and the other SCPP members at the September 15 committee meeting, and we thank you for giving us 5 minutes at this hearing to address this policy issue.

Please let us know if you or any of the other SCPP members develop questions that you would like to address before the September 15 meeting, and thank you once again for helping to make Washington a good place to work and live.

With best regards,

Arne Walker

Arne Walker <i>Government Affairs Consultant</i> Cell: 253-380-2562 arne@awalker.us www.lobbywa.com Tacoma eFax: 201-367-5022
--

Additional Contact Information

Mark Gjurasic

Public Affairs of Washington, LLC / Phone: (360) 481-6000 / mgjurasic@comcast.net

Terry Kohl

Phone: (206) 850-6030 / tkohl@comcast.net



King County Corrections Guild
6417 S. 143rd Pl.,
Tukwila, WA 98168
Phone: (206) 444-9493

September 1, 2009

Representative Steve Conway
Select Committee on Pension Policy
PO Box 40914
Olympia, WA 98504-0914

Dear Representative Conway,

As you know, the Public Safety Employees' Retirement System in Washington, (PSERS) was created by legislation in the year 2004 to create a separate retirement system for certain public employees whose jobs contain a high degree of physical risk to their own personal safety. PSERS was created to appropriately distinguish these employees serving in high risk positions from other employees in the Public Employees Retirement System (PERS) who do not work under conditions that are so dangerous and harsh.

In creating PSERS, the legislature recognized the additional risk that Washington's Public Safety Employees endure, and distinguished these employees by allowing them to retire five years earlier without a reduction of benefits. The standard age for retirement under PERS Plans 2 and 3 was 65 years of age, and the new PSERS plan set the standard retirement age at 60 years of age. It was clear that the legislature believed that allowing these public safety employees to retire five years earlier was an appropriate and sufficient distinction given because of the additional risks and hardships that come with the regular work responsibilities of these public safety employees.

In 2007, the Washington State Legislature changed PERS Plans 2 and 3. This change lowered key PERS standard retirement age requirements, and now allows certain employees that are members of PERS 2 and 3 the ability to retire three years earlier without a reduction to their retirement benefits. The change allows PERS 2 and 3 members with 30 years of service to retire at age 62 instead of 65 without a reduction in benefits. We have also seen the standard retirement age in the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 lowered from 58 years, to 55 years, and has most recently to 53 years of age for LEOFF members to retire without a loss of benefits.

The public safety employees in Washington that are members of PERS now have a standard 60 year age limitation for them to retire without a reduction in benefits. The five year earlier retirement distinction that the Legislature believed was appropriate in 2000 has been reduced to a two year difference between PERS and PSERS.

I would like to request the Select Committee on Pension Policy review the question of:
Is there still an appropriate and sufficient distinction between the PERS, PSERS, and LEOFF retirement systems?

Thank you for your time reviewing this information and addressing this policy question.
We appreciate your commitment to helping make our state a good place to work and live.

With Best Regards,

Sergeant Doug Justus
President
King County Corrections Guild

Wallis, Keri

From: john kvamme [jekvamme@yahoo.com]
Sent: Friday, September 04, 2009 12:04 PM
To: Smith, Matt
Subject: WASA & AWSP Interim Issues
Attachments: 2010 Issues 9 4 09.doc

Matt

Attached is a memo to the SCPP Executive Committee for the September 15th meeting. Hopefully it is not too late to go into the meeting packet, however if it is too late I'll bring copies for the committee. I would appreciate knowing if it will be in the packet. Thanks!

John Kvamme, WASA & AWSP Consultant

TO: Select Committee on Pension Policy (SCPP) Executive Committee

FROM: John Kvamme, Washington Association of School Administrators (WASA) and Association of Washington School Principals (AWSP)

DATE: September 4, 2009

RE: WASA/AWSP Pension/Health Benefit Issues

WASA and AWSP support the three issues submitted to the SCPP by the Public Employees for Pension Reform (PEPR) coalition. They deal with the (1) Disability Retirement Benefit Study, (2) Default Plan Option for New Hires, and (3) Select Committee on Pension Policy Organizational Structure.

