

In Brief

Issue

The Legislature directed the SCPP to study high-risk job classifications that entail high degrees of physical or psychological risk or disablement for older employees during the 2012 interim. Findings and any potential recommendations are due by December 15, 2012.

The key policy questions for this study are: Should pension policy be adjusted in response to increased risk for older employees in the workplace? If so, how and for whom?

Member Impact

The study mandate is geared toward members of the PERS, SERS, and TRS Plans 2/3 and PSERS Plan2.

There are approximately 259,000 active PERS, SERS, and TRS Plans 2/3 members. It is unknown how many active members could be considered high-risk.

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SCPP Study: High-Risk Job Classifications

During the 2012 Legislative Session, 2ESB 6378 (Chapter 7, Laws of 2012, First Special Session) was passed.¹ Among other provisions, the bill reduced Early Retirement Factors (ERFs) for all state employees hired on or after May 1, 2013. This ERF reduction affects all future Plans 2/3 members of the Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS), and the Teachers' Retirement System (TRS). It also requires the Select Committee on Pension Policy (SCPP) to study two things.

- ❖ High-risk job classifications.
- ❖ Classroom employee ERFs.

This report addresses high-risk job classifications. The study of classroom employee ERFs is contained in a separate report.

Specifically, this report responds to the mandate to study job risk classifications that entail high degrees of physical or psychological risk, or result in elevated risks of injury or disablement for older employees. The SCPP shall identify groups and evaluate them for inclusion in the Public Safety Employees' Retirement System (PSERS).

Issue

A majority of members in the public pension systems belong to PERS, SERS, and TRS. Some groups of these members may seek inclusion in PSERS due to the more generous early retirement and disability benefits and lower normal retirement age provided.

Taking the study mandate into account, the following high-level policy questions were raised.

- ❖ Are current retirement eligibility requirements appropriate for older employees working in high-risk or high-stress jobs?
- ❖ Should pension policy be adjusted in response to potential risks of older employees working in high-risk or high-stress jobs?
- ❖ If so, how and for whom?

¹ More information on the changes made by 2ESB 6378 (2012) is available in the May SCPP [meeting materials](#) and the legislative history of the [bill](#).

Paper Organization

This paper is organized into five main sections.

- ❖ Background.
- ❖ Findings On Physical And Psychological Risk.
- ❖ Policy Analysis.
- ❖ Evaluation Of PSERS Membership.
- ❖ Appendix/Attachments.

The **Background** provides an overview of the history of PSERS membership and legislative activity, plan design differences, a discussion on Workers' Compensation, and on the study scope and approach. The **Findings** of both physical and psychological risk examines the findings of injury rate data and existing national studies. The **Policy Analysis** analyzes existing policies around pension policy and risk and examines potential approaches for addressing risk through pension policy. In response to the study mandate, the **Evaluation of PSERS membership** introduces a sample framework that may be used to evaluate potential occupations for inclusion in PSERS. Lastly, the **Appendices/Attachments** include supporting data for all sections and stakeholder correspondence on this issue.

Understanding the differences in retirement provisions may help policy makers understand the potential impact of altering eligibility requirements for PSERS membership.

Background

PSERS Plan 2 provides different retirement eligibility than PERS, SERS, and TRS Plans 2/3. Understanding the differences in retirement eligibility between the plans may help policy makers understand the potential impact of altering the eligibility requirements for PSERS membership based on risk classifications or creating a lower retirement age for occupations with a higher degree of risk.

Understanding the Workers' Compensation Program in the Department of Labor and Industries (L&I) will help inform policy makers about current benefits offered to employees who have suffered injuries in the workplace.

Normal Retirement Is Age 65 In The Plans 2/3

PERS, SERS, and TRS are primarily Defined Benefit (DB) plans² covering approximately 92 percent of all state and local retirement system members. The Plans 2/3 in these systems provide full retirement benefits at age 65. Early retirement is available beginning at age 55 with twenty years of service for Plan 2 or ten years of service for

Retirement benefits are consistent between PERS, TRS, and SERS.

² The Plans 3 are hybrid plans with both DB and defined contribution components.

Plan 3. If a current member retires early under either plan their benefits are generally reduced by 3 percent per year if they have worked for 30 years or longer. If their total service is less than 30 years an actuarial reduction is taken. Under the new ERFs, established in 2ESB 6378 (2012), all PERS, SERS, and TRS members hired after May 1, 2013, will have a 5 percent reduction for each year the member retires prior to reaching the normal retirement age of 65 if they have worked for 30 years or longer. All Plans 2/3 PERS, SERS, and TRS members receive an actuarially reduced accrued benefit in the case of disability. More information on plan provisions is available on the [DRS website](#).

PSERS benefits are more generous than PERS, SERS, and TRS.

Normal Retirement Is Age 60 In PSERS

PSERS is a DB plan created in 2004 for limited authority law enforcement officers who are not eligible for membership in the Law Enforcement Officers' and Fire Fighters' Plans (LEOFF).

PSERS Plan 2 provides full retirement benefits at age 60 with ten years of service with a PSERS eligible employer. Early retirement is available beginning at age 53 with 20 total years of service but is reduced by 3 percent per year. In the case of disability, a PSERS member will receive an accrued benefit, which is actuarially reduced from age 60. More information on plan provisions is available on the [DRS website](#).

PSERS Eligibility Is Narrowly Defined

Current statutory criteria for PSERS membership is quite specific. To be eligible for PSERS, an employee must be employed on a full-time basis and:

- ❖ Serve as a limited authority peace officer or corrections officer; or
- ❖ Have the primary responsibility of supervising eligible members.

In addition to meeting the above criteria, members must be employed by one of the following agencies.

Risk classifications are currently not criteria for PSERS eligibility.

- ❖ Department of Corrections.
- ❖ Parks and Recreation Commission.
- ❖ Gambling Commission.
- ❖ Washington State Patrol.
- ❖ Liquor Control Board.
- ❖ Department of Natural Resources.
- ❖ Washington State Counties.
- ❖ Washington State Cities (except Seattle, Tacoma, and Spokane).

The majority of PSERS members are corrections officers.

While the intent section of PSERS statute explicitly states “a high degree of physical risk” to one’s personal safety and providing “public protection of lives and property” as primary criteria of PSERS membership, there is no specific mention of risk or risk classifications in the definition section of PSERS statute.

PSERS Membership

PSERS is a relatively new plan with active membership totaling 4,187 members, as shown in the following chart. The majority of PSERS members (over 90 percent) are corrections officers. Only 15 members have retired from the PSERS system to date.

PSERS Averages as of July 2011				
	Count	Age	PSERS Service	Annual Salary
Actives	4,187	39.5	3.7 Years	\$55,597

Hypothetical Example

PSERS members who retire either at normal retirement age or retire early under the ERFs receive a higher annual benefit than similarly situated PERS, TRS, or SERS members.

To illustrate, a hypothetical PSERS Plan 2 member who retires with 30 years of service and an Average Final Compensation (AFC) of \$50,000 is compared to a PERS/TRS/SERS Plan 2 member and PERS/TRS/SERS Plan 3 member who retires with the same AFC and 30 years of service at various ages.

