

Past Part-Time Service Credit

Issue

In the past, some members made contributions to the retirement system without receiving service credit. This occurred because contributions were required even if a member did not work enough hours to qualify for service credit. Current rules generally do not allow for such “non-credited” service.

Certain members have suggested that the current, more generous service credit rules be retroactively applied to their non-credited past service.

Background

The SCPP studied past part-time service credit for members in the 2008 Interim. The Committee looked at refunding contributions for the non-credited service and considered options to provide additional service credit to the affected members. Ultimately, the Committee recommended providing half-time service credit for Plans 2/3 employees who worked half-time for an educational employer prior to 1987. The proposal had a 25-year total employer cost of \$300,000 and no immediate rate impact.

Bills to implement the SCPP proposal were introduced in the 2009 Legislative Session but did not pass the Legislature (HB 1541/SB 5302). The House bill passed the House, but was not heard in the Senate Committee on Ways and Means.

Policy Considerations

- ❖ The Legislature has dealt with this before (1986, 1991, 2008, and 2009) and did not change past non-credited service – except for some teachers.
- ❖ Differs from other retroactive benefit increases since contributions were already collected.
- ❖ Idaho refunds contributions for non-credited service at retirement.

Committee Activity

The committee held a public hearing on the issue in October, and voted to endorse HB 1541/SB 5302 from the 2009 Legislative Session.

Staff Contact

Darren Painter, Senior Policy Analyst
360.786.6155
painter.darren@leg.wa.gov

Select Committee on Pension Policy

P.O. Box 40914
Olympia, WA 98504-0914
actuary.state@leg.wa.gov

January 8, 2010

The Honorable Kelli Linville, Chair
House of Representatives Committee on Ways and Means
John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600

Dear Chair Linville:

On behalf of the Select Committee on Pension Policy, we, the chair and vice chair, wish to inform you that on October 20, 2009, the committee voted to endorse House Bill 1541/Senate Bill 5302 for the 2010 Legislative Session.

House Bill 1541 and Senate Bill 5302 grant half-time service credit to certain Plans 2/3 members who worked at least half time for an educational employer prior to 1987.

Minor amendments will be required to update the bill for this session, and draft language for a possible substitute bill is attached for your convenience.

We appreciate your consideration in this matter.

Sincerely,



Representative Steve Conway, Chair
Select Committee on Pension Policy



Senator Mark Schoesler, Vice Chair
Select Committee on Pension Policy

Enclosure (1)

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Representative Barbara Bailey

***Don Carlson**
TRS Retirees

***Representative Steve Conway,
Chair**

Representative Larry Crouse

Chuck Cuzzetto
TRS and SERS Employers

Randy Davis
TRS Actives

***Steve Hill, Director**
Department of Retirement Systems

Senator Steve Hobbs

Senator Janea Holmquist

***Robert Keller**
PERS Actives

***Corky Mattingly**
PERS Employers

Senator Joe McDermott

Doug Miller
PERS Employers

Victor Moore, Director
Office of Financial Management

Glenn Olson
PERS Employers

***Senator Mark Schoesler,
Vice Chair**

Representative Larry Seaquist

J. Pat Thompson
PERS Actives

Robert Thurston
WSPRS Retirees

David Westberg
SERS Actives

***Executive Committee**

(360) 786-6140
Fax: (360) 586-8135
TDD: 1-800-635-9993
<http://www1.leg.wa.gov/SCPP.htm>

Select Committee on Pension Policy

P.O. Box 40914
Olympia, WA 98504-0914
actuary.state@leg.wa.gov

January 8, 2010

The Honorable Margarita Prentice, Chair
Senate Committee on Ways and Means
J.A. Cherberg Building
PO Box 40466
Olympia, WA 98504-0466

Dear Chair Prentice:

On behalf of the Select Committee on Pension Policy, we, the chair and vice chair, wish to inform you that on October 20, 2009, the committee voted to endorse House Bill 1541/Senate Bill 5302 for the 2010 Legislative Session.

House Bill 1541 and Senate Bill 5302 grant half-time service credit to certain Plans 2/3 members who worked at least half time for an educational employer prior to 1987.