WASA and AWSP have a couple issues that exclusively impact school staff that we are requesting the SCPP to consider and address during this interim. They are:

- Administrator ERF Early Retirement Solution: Due to the administrator contract year going from July 1 to June 30 by statute almost all administrators will be short two months when retiring July 1 if wishing to take advantage of the Plan 2 & 3 early retirement 30 year requirement.
- Survivor Access to Plan 1 TRS Annuity: Allow the survivor of an active Plan 1 TRS member with at least 10 years of service that dies to have access to the cash-out of the member's annuity portion of the pension. Living retirees do have the option of cashing out their annuity.

In addition to these three issues WASA and AWSP have a number of important issues that impact our members that have been submitted to SCPP in the past that probably are inappropriate for attention at this time due to their cost and the economic conditions within the state and nation. These are issues such as: Plan 3 Vesting, Plan 2 Access to the PEBB, Survivor Benefits, Plan 2 & 3 Postretirement Employment, and Death Benefit Increase.

Thank you for your consideration of these issues.



Washington State Senate

Olympia Office:
PO Box 40449
Olympia, WA 98504-0449

Senator Craig Pridemore
49th Legislative District

(360) 786-7696
FAX: (360) 786-1999
E-mail: pridemore.craig@leg.wa.gov

Members

Select Committee on Pension Policy
c/o Matt Smith, State Actuary
PO Box 40914
Olympia, WA 98504-0914

September 10, 2009

Dear Members of the SCPP,

I understand that the SCPP has a work session scheduled for September 15 to discuss the implementation of SB 6157, passed in the 2009 legislative session. I am writing to convey my support for a model that final compensation for state employees that is used to calculate a retirement benefit for a PERS member would not be affected by salary reduction that are due to reduced hours, leave without pay or furloughs taken as part of an employer's effort to reduce expenditures during the 2009-2011 biennium. I request that this issue receive particular attention related to local government.

Many local government employees were also required to take salary reductions in order for local governments to balance their budgets, as well. Local governments' fiscal year is not the legislative fiscal year of July 1 to June 30, but rather the calendar year, January 1 to December 31. This benefit should also be available to local government PERS members, effective January 1, 2009. I would like to request the support of the SCPP to include local government PERS members on the calendar year fiscal year, effective January 1, 2009.

I would be pleased to prime sponsor such a bill. Thank you very much for your consideration.

Best regards,

A handwritten signature in cursive script that reads "Craig A. Pridemore".

Craig A. Pridemore
State Senator
49th Legislative District

Wallis, Keri

From: RParr@washingtonea.org
Sent: Friday, September 11, 2009 4:50 PM
To: Office State Actuary, WA
Subject: WEA Issue for 2009 Interim
Attachments: SCPP 2009 WEA Issues.pdf

OSA staff and SCPP Members;

Attached please find WEA's letter regarding the issue we would ask the committee to study during this brief 2009 interim. I plan to bring copies for sharing with the committee and/or executive committee at next Tuesday's meeting, but wanted to send this a few days in advance for possible inclusion in committee materials at your next meeting.

Please feel free to contact me should you have any questions.

Randy Parr
Budget Analyst-Lobbyist
Olympia Public Policy Center
Washington Education Association
360-943-3150
253-765-7155
rparr@washingtonea.org



September 11, 2009

Select Committee on Pension Policy
Executive Committee Members
P. O. Box 40914
Olympia, WA 98504-0914

Dear Executive Committee Members;

On behalf of the 81,000 members of the Washington Education Association, we would appreciate your consideration of the following issue for study and/or action during the 2009 interim in preparation for the 2010 Legislative Session.

The WEA has a number of priorities for pension improvements that we expect to address in the future. However, we recognize the committee has only a limited time for studying issues this interim, and are not seeking any efforts on your behalf that require prolonged deliberation. However, while we are not asking the SCPP to act this year, the WEA does continue to have as its highest priority the enactment of Rule of 85 legislation.

The one issue WEA would seek the committee to study this year would be an option for those members of TRS and SERS Plan 3 who were hired in to that plan tier to transfer to their respective Plan 2. We would expect such a transfer to be effected in a manner that would be revenue neutral to the pension system. Should such an undertaking be deemed too large for the short time available to the committee this interim, we would suggest a means by which such an effort could be "piloted" with a small sub-class of system members. The WEA has raised this specific issue in the past, but this year would seek your consideration as a means to explore methods for affecting the larger objective:

- **Education Staff Associates with multiple employers.** Several certificated professions are common to both the state and school systems. These include speech language pathologists, physical therapists and others. Some of these employees began their careers in the state system under PERS 2 and then gained

employment in schools where they were enrolled in TRS 3 (or the reverse). There is a concern that combining these two plans do not add up to a whole pension benefit. We would ask the committee to study the issue of those whose employment has forced them to earn service credit in the two separate systems in this manner and seek a resolution that assures that their career of public service to the state results in a full pension without having been penalized for service in two separate systems. (see RCW 41.32.032 for how this was addressed in the 1980's)

We are prepared to discuss this issue in more detail and would welcome the opportunity to work with the committee in determining the best way to address the issue. Thank you for your consideration.