	Plans 2	Plans 3	PSERS
Early Retirement at Age 53			
ERF	N/A	N/A	0.79
Reduction	N/A	N/A	21%
Initial Annual Benefit	Not Eligible	Not Eligible	\$23,700
Early Retirement at Age 55			
ERF	0.50	.050	0.85
Reduction	50%	50%	15%
Initial Annual Benefit	\$15,000	\$7,500	\$25,500
Normal Retirement at Age 60			
ERF	0.75	0.75	1.0
Reduction	25%	25%	0%
Initial Annual Benefit	\$22,500	\$11,250	\$30,000
Normal Retirement at Age 65			
ERF	1.00	1.00	1.00
Reduction	0%	0%	0%
Initial Annual Benefit	\$30,000	\$15,000	\$30,000

This table assumes an AFC of \$50,000 and 30 years of service. It also assumes members were hired after May 1, 2013, and are subject to the 2013 ERFs (5% reduction/year for every year retired prior to normal retirement age).

PSERS members are not eligible for early retirement before the age of 53.

PERS, TRS, and SERS Plans 2/3 are not eligible for early retirement before the age of 55.

The defined contribution portion of Plan 3 member benefits is not included in the Initial Annual Benefit shown above.

Workers' Compensation

If a PERS, SERS, or TRS member suffers a workplace injury they are eligible to receive a worker's compensation benefit, depending on the severity of the injury. Workers' compensation covers medical expenses and pays a portion of wages lost while a worker recovers from the injuries sustained in the workplace. The Workers' Compensation Program at L&I places emphasis on getting employees back to work. L&I reimburses eligible employers for one-half an injured worker's base wage for providing light-duty or transitional work. More information on Workers' Compensation is available on the [L&I website](#).

L&I tracks information on Workers' Compensation claims and injuries for public employees. L&I also creates risk classifications for purposes of charging premiums for the Workers' Compensation program. This study considers Workers' Compensation data as a way to help policy makers identify high-risk occupations.

The Workers' Compensation Program was created to cover medical expenses and pay a portion of wages lost while an employee recovers.

Committee And Legislative History

Public safety retirement benefits have been studied in depth throughout SCPP history.

The issue of public safety retirement benefits predates the SCPP. Before the SCPP was created in 2003, the Joint Committee on Pension Policy (JCPP) studied the issue of high-risk or high-stress jobs in depth over the course of multiple interims.

The JCPP studied the issue of providing additional public safety benefits to certain members of PERS Plans 2/3 over a three-year period from 2000-2002. In their final year, the JCPP heard presentations and public testimony on the issue but did not forward a recommendation to the Legislature.

When the SCPP replaced the JCPP in 2003, a subcommittee on PERS public safety was formed to study the issue in more depth. The PERS Public Safety Subcommittee brought a proposal to the full SCPP that same interim and a recommendation from the full SCPP was made to the Legislature prior to the 2004 Session. This recommendation included the creation of the PSERS plan, with a delayed implementation until 2006.

PSERS was created in 2004 and implemented in 2006.

This original proposal created an activity criteria list in the intent section of the bill and used occupational titles and a statutory list of employers as the main criteria for membership, which were listed in the definition section. The following occupational titles were in the original proposal from the SCPP and passed the Legislature.

- ❖ City and County Corrections Officers, Jailers, Police Support Officers, Bailiffs, and Custody Officers.
- ❖ County Sheriffs Corrections Officers, Probation Officers, Probation Counselors, and Court Services Officers.
- ❖ State Correctional Officers, Correctional Sergeants, and Community Corrections Officers.
- ❖ Liquor Control Officers.
- ❖ Park Rangers.
- ❖ Commercial Enforcement Officers.
- ❖ Gambling Special Agents.

During the initial phases of planning and implementation, the occupational title requirement became problematic due to inconsistent job duties across agencies and government jurisdictions. The SCPP found that certain occupational titles included in statute did not meet the activity criteria set forth in the intent section of the bill.

With this original model, there was potential for employees whose duties met the intent of the bill to be unintentionally excluded and

employees whose duties did not meet the intent of the bill, but were serving in one of the listed occupations, to be included in PSERS.

Throughout the 2005 Interim, the SCPP reexamined the original PSERS statute and ultimately took action. Their recommendation included amending the statute to establish a criteria/duty-based membership design while retaining the statutory list of employers. In this new proposal there was language to include the Department of Natural Resources (DNR) and the Department of Social and Health Services (DSHS) on the statutory list of employers. However, this new provision was amended out of the bill in the House of Representatives. The version of the bill that passed into law did not include DNR or DSHS in the PSERS statutory list of employers.

The new PSERS plan was implemented in 2006.

The Legislature amended the new statute to add DNR as a PSERS employer during the 2007 Legislative Session.

The SCPP reviewed the PSERS plan in the 2006 and 2011 Interims but took no further action.

Other States

The following is a high-level summary of provisions in Washington's peer states. Please see **Appendix B** for additional details.

Public safety retirement benefits vary among the peer states in structure and complexity. Overall, most peer states offer lower retirement ages or some type of enhanced benefit for public safety occupations. However, there is a great deal of variability among the states in benefit provisions. There is also variability in the occupations eligible for public safety type plans.

Most of Washington's peer states have a public safety retirement system but eligibility requirements and benefits vary greatly.

All of Washington's peer states offer enhanced benefits to police and fire fighters. A majority offer some increased benefits for public safety employees. However, not all of Washington's peer states provide enhanced benefits for public safety employees. Idaho is one such example.

Of the ten peer states identified, seven have public safety plans with a lower normal retirement age than Washington in some combination of age and service.

The types of positions covered by public safety plans and tiers vary; however, there are similarities among the states. For example, corrections officers and those responsible for inmate care are typically included in public safety plans. Youth correction and juvenile detention facility staff are eligible for enhanced public safety benefits in California, Oregon, and Florida but not in Washington.

Study Scope And Approach

A study of high-risk job classifications could be approached as a risk management exercise. However, this study will focus on pension policy, given the scope of the SCPP.

A study of high-risk job classifications and retirement system membership for public employees can reasonably be approached as an exercise in risk management³ or as an issue of pension policy. Given the primary role of the SCPP is considering pension policy, this paper assumes a pension policy approach to the study.

From a pension policy perspective, the study mandate raises three key questions for policy makers.

- ❖ Are current retirement eligibility requirements appropriate for older employees working in high-risk or high-stress jobs?
- ❖ Should pension policy be adjusted in response to potential risks of older employees working in high-risk or high-stress jobs?
- ❖ If so, how and for whom?

In responding to these key questions, the study will consider many factors, such as:

- ❖ Current policy.
- ❖ SCPP goals.
- ❖ Injury rate data for state and K-12 employees.
- ❖ Data from other states.
- ❖ Types of workplace risk.
- ❖ Implications of older employees in high-risk jobs.
- ❖ Implications of changing pension policy.

Retirement systems are designed to address the needs of the larger group and have consistent benefits, generally.