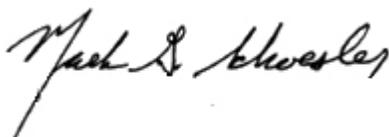
Minor amendments will be required to update the bill for this session, and draft language for a possible substitute bill is attached for your convenience.

We appreciate your consideration in this matter.

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HB 1541/SB 5302 Draft Language for Possible Substitute Bill
Changed all instances of "2010" to "2011."

1 AN ACT Relating to granting half-time service credit for half-time
2 educational employment prior to January 1, 1987, in plans 2 and 3 of
3 the school employees' retirement system and the public employees'
4 retirement system; adding a new section to chapter 41.35 RCW; and
5 adding a new section to chapter 41.40 RCW.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.35 RCW
8 under the subchapter heading "provisions applicable to plan 2 and plan
9 3" to read as follows:

10 (1) By no later than December 31, 2011, the department shall
11 recalculate service credit for periods of qualifying prior service by
12 an eligible member, as provided for in this section.

13 (2) An eligible member is a member who is active in the retirement
14 system and who earns service credit after the effective date of this
15 section and before September 1, 2011.

16 (3) A qualifying period of prior service is a school year prior to
17 January 1, 1987, in which the member:

18 (a) Was employed in an eligible position by a school district or

1 districts, educational service district, the Washington state center
2 for childhood deafness and hearing loss, the state school for the
3 blind, an institution of higher education, or a community college;

4 (b) Earned earnable compensation for at least six hundred thirty
5 hours as determined by the department;

6 (c) Received less than six months of service credit; and

7 (d) Has not withdrawn service credit for the school year or has
8 restored any withdrawn service credit for the school year.

9 (4) The department shall recalculate service credit for qualifying
10 periods of prior service for an eligible member as follows:

11 (a) The member shall receive one-half service credit month for each
12 month of the period from September through August of the following year
13 if he or she earned earnable compensation during that period for at
14 least six hundred thirty hours as determined by the department, and was
15 employed nine months of that period; and

16 (b) A member's service credit shall not be reduced under this
17 section for a qualifying period of prior service.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40 RCW
19 under the subchapter heading "provisions applicable to plan 2 and plan
20 3" to read as follows:

21 (1) By no later than December 31, 2011, the department shall
22 recalculate service credit for periods of qualifying prior service by
23 an eligible member, as provided for in this section.

24 (2) An eligible member is a member of plan 2 or 3 who is active in
25 the retirement system and who earns service credit after the effective
26 date of this section and before September 1, 2011.

27 (3) A qualifying period of prior service is a school year prior to
28 January 1, 1987, in which the member:

29 (a) Was employed in an eligible position by a school district or
30 districts, educational service district, the Washington state center
31 for childhood deafness and hearing loss, the state school for the
32 blind, an institution of higher education, or a community college;

33 (b) Earned earnable compensation for at least six hundred thirty
34 hours as determined by the department;

35 (c) Received less than six months of service credit; and

36 (d) Has not withdrawn service credit for the school year or has
37 restored any withdrawn service credit for the school year.

1 (4) The department shall recalculate service credit for qualifying
2 periods of prior service for an eligible member as follows:

3 (a) The member shall receive one-half service credit month for each
4 month of the period from September through August of the following year
5 if he or she earned earnable compensation during that period for at
6 least six hundred thirty hours as determined by the department, and was
7 employed nine months of that period; and

8 (b) A member's service credit shall not be reduced under this
9 section for a qualifying period of prior service.

--- END ---

ACTUARY'S FISCAL NOTE

| | | | |
|------------------------------------|------------|----------------|--------------------------|
| RESPONDING AGENCY: | CODE: | DATE: | BILL NUMBER: |
| Office of the State Actuary | 035 | 1/28/09 | HB 1541 / SB 5302 |

WHAT THE READER SHOULD KNOW

The Office of the State Actuary (“we”) prepared this fiscal note based on our understanding of the bill as of the date shown above. We intend this fiscal note to be used by the Legislature during the 2009 Legislative Session only.

We advise readers of this fiscal note to seek professional guidance as to its content and interpretation, and not to rely upon this communication without such guidance. Please read the analysis shown in this fiscal note as a whole. Distribution of or reliance on only parts of this fiscal note could result in its misuse, and may mislead others.