Sincerely;

A handwritten signature in black ink, appearing to read "Randy Parr". The signature is fluid and cursive, with a long horizontal stroke at the end.

Randy Parr
Budget Analyst/Lobbyist
Washington Education Association
(360) 943-3150
(360) 481-2825

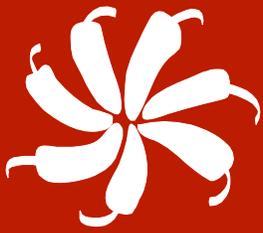
Burkhart, Kelly

From: Matt Zuvich [MattZ@wfse.org]
Sent: Monday, September 14, 2009 3:27 PM
To: Office State Actuary, WA; Conway, Rep. Steve
Subject: PEPR request letter
Attachments: 2009 request letter SCPP .doc; Matt Zuvich.vcf

Attached you will find PEPR's 2009 request letter. It is my hope that this can be included in tomorrow's packets, even with its late arrival (for which I apologize!) A hard copy will follow via the US Mail.

Thank You,

Matthew D. Zuvich
Legislative and Political Action,
Washington Federation of State Employees
1212 Jefferson St. SE, Ste. 300
Olympia WA. 98501
Office: 360.352.7603 x 636
E-Mail: mattz@wfse.org



Public Employees for Pension Reform

A coalition of Washington State Public Employee Unions and Retiree Associations serving active and retired state and public employees

TO: Select Committee on Pension Policy
FROM: Public Employees for Pension Reform (PEPR)
DATE: September 15, 2009
SUBJECT: Requested Prioritization of Pension Benefit Improvements

As you know, PEPR is comprised of organizations representing various active and retired members of the Washington State retirement systems. Though member organizations of PEPR will be individually submitting their respective priorities for study by the SCPP during the 2009 interim, we have joined together in support of three specific issues for addressing during 2009. The PEPR Coalition requests that the following issues be placed on the Select Committee on Pension Policy's 2009 interim agenda:

- **Disability Retirement Benefit Study:**

PEPR continues to be very interested in finding a resolution to the lack of a true disability benefit for the Plans 2 and 3. We are very interested in the outcome of the study of disability benefits and "opt-in" insurance being performed by the Washington State Institute for Public Policy. PEPR looks forward to working with the SCPP this interim on proposals to address this shortcoming in the pension plans.

- **Default Plan Option for New Hires:**

The SCPP addressed this issue last year and the members of PEPR would appreciate your consideration of recommending legislation again this year. In short, new hires that fail to select between Plans 2 and 3 upon being hired are then automatically enrolled in Plan 3. We believe those members who have not taken an active interest in which pension plan they are placed are better served by being in a fully defined benefit plan and would seek a change for all system members to "default" in to Plan 2 instead of Plan 3.

- **Select Committee on Pension Policy Organizational Structure:**

Legislative proposals this past session and recent conversations with SCPP members and legislative leaders has indicated there are some serious concerns regarding the operations and credibility of the SCPP in recommending legislation to the full legislature. Members of PEPR would like to work with the SCPP to find ways to address these concerns. PEPR member organizations have several different thoughts in this regard, but all believe that we each have a stake in maintaining a credible committee whose recommendations are trusted by the full legislature.

Sincerely,

Matthew D. Zuvich, PEPR Coalition Chair
Washington Federation of State Employees

PEPR

(Public Employees for Pension Reform)

Washington State Federation of State Employees (WFSE)

Matt Zuvich, Chair – 306-352-7603

American Federation of Teachers of Washington

Teamsters Union – Local 117

Washington Public Employees Association

**Washington State Council of City & County Employees –
Council 2**

Retired Public Employees Council of Washington

Association of Washington School Principals

Washington Association of School Administrators

Public School Employees of Washington

**Washington Education Association (WEA) & WEA-
Retired**