³ A typical risk management exercise involves identifying risks to the organization and determining which risks should be avoided, transferred or mitigated. This would allow policy makers to develop strategies both inside and outside of pension policy to address the risk. However, a full risk management study is beyond the statutory role and expertise of the SCPP.

Findings

The **Findings** section of this issue paper examines the overall job risk data findings and looks at the study approach and limitations encountered. The ensuing discussion is then organized as follows:

- ❖ Compensable claims rates.
 - ◇ Employer rates.
 - ◇ Employee rates.
- ❖ Psychological risk.

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Key Job Risk Data Findings

- ❖ Research suggests that older workers, as a group, may not be more at risk for job-related injuries. Older workers have lower rates of job-related injury, but experience more time loss and higher fatality rates when injured. Also, the impacts of aging on work performance vary by individual. As workers age, physical and cognitive abilities change but most are able to compensate for changes and perform at the same level.
- ❖ Among employers, three agencies had compensable claims rates that were at least 30 percent higher than the general population studied: Department of Social and Health Services, Department of Veteran's Affairs, and Department of Corrections.
- ❖ DSHS had the highest compensable claims rates among employers. Within DSHS, the residential habilitation centers and mental health hospitals and institutions have the highest compensable claims rates, with rates more than twice the general population studied.
- ❖ Over the study period, approximately 100 occupations had compensable claims rates above the general population.
- ❖ Approximately 20 occupations had compensable claims rates that were at least 25 percent higher than the general population.
- ❖ Over the study period, ten non-PSERS occupations had higher compensable claims rates than PSERS occupations.
- ❖ There were three occupations with compensable claims rates more than two times higher than the consolidated PSERS baseline.
 - ◇ Attendant Counselor, Mental Health Technician, and K-12 Service Worker.
- ❖ The occupation with the highest compensable claims rate was more than five times higher than the PSERS baseline.
 - ◇ Attendant Counselor.
- ❖ As a group, PSERS occupations had compensable claims rates that were 42 percent higher than the general population, over the study period.
- ❖ Job conditions can lead to stress, which can lead to increased overall health risk, but isolating stress caused by the job versus stress caused by other factors is difficult due to the variability of sources of stress.
- ❖ The study was not able to adequately analyze job risk by all risk types, age groups, or for every occupation. This was due to time and resource constraints, the infrequency of certain types of claims, and limitations in the occupational data that could be collected, including lack of local government and higher education data.

Analyzing risk can be very subjective. Job risk classifications are one way to assess risk but not entirely inform of the total risk present.

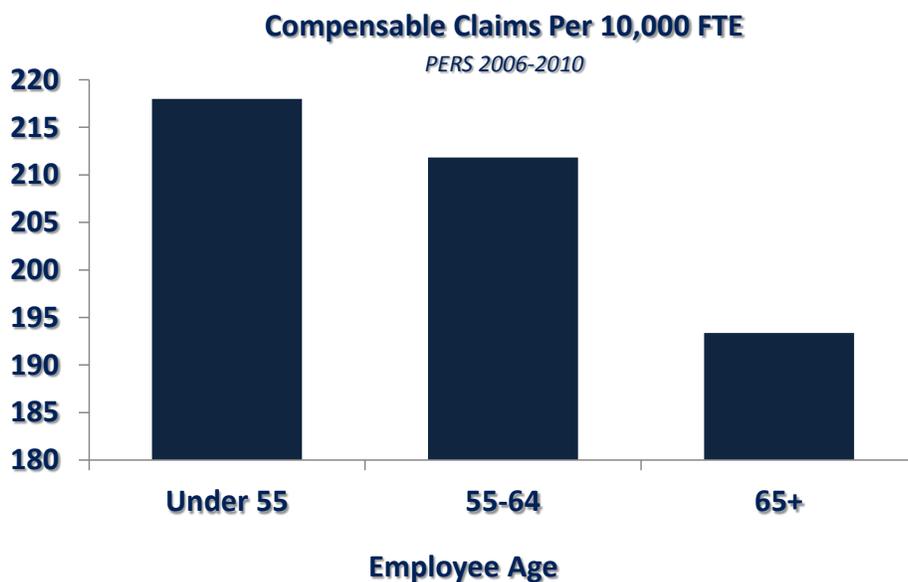
The study mandate requires the review of job risk classifications that entail a high degree of physical or psychological risk or result in elevated risks of injury for older employees. Analyzing risk can be a very subjective exercise. Looking at job risk classifications is one way to assess risk but does not entirely inform policy makers of the total risk present. Policy makers may wish to consider factors that have no quantitative measure, such as exposure to psychological risk or similarities to existing PSERS membership eligibility criteria, when determining if or how to address risk through pension policy. Because these factors, and others, are largely subjective, it is likely that policy makers will differ in their interpretation of exposure to risk.

In order to analyze job risk classifications, compensable claims data was matched with job titles and hours of exposure to calculate injury rates. The data available for this study covered a five-year history from 2006-2010 and included state and K-12 employees only. Prior to this time frame, a different state payroll system was in place and when the change in systems was made, job titles changed. Because of this, gathering a longer history for the study was not feasible given the timeframe for this study. Therefore, with the limited experience data available, injury rates were calculated by employer and occupation for compensable claims only.

Research Suggests That Older Workers May Not Be More At Risk

Overall, older workers, as a group, have lower injury rates but more time loss and higher fatality rates when injured.

Research suggests that older workers, as a group, may not be more at risk for job-related injuries. The high-level findings of this study show that, overall, injuries tend to decrease as workers age. The following chart illustrates the decrease in compensable claims for workers in Washington State.



As workers age their injury rates decrease but they experience more time loss and higher fatality rates when injured in the workplace. Additionally, as workers age, physical and cognitive abilities change but most are able to compensate for changes and perform at the same level⁴.

A longer experience study may allow data to be categorized by age and type of risk that would likely help policy makers identify occupations that counter the overall compensable injury rate trend in older workers.

Injury Rates Were Calculated Based On Compensable Claims Only

A compensable claim is where a serious injury prevents the worker from working full-time or performing their normal job or duties for more than three days. An indemnity payment is made to the claimant — most commonly for time lost, but can also include loss of earning power or total or partial permanent disability or violence claims.

Staff initially analyzed Workers' Compensation injury claims data by types of risk, age, and occupation. Over 5,000 occupations were identified over the five-year study period. To simplify the data, any occupations that had less than 25 Full-Time Equivalent (FTE) staff over the study period were not included in the final analysis. In other

⁴ Multiple studies show that older workers have lower overall injury rates but longer time loss when injured and higher fatality rates. For further reference, see: [Case & Demographic Characteristics for Work-related Injuries and Illnesses Involving Days Away From Work](#), Bureau of Labor Statistics; [Nonfatal Occupational Injuries and Illnesses Among Older Workers](#), CDC; and [Older Employees in the Workplace](#), CDC.

words, those occupations that had five FTE or less per year over the five-year study period were not included in the final analysis. However, approximately 300 state and K-12 occupations were included in the study.