SUMMARY OF RESULTS

This bill grants half-time service credit to certain Plan 2/3 members who worked half-time for an educational employer during school years prior to January 1, 1987.

| Impact on Pension Liability | | | |
|--|----------------|-----------------|--------------|
| <i>(Dollars in Millions)</i> | Current | Increase | Total |
| Today's Value of All Future Pensions | \$67,081 | \$0.2 | \$67,081 |
| Earned Pensions Not Covered by Today's Assets | \$4,957 | \$0.0 | \$4,957 |

| Impact on Contribution Rates: (Effective 09/01/2009) | | |
|---|--------------|--------------|
| 2009-2011 State Budget | PERS | SERS |
| Employee (Plan 2) | 0.00% | 0.00% |
| Employer: | | |
| Current Annual Cost | 0.00% | 0.00% |
| Plan 1 Past Cost | <u>0.00%</u> | <u>0.00%</u> |
| Total | 0.00% | 0.00% |

| Budget Impacts | | | |
|------------------------------|------------------|------------------|----------------|
| <i>(Dollars in Millions)</i> | 2009-2011 | 2011-2013 | 25-Year |
| General Fund-State | \$0.0 | \$0.0 | \$0.1 |
| Total Employer | \$0.0 | \$0.0 | \$0.3 |

See the Actuarial Results section of this fiscal note for additional detail.

WHAT IS THE PROPOSED CHANGE?

Summary of Change

This bill impacts the following systems:

- Public Employees' Retirement System (PERS) Plans 2/3.
- School Employees' Retirement System (SERS) Plans 2/3.

This bill grants half-time service credit to certain PERS and SERS Plan 2/3 members who worked half-time for an educational employer during school years prior to January 1, 1987.

This bill requires the Department of Retirement Systems (DRS) to recalculate service credit for periods of qualifying prior service by an eligible member. An eligible member is a Plan 2/3 member who is active in the retirement system and earns service credit after the effective date of the bill and before September 1, 2010. A qualifying period of prior service is a school year prior to January 1, 1987, in which the member:

- Was employed in an eligible position by one of the following employers: school districts, educational service districts, the state school for the deaf, the state school for the blind, institutions of higher education, or community colleges.
- Worked at least 630 hours.
- Received less than six months of service credit.
- Has not withdrawn service or has restored any withdrawn service.

Effective Date: 90 days after session.

What Is The Current Situation?

Currently, Plan 2/3 members who work for an educational employer earn service credit as follows:

- At least 810 hours worked in a full school year = 12 months of service.
- At least 630 but less than 810 hours worked in a full school year = 6 months of service.
- At least 630 hours worked in five months of a six month period within a school year = 6 months of service.

Working less than a full school year or less than 630 hours: service credit is calculated on a month to month basis as follows:

- 90 hours or more in a month = 1 month of service.
- At least 70 but less than 90 hours in a month = ½ month of service.
- Less than 70 hours in a month = ¼ month of service.

Prior to January 1, 1987, Plan 2/3 members who worked for educational employers received 12 months of service credit if they were continuously employed for 9 months and worked at least 90 hours a month in at least 9 months of the school year. If they did not qualify to receive 12 months of service credit, they received 1 service credit month for each month of 90 hours worked. No service was awarded for any month of less than 90 hours. Members and employers made retirement contributions on all salary, regardless of the amount of service credit earned, if any.

Who Is Impacted And How?

We estimate this bill could affect 192 active and vested terminated members out of the total 227,473 active and vested terminated members of these systems through improved benefits. Furthermore, we expect 132 active members will actually receive improved benefits.

We estimate this bill will increase the benefits for a typical member by providing an increased retirement benefit to current active members. The average member affected by this bill has a salary of \$30,000 and will receive 0.25 years of additional service. This will increase their initial unreduced retirement benefit by \$150 per year.

This bill impacts all 138,392 active Plan 2 members of these systems through increased contribution rates. This bill will not affect member contribution rates in Plan 3 since Plan 3 members do not contribute to their employer-provided defined benefit.

See Appendix A of this fiscal note for more details on members impacted.

WHY THIS BILL HAS A COST AND WHO PAYS FOR IT

Why This Bill Has A Cost

This bill has a cost since it allows active educational employees of PERS and SERS Plans 2/3 to have periods of half-time service credit earned prior to January 1, 1987, credited to their retirement account. This will increase their retirement benefit by the additional service provided under this bill.

