



Select Committee on Pension Policy

2012 Rate Setting

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This Briefing Is Informational

- Goals
 - Overview of the process
 - Discuss timelines for recommendations
- No action required today



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"Securing tomorrow's pensions today."

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This Is A Contribution Rate Setting Year

- Contribution rates for state's retirement systems are set every two years
 - RCW 41.45.060
- Rates for the upcoming biennium adopted during even numbered years
- This year rates will be adopted for 2013-2015 Biennium



Several Key Players

- Statutory rate setting process
 - OSA
 - SCPP
 - PFC
 - Outside actuaries
- Budget process
 - Governor
 - Legislature

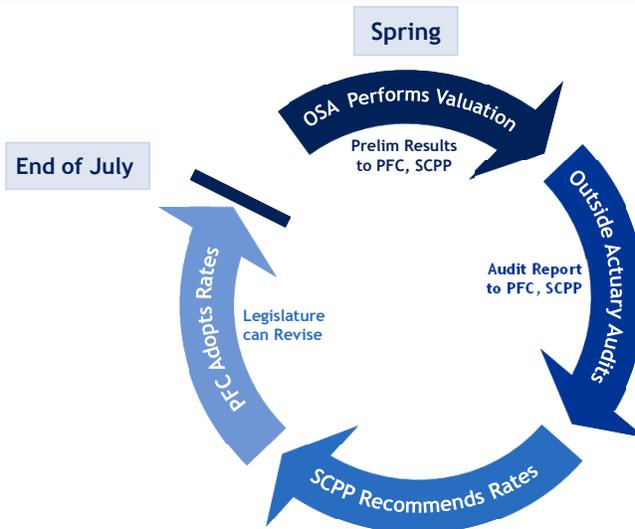


SCPP Has A Statutory Role In Setting Rates

- Receives results of actuarial valuations and audits
- Recommends rates to the PFC
- RCW 41.04.281



How Does The Process Work?



Exception: LEOFF 2

- Rates for LEOFF 2 are adopted by the LEOFF 2 Board
- SCPP makes no recommendations on LEOFF 2 rates



Where Are We In The Process?

- Preliminary 2011 actuarial valuation results are available
- Concurrent actuarial audit is underway
- OSA will provide preliminary valuation results at today's meeting
- Preliminary audit results likely available at next meeting



Next Steps

- Staff will brief SCPP on preliminary valuation results today
 - PFC will receive briefing on June 28, 2012
- SCPP will likely receive preliminary results of the actuarial audit by next meeting
- SCPP makes recommendation to PFC in July
 - PFC will adopt rates on July 28, 2012