Limitations In The Data Were Discovered

The Study Observed Limited Experience Data Over The Study Period

Initially, this data was divided into four risk categories: compensable; violence; Total Permanent Disability (TPD); and Occupational Disease (OD). Additionally, data was further divided by three age categories: under 55; 55-64; and 65 and over. For some occupations, there were very few claims or FTE over the five-year study period; in some cases only one or two claims per occupation. Overall, it was observed that for most categories there were too few claims to determine actuarially credible rates of injury.

A longer experience study could inform policy makers of injury rates for types of risk.

Credibility Weighted Rates Were Calculated To Adjust For Limited Experience

To address this, the study focused on compensable claims only for all FTE and did not break the data down any further. As a further measure, Credibility Weighted Rates (CWR) were calculated to adjust for the limited experience. In actuarial terms, credibility is a measure of the credence or reliability one can reasonably place on a body of experience. The fewer claims and headcounts present in the study, the more likely the injury rate can vary from the "true rate" due to randomness — or the more volatile the injury rate can be. A CWR combines the observed rate of each occupation with the rate of the general population — or the population being studied — using a credibility factor.⁵ For example, an observed rate for a given occupation with 25 percent credibility (based on the number of claims for that occupation in comparison to all occupations), would have a CWR equal to 25 percent of the observed rate plus 75 percent of the rate for the general population.

⁵ We used the "square-root rule" for determining partial credibility. Under the square-root rule, a credibility factor, Z , is set equal to the square root of (the number of observed claims for a given category ÷ the number of claims for full credibility); where Z falls between 0 and 1. For this study, we calculated a credibility-weighted rate for a given occupation as $Z \times$ (the observed rate for a given occupation) + $(1-Z) \times$ (the observed rate for the entire population studied). We further assumed that the total number of claims for the entire population studied was required for full credulity.

Therefore, using Workers' Compensation data to assess types of job risks for specific occupations is challenging due to the limitations of the data mentioned above. It is likely that policy makers will use the compensable claims rates as one tool in determining if and how to adjust pension policy in response to risks to older workers in the workplace or high-risk occupations, in general.

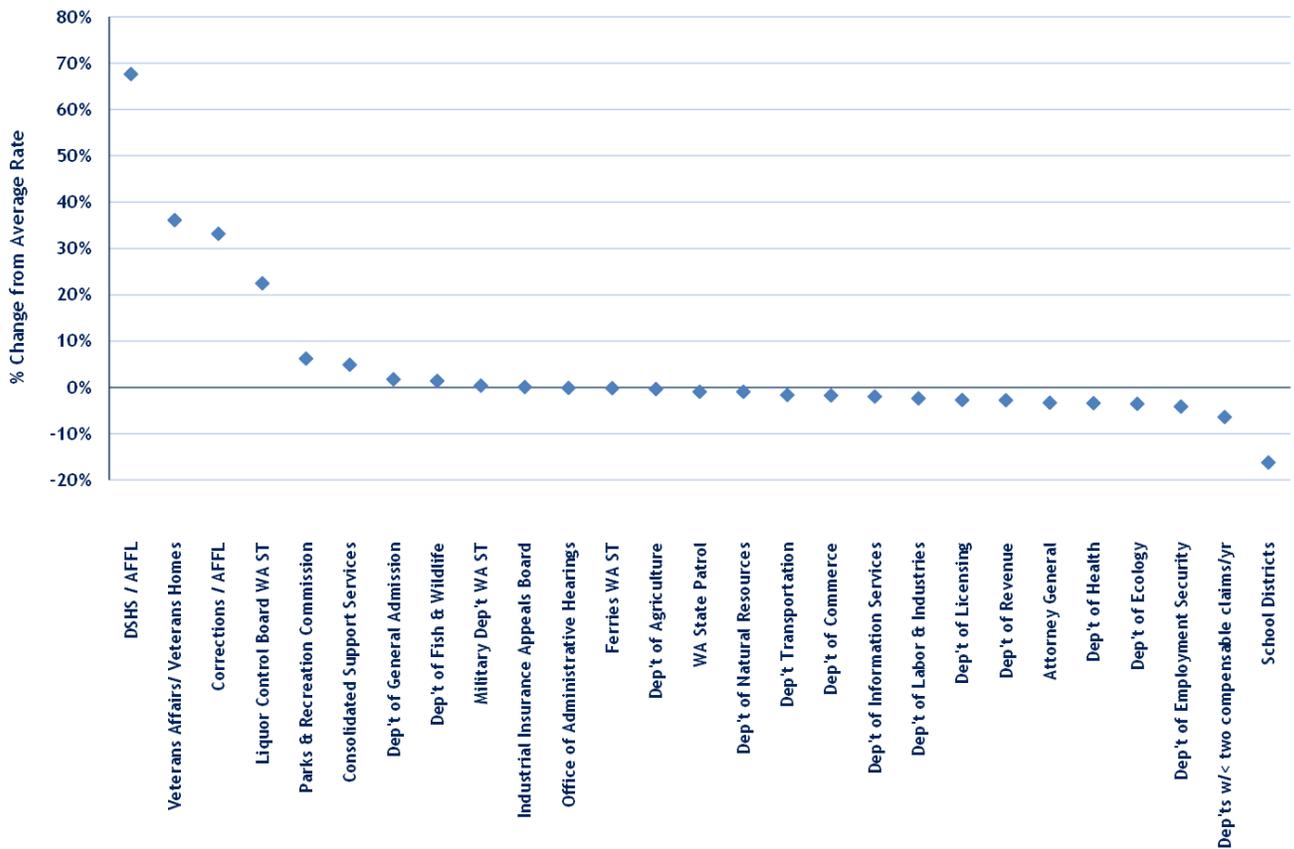
Employer Rates

While research shows that overall, older workers are not injured at a higher rate than their younger counterparts, there is potential for some employers to be exposed to increased risk if older employees in physically demanding or high-risk jobs are injured on the job or become incapable of effectively performing the duties of the job.

As seen on the following chart, most employers are equal to or below the compensable claims for the general population.

A few employers stand out as having higher compensable claims rates than the general population.

L&I Compensable Claims from 2006 - 2010 by Employer*



*Compensable claims only includes data for state agencies and K-12.

There are ten employers that have higher compensable claims than the general population, as shown in the table below. DSHS, including

all its affiliated institutions,⁶ has the highest compensable claims rates, which is approximately 70 percent above the general population.