Who Will Pay For These Costs?

The affected members, who did not receive the half-time service credit prior to January 1, 1987, made contributions commensurate with the effective contribution rate. Therefore, these individuals already made the appropriate contributions. The entire system will provide for any additional costs through increased contribution rates.

HOW WE VALUED THESE COSTS

Assumptions We Made

We assumed all 132 current active members will receive the increase in service credit as provided under this bill. Please see the Sensitivity Analysis section for how the results change when vested terminated members receive the increase in service credit.

Otherwise, we developed these costs using the same assumptions as disclosed in the June 30, 2007 Actuarial Valuation Report (AVR).

How We Applied These Assumptions

DRS identified the affected members in their database and provided the information to us. We isolated these members in our valuation data and increased their service by the additional service credits provided by DRS. The resulting change in service provides the source of the increase in actuarial liabilities, contribution rates, and fiscal costs.

Otherwise, we developed these costs using the same methods as disclosed in the AVR.

We used the Aggregate actuarial funding method to determine the fiscal budget changes for current plan members.

Special Data Needed

DRS provided special data for this bill. The data indicated the number of months of service credit members received prior to January 1, 1987, under the service credit rules at that time. The data also provided the number of months of service credit members would have received for the same period of service under the service credit rules proposed in this bill.

For more detail please see Appendix A.

ACTUARIAL RESULTS

How The Liabilities Changed

This bill will impact the actuarial funding of PERS and SERS Plans 2/3 by increasing the present value of future benefits payable under the systems as shown below.

| Impact on Pension Liability | | | |
|--|------------------|-----------------|------------------|
| <i>(Dollars in Millions)</i> | Current | Increase | Total |
| Actuarial Present Value of Projected Benefits | | | |
| <i>(The Value of the Total Commitment to all Current Members)</i> | | | |
| PERS 2/3 | \$20,634 | \$0.0 | \$20,635 |
| SERS 2/3 | \$2,698 | \$0.2 | \$2,698 |
| Unfunded PUC Liability | | | |
| <i>(The Value of the Total Commitment to all Current Members Attributable to Past Service that is not covered by current assets)</i> | | | |
| PERS 2/3 | (\$2,470) | \$0.0 | (\$2,470) |
| SERS 2/3 | (\$443) | \$0.2 | (\$443) |

Note: Totals may not agree due to rounding.

How The Present Value of Future Salaries (PVFS) Changed

This bill will impact the actuarial funding of PERS and SERS Plans 2/3 by decreasing the PVFS of the members of the systems as shown below.

| Present Value of Future Salaries | | | |
|--|-----------------|-----------------|-----------------|
| <i>(Dollars in Millions)</i> | Current | Increase | Total |
| Actuarial Present Value of Future Salaries | | | |
| <i>(The Value of the Future Salaries Expected to be Paid to Current Members)</i> | | | |
| PERS 2 | \$56,420 | \$0.0 | \$56,420 |
| PERS 3 | <u>11,717</u> | <u>0.0</u> | <u>11,717</u> |
| PERS 2/3 | \$68,137 | \$0.0 | \$68,137 |
| SERS 2 | \$3,837 | \$0.0 | \$3,837 |
| SERS 3 | <u>7,153</u> | <u>0.0</u> | <u>7,153</u> |
| SERS 2/3 | \$10,990 | \$0.0 | \$10,990 |

Note: Totals may not agree due to rounding.

How Contribution Rates Changed

The increase in the required actuarial contribution rate does not round up to the minimum supplemental contribution rate of 0.01%, therefore the bill will not affect contribution rates in the current biennium. However, we will use the un-rounded rate increase to measure the budget changes in future biennia.

| Impact on Contribution Rates: (Effective 09/01/2009) | | |
|---|---------------|---------------|
| System/Plan | PERS | SERS |
| Current Members | | |
| Employee (Plan 2) | 0.000% | 0.001% |
| Employer: | | |
| Normal Cost | 0.000% | 0.001% |
| Plan 1 UAAL | <u>0.000%</u> | <u>0.000%</u> |
| Total | 0.000% | 0.001% |

