

Goals for Washington State Public Pensions

Revised September 21, 2010

Note: This draft has been revised for technical corrections. The text for Goal 5 has been updated to reflect changes in the referenced statute (RCW 41.45.010) made during the 2009 Legislative Session (C 561 L 09).

1. Contribution Rate Setting: To establish and maintain adequate, predictable, and stable contribution rates, with equal cost-sharing by employers and employees in the Plans 2, so as to assure the long-term financial soundness of the retirement systems.
2. Balanced Long-Term Management: To manage the state retirement systems in such a way as to create stability, competitiveness, and adaptability in Washington's public pension plans, with responsiveness to human resource policies for recruiting and retaining a quality public workforce.
3. Retirement Eligibility: To establish a normal retirement age for members currently in the Plans 2/3 of PERS, SERS, and TRS that balances employer and employee needs, affordability, flexibility, and the value of the retirement benefit over time.
4. Purchasing Power: To increase and maintain the purchasing power of retiree benefits in the Plans 1 of PERS and TRS, to the extent feasible, while providing long-term benefit security to retirees.
5. Consistency with the Statutory Goals within the Actuarial Funding Chapter: To be consistent with the goals outlined in the RCW 41.45.010:
 - ~~((a. to provide a dependable and systematic process for funding the benefits to members and retirees of the Washington State Retirement Systems;~~
 - ~~b. to continue to fully fund the retirement system plans 2 and 3, and the Washington State Patrol Retirement System, as provided by law;~~
 - ~~c. to fully amortize the total costs of PERS 1, TRS 1 and LEOFF 1, not later than June 30, 2024;~~

- ~~d. to establish predictable long-term employer contribution rates which will remain a relatively predictable portion of future state budgets; and~~
- ~~e. to fund, to the extent feasible, benefit increases over the working lives of those members so that the cost of those benefits are paid by the taxpayers who receive the benefit of those members' service.))~~
- a. To fully fund PERS 2/3, TRS 2/3, SERS 2/3, PSERS 2, and LEOFF 2 as provided by law.
- b. To fully amortize the total costs of LEOFF 1 not later than June 30, 2024.
- c. To fully amortize the unfunded actuarial accrued liability in PERS 1 and TRS 1 within a rolling ten-year period, using methods and assumptions that balance needs for increased benefit security, decreased contribution rate volatility, and affordability of pension contribution rates.
- d. To establish long-term employer contribution rates that will remain a relatively predictable proportion of the future state budgets.
- e. To fund, to the extent feasible, all benefits for Plans 2 and 3 members over the working lives of those members so that the cost of those benefits are paid by the taxpayers who receive the benefit of those members' service.

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RCW 41.45.010
Intent — Goals.

It is the intent of the legislature to provide a dependable and systematic process for funding the benefits provided to members and retirees of the public employees' retirement system, chapter 41.40 RCW; the teachers' retirement system, chapter 41.32 RCW; the law enforcement officers' and firefighters' retirement systems, chapter 41.26 RCW; the school employees' retirement system, chapter 41.35 RCW; the public safety employees' retirement system, chapter 41.37 RCW; and the Washington state patrol retirement system, chapter 43.43 RCW.

The funding process established by this chapter is intended to achieve the following goals:

- (1) To fully fund the public employees' retirement system plans 2 and 3, the teachers' retirement system plans 2 and 3, the school employees' retirement system plans 2 and 3, the public safety employees' retirement system plan 2, and the law enforcement officers' and firefighters' retirement system plan 2 as provided by law;
- (2) To fully amortize the total costs of the law enforcement officers' and firefighters' retirement system plan 1, not later than June 30, 2024;
- (3) To fully amortize the unfunded actuarial accrued liability in the public employees' retirement system plan 1 and the teachers' retirement system plan 1 within a rolling ten-year period, using methods and assumptions that balance needs for increased benefit security, decreased contribution rate volatility, and affordability of pension contribution rates;
- (4) To establish long-term employer contribution rates which will remain a relatively predictable proportion of the future state budgets; and
- (5) To fund, to the extent feasible, all benefits for plan 2 and 3 members over the working lives of those members so that the cost of those benefits are paid by the taxpayers who receive the benefit of those members' service.

[2009 c 561 § 1; 2005 c 370 § 4; (2005 c 370 § 3 expired July 1, 2006); 2004 c 242 § 36; 2002 c 26 § 3; 2001 2nd sp.s. c 11 § 2; (2001 2nd sp.s. c 11 § 1 expired March 1, 2002); 2000 c 247 § 501; 1998 c 341 § 401; 1995 c 239 § 305; 1989 c 273 § 1.]

Notes:

Effective date -- 2009 c 561: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2009." [2009 c 561 § 9.]

Effective date -- 2005 c 370 §§ 2 and 4: See note following RCW 41.45.060.

Effective date -- 2005 c 370 §§ 1, 3, and 6: See note following RCW 41.45.060.

Expiration date -- 2005 c 370 §§ 1 and 3: See note following RCW 41.45.060.

Effective date -- 2004 c 242: See RCW 41.37.901.

Expiration date -- 2001 2nd sp.s. c 11 §§ 1 and 7: "Sections 1, 7, and *18 of this act expire March 1, 2002." [2001 2nd sp.s. c 11 § 20.]

*Reviser's note: Section 18 of this act was vetoed.

Effective date -- 2001 2nd sp.s. c 11: "Sections 2, 3, 4, 8, 13, 14, and 16 of this act take effect March 1, 2002." [2001 2nd sp.s. c 11 § 21.]

Effective date -- 2001 2nd sp.s. c 11: See note following RCW 41.45.030.

Effective dates -- Subchapter headings not law -- 2000 c 247: See RCW 41.40.931 and 41.40.932.

Effective date -- 1998 c 341: See RCW 41.35.901.

Intent -- Purpose -- 1995 c 239: See note following RCW 41.32.831.

Effective date -- Part and subchapter headings not law -- 1995 c 239: See notes following RCW 41.32.005.

Benefits not contractual right until date specified: RCW 41.34.100.