Department	5-Year Claims	5-Year Headcount	% from General Population
DSHS / AFFL	3,253	89,496	67.62%
VETERANS AFFAIRS/ VETERANS HOMES	205	3,432	36.08%
CORRECTIONS / AFFL	1,178	36,230	33.19%
LIQUOR CONTROL BOARD WA ST	224	5,350	22.46%
PARKS & RECREATION COMMISSION	85	3,110	6.19%
CONSOLIDATED SUPPORT SERVICES	19	539	4.90%
GENERAL ADMINISTRATION DEPT OF	56	2,853	1.73%
FISH & WILDLIFE DEPT OF	142	8,060	1.39%
MILITARY DEPARTMENT WA ST	25	1,478	0.38%
INDUSTRIAL INSURANCE APPEALS BOARD	12	751	0.08%

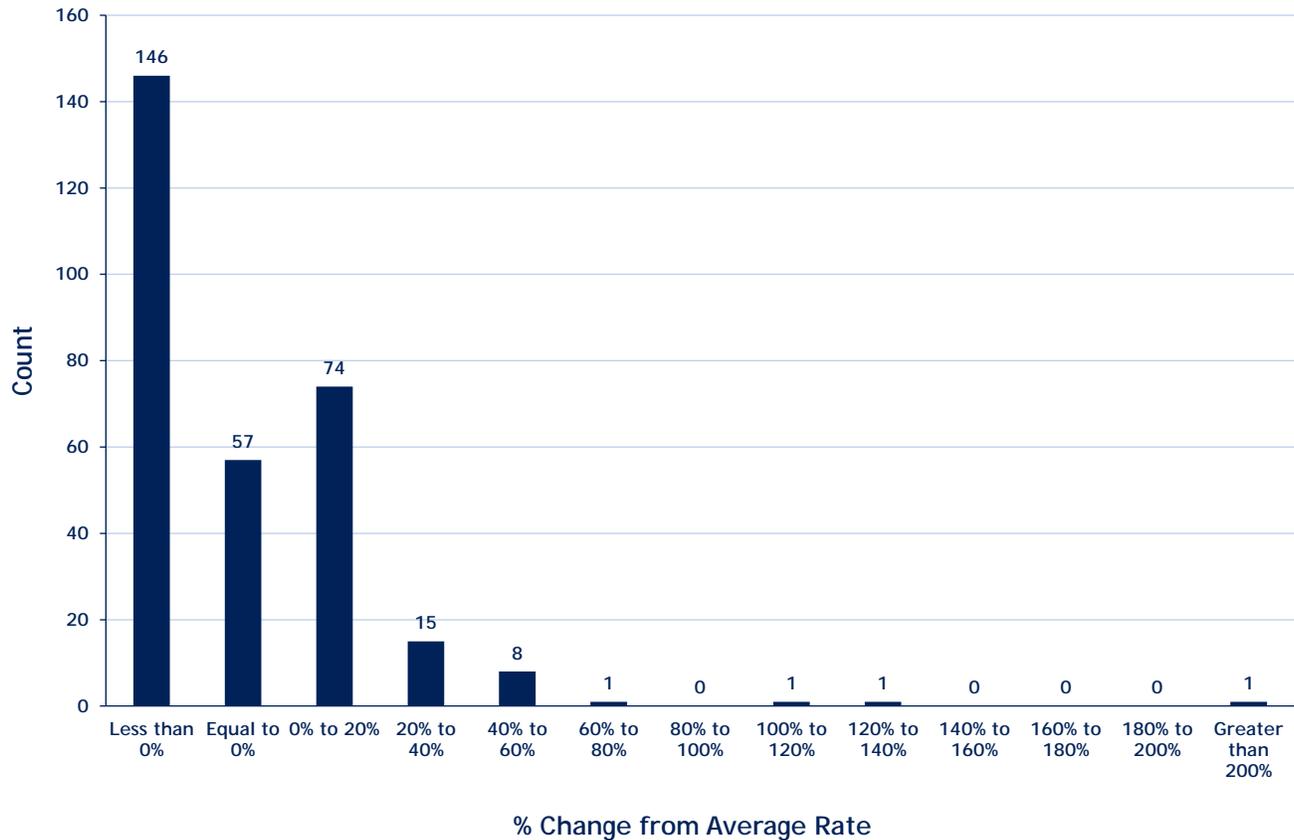
Employee Rates

As discussed earlier, this study looked at compensable claims by occupation and compared them to the population studied. As shown in the following graph, a majority of occupations have compensable claims rates equal to or less than the general population. Only a small number of occupations have compensable claims rates greater than the general population; and an even smaller number of occupations stand apart from the total population.

A majority of occupations have compensable claims rates equal to or less than the general population.

⁶ See Appendix D for a list of DSHS and DOC Affiliated institutions.

L&I Compensable Claims from 2006 - 2010 by Occupation



Over the study period, approximately 100 occupations had compensable claims rates above the general population, as shown in the occupational compensable claims detail in **Appendix E**. Of those above the general population, approximately 20 occupations had compensable claims rates that were at least 25 percent higher than the general population, as shown in the following table.

Job Classification	Employer(s)	5-Year Claims	5-Year Headcount	% from Population
ATTENDANT COUNSELOR	DSHS: Institutions	1,012	7,095	217.99%
MENTAL HEALTH TECHNICIAN	DSHS: Child Study & Treatment Center, State hospitals, Institutions, Special Commitment Center; Corrections: Health Services; Dept. of Veteran's Affairs	345	2,395	128.51%
Service Worker	School Districts	2,343	40,987	107.16%
LICENSED PRACTICAL NURSE	DSHS: Child Study & Treatment Center, State hospitals, Institutions, Special Commitment Center; Corrections: Health Services; Dept. of Veteran's Affairs	236	2,553	63.49%
NURSING ASSISTANT	DSHS: Child Study & Treatment Center, Institutions, Special Commitment Center; Corrections: Health Services; Dept. of Veteran's Affairs	92	703	59.07%
PSYCHIATRIC SECURITY ATTENDANT	DSHS: State Hospitals	110	926	57.82%
PSYCHIATRIC CHILD CARE COUNSELOR	DSHS: Child Study & Treatment Center	58	395	53.19%
Crafts / Trades	School Districts	455	7,882	47.79%
ATTENDANT COUNSELOR TRAINEE	DSHS: Institutions	88	867	43.14%
Laborer	School Districts	91	925	42.77%
PSERS Consolidation	Corrections, Liquor Control Board, WSP, Gambling Commission, Parks & Rec, DNR	1,120	28,408	41.90%
REGISTERED NURSE	DSHS: Child Study & Treatment Center, Institutions, State hospitals; Corrections: Health Services; Dept. of Veteran's Affairs	265	4,196	41.20%
CUSTODIAN	GA, DSHS, Military Dept., Parks & Rec, L&I, WSP, DOT, Dept. of Veteran's Affairs,	149	1,965	39.14%
ADULT TRAINING SPECIALIST	DSHS: Institutions, SCC, State hospitals	78	856	35.44%
NURSING ASSISTANT - CERTIFIED	Corrections, Dept. of Veteran's Affairs, DSHS: SCC	36	319	31.46%
FOOD SERVICE WORKER	DSHS: Child Study & Treatment Center, State hospitals, Institutions, SCC; Dept. of Veteran's Affairs	58	636	30.71%
PSYCHIATRIC SECURITY NURSE	DSHS: State Hospitals	41	392	30.44%
TRUCK DRIVER	CSS, Corrections, DSHS, GA, DIS, L&I, DNR, Parks, DOT, Dept. of Veteran's Affairs	64	743	30.04%
Operator	School Districts	641	16,795	29.99%
INSTITUTION COUNSELOR	DSHS: Institutions, State hospitals, SCC	53	615	27.11%

All PSERS occupations were grouped together in order to create a baseline in which to compare all PERS, TRS, and SERS occupations to. Over the study period, PSERS occupations, as a group, had compensable claims rates that were 42 percent higher than the general population and ten non-PSERS occupations had higher rates than the PSERS baseline.