How This Impacts Budgets And Employees

| Budget Impacts | | | |
|------------------------------|--------------|--------------|--------------|
| <i>(Dollars in Millions)</i> | PERS | SERS | Total |
| 2009-2011 | | | |
| General Fund | \$0.0 | \$0.0 | \$0.0 |
| Non-General Fund | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Total State | \$0.0 | \$0.0 | \$0.0 |
| Local Government | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Total Employer | \$0.0 | \$0.0 | \$0.0 |
| Total Employee | \$0.0 | \$0.0 | \$0.0 |
| 2011-2013 | | | |
| General Fund | \$0.0 | \$0.0 | \$0.0 |
| Non-General Fund | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Total State | \$0.0 | \$0.0 | \$0.0 |
| Local Government | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Total Employer | \$0.0 | \$0.0 | \$0.0 |
| Total Employee | \$0.0 | \$0.0 | \$0.0 |
| 2009-2034 | | | |
| General Fund | \$0.0 | \$0.1 | \$0.1 |
| Non-General Fund | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Total State | \$0.0 | \$0.1 | \$0.2 |
| Local Government | <u>0.0</u> | <u>0.2</u> | <u>0.2</u> |
| Total Employer | \$0.1 | \$0.3 | \$0.3 |
| Total Employee | \$0.1 | \$0.1 | \$0.2 |

Note: Totals may not agree due to rounding.

The analysis of this bill does not consider any other proposed changes to the system. The combined effect of several changes to the systems could exceed the sum of each proposed change considered individually.

As with the costs developed in the actuarial valuation, the emerging costs of the systems will vary from those presented in the AVR or this fiscal note to the extent that actual experience differs from the actuarial assumptions.

HOW THE RESULTS CHANGE WHEN THE ASSUMPTIONS CHANGE

To determine the sensitivity of the actuarial results to the best-estimate assumptions or methods selected for this pricing we varied the following assumption:

- The number of members who will receive the increased benefits.

Currently this bill provides increased benefits to active members who earn service after the effective date of this bill and before the end of the 2010 school year. We priced this bill assuming all 132 current active members will receive the service credit. However, the actual number of members may differ. Current active members may choose to retire or terminate from active service before they become eligible to receive the increase in service credit, and current vested terminated members may choose to return to work and would then qualify to receive the increase in service credit. A decrease in the number of members eligible to receive this service credit would decrease the liabilities and associated budget costs compared to the bill.

The following tables show the impact if:

- Current active members receive the increase in service as assumed (“Bill”).
- Current active and vested terminated members receive the increase in service (“All”).

| Members Impacted | | |
|------------------------------------|-------------|------------|
| All Systems | Bill | All |
| Number of Members Affected | 132 | 192 |
| Increase in Service (Years) | 37.84 | 57.09 |

| Impact on Pension Liability - All Systems | | |
|--|-------------|------------|
| <i>(Dollars in Millions)</i> | Bill | All |
| Today's Value of All Future Pensions | \$0.2 | \$0.3 |
| Earned Pensions Not Covered by Today's Assets | \$0.0 | \$0.0 |

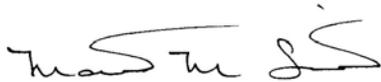
| Budget Impacts - All Systems | | |
|-------------------------------------|-------------|------------|
| <i>(Dollars in Millions)</i> | Bill | All |
| 2009-2011 | | |
| General Fund - State | \$0.0 | \$0.0 |
| Total Employer | \$0.0 | \$0.0 |
| 2011-2013 | | |
| General Fund - State | \$0.0 | \$0.0 |
| Total Employer | \$0.0 | \$0.0 |
| 2009-2034 | | |
| General Fund - State | \$0.1 | \$0.2 |
| Total Employer | \$0.4 | \$0.5 |

ACTUARY'S CERTIFICATION

The undersigned hereby certifies that:

1. The actuarial cost methods are appropriate for the purposes of this pricing exercise.
2. The actuarial assumptions used are appropriate for the purposes of this pricing exercise.
3. This fiscal note is based upon data provided by the Department of Retirement Systems (DRS). An audit of the data was not performed. I relied on the data provided as complete and accurate for the purposes of this pricing exercise.
4. Use of another set of methods, assumptions, and data may also be reasonable, and might produce different results.
5. We prepared this fiscal note for the Legislature during the 2009 Legislative Session.
6. We prepared this fiscal note and provided opinions in accordance with Washington State law and accepted actuarial standards of practice as of the date shown on page 1 of this fiscal note.

While this fiscal note is meant to be complete, the undersigned is available to provide extra advice and explanations as needed.



Matthew M. Smith, FCA, EA, MAAA
State Actuary

APPENDIX A – SPECIAL DATA NEEDED

DRS provided the unaudited data for this bill. The data contained 212 records, with the current service credited under the old rules and the new service credited based on DRS' understanding and application of this bill. The difference between the new service credited and the current service credited equals the additional service amount the member would receive under this bill.

We matched the records provided with our valuation file. Only 192 of the 212 records are active (132) or terminated vested (60) members of the retirement system as of our last valuation, June 30, 2007. For each matched record, we increased their total service by the additional service amount provided by DRS.

The following table summarizes the active member data we used for this bill.

| Year of Hire | PERS 2/3 | | | SERS 2/3 | | |
|--------------|-------------------|--------------------------|----------------------------|-------------------|--------------------------|----------------------------|
| | Number of Members | Total Additional Service | Average Additional Service | Number of Members | Total Additional Service | Average Additional Service |
| 1977 | 1 | 0.08 | 0.08 | 1 | 0.33 | 0.33 |
| 1978 | 4 | 1.17 | 0.29 | 19 | 10.08 | 0.53 |
| 1979 | 2 | 0.33 | 0.17 | 31 | 8.08 | 0.26 |
| 1980 | 4 | 0.92 | 0.23 | 16 | 5.17 | 0.32 |
| 1981 | 1 | 0.08 | 0.08 | 9 | 2.17 | 0.24 |
| 1982 | 1 | 0.25 | 0.25 | 12 | 2.67 | 0.22 |
| 1983 | 2 | 0.42 | 0.21 | 14 | 2.67 | 0.19 |
| 1984 | 2 | 0.58 | 0.29 | 5 | 1.08 | 0.22 |
| 1985 | 1 | 0.17 | 0.17 | 5 | 0.92 | 0.18 |
| 1986 | 1 | 0.17 | 0.17 | 0 | 0.00 | 0.00 |
| 1987 | 1 | 0.50 | 0.50 | 0 | 0.00 | 0.00 |
| Total | 20 | 4.67 | 0.23 | 112 | 33.17 | 0.30 |

Otherwise, we developed these costs using the same assets and data as disclosed in the AVR.

GLOSSARY OF ACTUARIAL TERMS

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 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.).

Aggregate Funding Method: The Aggregate Funding Method is a standard actuarial funding method. The annual cost of benefits under the Aggregate Method is equal to the normal cost. The method does not produce an unfunded liability. The normal cost is determined for the entire group rather than on an individual basis.

Entry Age Normal Cost Method (EANC): The EANC method is a standard actuarial funding method. The annual cost of benefits under EANC is comprised of two components:

- Normal cost.
- Amortization of the unfunded liability.

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

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.

Projected Unit Credit (PUC) Liability: The portion of the Actuarial Present Value of future benefits attributable to service credit that has been earned to date (past service).

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.

Unfunded PUC Liability: The excess, if any, of the Present Value of Benefits calculated under the PUC cost method over the Valuation Assets. This is the portion of all benefits earned to date that are not covered by plan assets.

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.

WSIPP Disability Study

Background

In 2009, the Legislature passed ESHB 1244, which directed OSA to contract with the Washington State Institute for Public Policy (WSIPP) to study disability benefits provided to Plans 2 and 3 members of PERS, TRS, and SERS. The results of the study were published in November of 2009, and are available here: <http://www.wsipp.wa.gov/rptfiles/09-11-4101.pdf>.

Committee Activity

The committee received an update on the study in September, and held a full work session in November. At the December meeting, the committee voted to recommend a bill to the Legislature as detailed below.

Recommendation to 2010 Legislature

Authorize the WSIPP to continue the study for the purposes of further developing the options identified in the study, and require the Health Care Authority (HCA) to institute an improved communication program to increase awareness regarding participation in optional long-term disability insurance plans

The WSIPP must report its findings, and the HCA must report its activities, findings, and recommendations to the SPCP and the Legislature by November 17, 2010.

Staff Contact

Darren Painter, Senior Policy Analyst
360.786.6155
painter.darren@leg.wa.gov