Ten occupations had higher compensable claims rates higher than the PSERS baseline.

Of those ten occupations with higher compensable claims rates than the PSERS baseline, three had rates that were at least two times higher than the PSERS baseline: Attendant Counselor; Mental Health Technician; and K-12 Service Worker. The Attendant Counselor position had the highest compensable claims rates and was more than five times higher than the PSERS baseline.

Psychological Risk Varies By Individual And Occupation

There is no universal measure of psychological risk in Washington state. Therefore, assessing psychological risk can be very subjective.

National studies⁷ do show that job conditions can lead to stress. Some examples of job conditions that lead to occupational stress cited are: interpersonal relationships; work roles; environmental conditions; career concerns; and the design of tasks. Occupational stress can also lead to overall health risk. Data compiled by the [Bureau of Labor Statistics](#) shows that white collar occupations have a higher distribution of reactions to stress in the workplace but blue collar occupations have more overall injuries and illnesses.

However, isolating occupational stress can be difficult. As discussed further in the **Policy Analysis**, stress can be very individual. What is stressful to one person might not be to another; and individuals likely cope with stress, both in their personal lives and professional lives, differently.

Policy Analysis

Policy makers will likely keep the policy questions raised by the study mandate in mind when assessing policy considerations.

- ❖ Are current retirement eligibility requirements appropriate for older employees working in high-risk or high-stress jobs?
- ❖ Should pension policy be adjusted in response to potential risks of older employees working in high-risk or high-stress jobs?
- ❖ If so, how and for whom?

The **Policy Analysis** section of this issue paper is divided into four main parts:

⁷ See Appendix C for list of sources reviewed.

- ❖ Policy considerations of using pension policy to address risk in the workplace.
- ❖ Potential risks to employees, employers, and the public.
- ❖ Options for addressing risk both inside and outside the pension system and options under current law.
- ❖ Possible approaches or reactions to options.

Key Policy Findings

- ❖ Changing pension policy cannot eliminate all physical and psychological risk for older employees. However, allowing earlier retirement could reduce exposure for some individuals.
- ❖ There are many ways to address concerns over job risk both inside and outside the pension system, including options available to members under current law. (This list is a sample of possible options available and is not intended to be exhaustive.)
 - ◇ Outside the pension system.
 - Human resource options.
 - Safety practices.
 - Disability insurance.
 - Technological advancements.
 - ◇ Current pension policy.
 - Early retirement.
 - Changing careers.
 - Deferred retirement.
 - Deferred indexed vested benefit.
 - ◇ New pension policy.
 - Enhanced ERFs.
 - Expansion of PSERS membership.
 - Enhanced disability benefits.
 - Increased benefit multiplier for service credit for high-risk occupations.
 - New pension system based on job risk.
 - Expansion of deferred indexed vested benefit for Plans 2/3.
 - New tier with enhanced benefits within PERS, TRS, or SERS for high-risk occupations.
- ❖ Further study could provide more data and analysis to better inform policy discussions around addressing risk through the pension system.

Normal Retirement Age Is 65 For Most Public Sector Workers

Retirement systems are designed to address the needs of the larger group and have consistent benefits, generally.

Some policy makers may view age 65 as appropriate for employees in professional and administrative jobs that are generally low risk with low physical demands. However, policy makers may view age 65 as inappropriate for physically demanding, high-risk, or high-stress occupations.

The majority of Washington's public employees have a normal retirement age of 65. This age is likely linked to life expectancy and consistency with Federal Social Security standards. The normal retirement age for a plan is designed to apply to the group as a whole and may not take into account individual circumstances.

PERS, SERS, and TRS Plans 2/3 all have a normal retirement age of 65. They also have a diverse membership demographic. Overall, these plans cover a wide range of job types, including those that are more physically demanding, have a greater exposure to workplace risk, or have a more stressful workplace environment. For example, it is likely that a PERS employee in a state hospital is consistently exposed to a greater amount of risk than a PERS member who works in an office setting. Additionally, a PERS member who operates heavy machinery on a daily basis and has high physical demands is in the same retirement plan as a licensing specialist who interacts with the public all day.

For members who feel they cannot work until age 65, there is an option for early retirement. However, there is a financial consequence.

For retirement system members who feel for various reasons that they cannot work until the normal retirement age of 65, the plans allow for early retirement with reduced benefits. This gives members a certain amount of flexibility and individual choice as to when they retire. Additional discussion on early retirement is provided later in the issue paper.

The State Provides Lower Retirement Ages for Public Employees in High-Risk Jobs

Certain occupations – such as police, firefighters, state patrol, corrections officers, and limited authority law enforcement receive enhanced benefits due to the nature of their job duties.

LEOFF, PSERS and WSPRS provide a lower retirement age than the other Plans 2/3, as shown in the following table.

System	Normal Retirement Age (Age/Service)	Early Retirement Eligibility (Age/Service)
LEOFF Plan 2	53/5	50/20
PSERS Plan 2	60/10	53/20
WSPRS	55 Any age/25 Mandatory at 65	n/a
PERS Plan 2	65/5	55/20
PERS Plan 3	65/10	55/10

Occupations covered by LEOFF, PSERS, and WSPRS - such as police officers, fire fighters, state patrol, corrections officers, and other limited authority law enforcement officers - are generally considered higher risk. This perception likely comes from the nature of the required job duties. Members in these professions are likely exposed to different types of risk compared to other public employees in general. This may be one reason why the public tends to support more generous retirement benefits for public safety employees. However, it is hard to determine if other occupations or positions in public employment would receive similar support from the public.

The SCPP Has Established A Goal Around Normal Retirement Age

Generally, selecting retirement benefits and retirement age is a balancing act between employee and employer needs and affordability.

Some policy makers may look to SCPP goals when considering the appropriateness of the current retirement eligibility requirements. These goals state that selecting a retirement age is a balancing act between employee and employer needs and affordability.

The SCPP revised and adopted [goals](#) for the state public pension systems in the 2005 Interim. SCPP Goal 3 addresses normal retirement age

“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.”

The SCPP goals recognize that every perceived need may not be affordable or sustainable over a long-term basis. Ultimately, this issue will likely require policy makers to determine and balance employee and employer needs with affordability.

Policy Implications For Older Employees Working In High-Risk Jobs

For the purpose of this study, a high-risk occupation or position is considered to have, relative to public employees in general, higher

Some occupations are inherently more physically demanding, stressful, and dangerous.

physical demands, higher levels of job stress, or higher levels of injury in the workplace.

As discussed earlier, there are occupations that are inherently more physically demanding, dangerous, or stressful than others. Policy makers may wish to consider if employees in these jobs should have a lower retirement age than other public employees.

However, individuals experience the impacts of aging differently. Some might experience very little impairment in their physical abilities or job performance before the age of 65, while others likely experience more.

The cumulative effects of working in physically demanding or stressful occupations vary, as well. A 30-year career may be quite common and considered reasonable for a teacher or office worker but possibly not for a utility or construction worker.

Employees working in an office setting might not have the same retirement needs as employees in high-stress or physically demanding jobs.

For those who work in an environment with average levels of stress, 30 years may be considered acceptable; but for those that work in high-stress environments like prisons or are exposed to stressful situations more frequently, like 911 telecommunicators, 30 years may be considered unacceptable.

Policy makers will likely take these factors and others into consideration when contemplating making changes to current retirement systems.

Policy Makers Will Likely Consider Implications For Employees, Employers, And The Public

No position in public employment is without some degree of risk to the personal safety of individual employees. However, some positions are inherently riskier than others. As mentioned previously, overall, older workers are not at greater risk for injury. However, it is likely that some occupations counter this overall trend.

Policy makers may wish to qualitatively consider varying levels and types of risk when determining the relationship of age and risk in the workplace. However, further research would be required to assess injury rates by varying types of risk.

Individuals experience the impacts of aging differently.

The following section is broken out by risk to the employee; risk to the employer; and risk to the public. Types of risk, such as risk of violence and occupational risk, are discussed in subsequent sections.

Risks To The Employee

Some occupations may counter the overall trend of older workers and may pose a greater risk of injury to an employee's personal safety.

As mentioned earlier, employees may experience diminished physical capabilities as they age; but overall, older workers are able to compensate for these changes and typically perform at the same level. However, some occupations are inherently riskier than others and likely counter this overall trend. Occupations with high physical demands may become more difficult for employees to execute with age and may pose greater risks to an employee's personal safety.

A longer experience study may allow data to be categorized by age and type of risk that would likely help policy makers identify occupations that counter the overall compensable injury rate trend in older workers.

It is possible that employees who are aware of their increased physical challenges as they age could potentially leave younger workers responsible for taking on more physically demanding aspects of a job. This might be considered by some as a transfer of risk.

In addition to diminished physical capabilities, older employees may be negatively impacted by cumulative stress throughout one's career. Older employees who have served for many years in a high-stress environment may lose the ability or desire to cope with normal job stresses. Moreover, employees who are exposed to increased risk of physical injury may suffer stress from chronic injury or illness.

However, for many employees, there is likely opportunity to advance throughout their career. It is not atypical for older employees to have the opportunity to advance into a managerial or supervisory role by the time their physical capabilities begin to decrease. Though there will be occupations with inherent limitations and employees who are not able to advance along this path could be exposed to increased risk of injury in the workplace.

Policy makers will likely consider individual variability associated with occupational stress when determining if and how to adjust pension policy in response to risk.

Policy makers may wish to consider the individual variability associated with psychological risk or stress. People react to certain situations differently – what is stressful to one person might not be stressful to another. Additionally, isolating risk caused purely by occupational stress may be difficult due to the variability present. Currently, no universal measure of occupational stress could be found in practice in Washington State.

Due to this variability associated with psychological risk, some might believe that stress can be present in any job or occupation and is not limited to occupations with high rates of injury. As such, some policy makers may feel that psychological risk and stress should not be considered as a factor in changing retirement benefits.

Employers may be exposed to increased risk if older employees can no longer perform the duties of their job.

Risks To The Employer

Employees who are injured in the workplace will generally file a workers' compensation claim to recoup the costs of medical visits and lost work time. Employers contribute towards workers' compensation benefit premiums.

Generally, older employees who have been in the same career for many years possess deeper institutional knowledge and more experience. They may be higher paid than their younger counterparts. This could result in higher costs for employers when older employees suffer injury or retire early.

Employers may also be exposed to increased liabilities if an older employee is physically incapable of performing certain critical tasks. For example, if an older employee who is responsible for managing violent inmates or patients can no longer effectively perform the necessary duties, other staff, inmates, or patients may be put in harm's way.

Employers may face a recruitment and retention issue if retirement benefits do not meet the needs of employees in high-risk jobs.

In addition to increased risk and liabilities, employers may face a retention and recruitment issue. Theoretically, if retirement benefits do not meet the needs of employees in high-risk occupations, employers might face challenges in hiring and retaining employees. Policy makers may wish to pursue more information from employers regarding this potential concern. As of the date of this publication, no employers provided such testimony before the SCPP.

Risks To The Public

Similar to employer risks, there is potential for the public to be impacted by possible recruitment and retention challenges. If some employers face challenges in retaining experienced employees in certain occupations due to higher risk associated with the job, the public may be impacted through employee vacancies or decreased services.

Examining recruitment and retention challenges is outside the scope of this study. If policy makers are interested in recruitment and retention issues as a result of elevated risks of injury, additional study outside of this SCPP study would be required.

There are varying types of risk in the workplace – such as occupational disease, risk of violence, severe injury or disablement.

Policy Makers May Respond Differently To Different Types Of Workplace Risks

As mentioned in previous sections, not all risk is the same. The risk of injury police or fire fighters experience is not the same type of risk as someone who works with heavy machinery. Occupational disease,

stress, risk of injury or disablement, and risk of violence are some examples of different types and severity of risks.

Some occupations contain low risk on a day to day basis, but physical demands of the job throughout one's career can accumulate, creating health problems later in life, such as with occupational disease. In other occupations, employees are faced with the potential for exposure to severe risk on a daily basis – such as police officers or those working with criminals – but may never actually experience injuries throughout their careers.

Additionally, psychological risk may be present in many occupations but can vary in severity. Certain job pressures can lead to extreme cumulative occupational stress in some occupations such as those in white-collar industries. Other jobs may experience traumatic stress such as E911 Telecommunicators. Some policy makers may see this type of traumatic stress as different than occupational stress in general and believe pension policy should be adjusted as a response. Others may believe that traumatic stress is limited to direct imminent threats of serious injury or death to one's physical self and pension policy should not be adjusted in response to occupational stress.

Some Risks Can Be Addressed Outside Of Pension Policy

There are approaches outside of pension policy to address workplace risk.

Policy makers may determine that options currently available to employees and employers outside the pension system are sufficient to manage increased risk in the workplace for older employees. For example, human resource departments may have the ability to transition older employees into less strenuous, physically demanding positions within the same agency to accommodate their changing needs.

Additionally, safety management practices could be altered to address injury in high-risk environments. Constantly changing technology and safety procedures alter the way in which certain occupations carry out their duties. It is possible that risk to older employees could be managed with different safety management practices.

Some Risks Can Be Addressed Under Current Policy By Individuals

Members may retire before age 65 but will incur a benefit reduction.

Individuals who cannot work until the normal retirement age of 65 have options within the current retirement system. The following options are discussed in more detail: early retirement, career change, deferred retirement, and the deferred indexed vested benefit in Plan 3.

Early Retirement

As discussed in the **Background** section, under PERS, SERS, and TRS, members working in high-risk or high-stress jobs have the option of retiring before the normal retirement age of 65 but will incur a benefit reduction. This benefit reduction will either be an actuarially reduced benefit for every year the member retires prior to age 65 or an alternate early benefit reduction. PSERS members may retire early beginning at age 53 but will incur a 3 percent, per year reduction.

Some plan members may not be able to afford a reduction in their retirement benefits and have the potential to stay in a high-risk position until retirement, thus potentially increasing their risk of injury.

Changing Careers

Members who wish to change jobs or careers have options, such as dual membership or portability.

Employees who feel they can no longer continue in their current occupation due to the high physical demands, high risk of physical injury or psychological stress may consider changing jobs or careers. Employees may be able to change jobs or careers within their current retirement system. However, they may not be able to receive the same salary in a new position. PERS and SERS members likely have greater opportunity to change jobs or careers than most TRS members due to the wide range of positions in PERS and SERS. TRS members may feel that their skills are not transferable to a different occupation and therefore cannot easily change careers. Some PERS and SERS members may have the same challenges as TRS members.

Members may also change careers among state retirement systems without harming their benefit. Dual membership (or portability) provisions allow members to change employment between retirement systems and combine service credit earned in all dual member systems to become eligible for retirement. Employees who wish to do this can also use their highest base salary in a dual member system to calculate their retirement benefits in each plan. For example, an employee who works as an enforcement officer with juvenile offenders may wish to leave that employment after a decade of service to work as a school bus driver. This employee may do so and their service at both jobs will count towards their retirement eligibility. The job with the highest base salary will count towards the overall retirement benefit regardless of whether or not it was the most recent employment.

Employees may choose to leave public employment and work in the private sector. Deferred retirement may be an option.

Deferred Retirement

Not all employees may choose to stay in public employment if they feel like they can no longer continue in their current occupation. If a

PERS, SERS, or TRS Plans 2/3 member were to move into the private sector they could defer retirement until they reach normal retirement age. If they do not apply for retirement before normal retirement age, there is no reduction in their benefits. However, Plans 2 members will lose eligibility for post-retirement medical benefits/insurance offered by the Public Employee Benefits Board (PEBB) benefits if they do not retire immediately after leaving service.

The DB/DC hybrid design of Plan 3 may make it easier for Plan 3 members to defer retirement. Plan 3 allows members to defer the defined benefit portion of their hybrid plan until normal retirement age with no reduction in benefits while taking the defined contribution portion immediately. The DB portion of their retirement benefit is subject to a deferred indexed vested benefit, if left untouched until normal retirement age and the member retires with at least 20 years of service, and will accrue 3 percent annually for each year delayed.

Some policy makers may see the options that are currently available to employees as adequate alternatives to staying in a high-risk occupation until normal retirement age and wish to take no further action. However others may believe enhanced benefits for employees in high-risk occupations is necessary to minimize potential risks to employees, employers and the public.

Pension policy can mitigate risks that are associated with aging or length of service but cannot eliminate all risk.

Pension Policy Can Address Some, But Not All Job Risks

The primary way pension policy can be used to address concerns around job risk is through retirement. Retirement is most effective at mitigating risks that are related to or exacerbated by aging or length of exposure. For example, risks to older employees who are more likely to suffer from occupational disease or injuries from physically demanding jobs can likely be reduced through earlier retirement

However, pension policy alone cannot address all workplace risk. Allowing for earlier retirement can reduce how long individuals are exposed to certain risks or job stresses, but does not eliminate the underlying risks or stress. And employees could choose to continue exposing themselves to risk by working past retirement eligibility.

Allowing earlier retirement for certain high-risk occupations will likely increase costs in the retirement system. However, it is possible that lower retirement ages could result in fewer workplace injuries in some occupations, which could reduce workers' compensation costs to employers and potentially offset some of the increased pension costs.

Many Higher-Risk Positions Have Been Addressed

Positions that are generally considered higher risk occupations for both employees and the public – such as police officers, fire fighters, and corrections officers – are already in separate retirement plans with lower retirement ages. Also, the SCPP and JCPP have spent several years considering public safety benefits. Given this, it may be difficult for policy makers to identify—and agree upon—other groups that should receive enhanced benefits on the basis of job risk.

If policy makers determine that occupations that entail a higher degree of risk should receive a lower retirement age, they may wish to determine what types and level of risk should be considered that would likely require further study.

Policy makers evaluating possible expansion of PSERS eligibility may also wish to consider how similar the risks are to those faced by employees in existing public safety occupations.

Some Policy Makers May Set A High Bar Before Changing Current Pension Policy

Generally, pension policy is designed to apply to the needs of the majority of workers with the long-term in mind. As life expectancies⁸ and quality of health are increasing, the balance between length of career and length of retirement is shifting. And as employees live longer in retirement, the affordability of retirement systems may change. Given this, some policy makers may be reluctant to lower retirement ages for any group of employees.

While it is possible that policies that encourage employees to retire early may help mitigate risks to some older employees, it is likely that these same policies may encourage fully capable employees to exit the workforce early. This may negatively impact employer's ability to retain experienced workers.

Improving benefits for employees in high-risk occupations will likely create long-term contractual rights to those benefits that cannot be easily undone. However, the same risks that older employees, or all employees, face currently might not apply in 30 years due to advancements in technology and shifting needs. For example, many years ago, most garbage collectors manually emptied cans into the trucks. Today, many trucks have automatic lifts so employees no

Improving benefits in high-risk occupations will likely create long-term contractual rights which cannot be easily undone.

Workplace risks will likely evolve over time.

⁸ Generally, life expectancies are steadily increasing for most of the population, as shown in the [National Vital Statistics Reports](#). However, white Americans that lack a high school diploma have seen "sharp drops" in life expectancy, according to a recently published [study](#).

longer have to physically handle the cans. This has likely reduced rates of injury and allowed older employees to continue to be effective in the job.

Ultimately, selecting an appropriate retirement age for high-risk jobs will be a balancing act between employee and employer needs and affordability.

Policy Makers May Choose A Variety Of Approaches

Job risk can be addressed both inside and outside of pension policy.

Some policy makers may believe current options available to employers and individual employees such as workplace accommodation, changing careers, or deferred retirement are sufficient to address the issue of risk and high physical demands for older employees in the workplace. Other policy makers may prefer that job risks be addressed outside of pension policy to the extent possible before considering changes to retirement benefits. For example, some risks could possibly be addressed through HR policies or safety practices. However, it is beyond the scope of this study to develop specific options outside of pension policy.

Some policy makers may decide that changes to pension policy are required to address concerns over employees in high-risk/high-stress jobs. While assessing potential inclusion in PSERS was named specifically in the study mandate, policy makers may wish to consider additional options as well. Some options policy makers might consider include:

There are many options within pension policy to address workplace risk for older employees.

- ❖ Expand PSERS eligibility requirements.
- ❖ Enhance ERFs for Plans 2/3 members.
- ❖ Create a separate classification or tier in the Plans 2/3 for high-risk occupations with enhanced benefits.
- ❖ Expansion of deferred indexed vested benefits for Plan 2.
- ❖ Increase the benefit or service credit multiplier within Plans 2/3 for service in qualifying high-risk jobs.
- ❖ Create a new plan for high-risk occupations.
- ❖ Enhance disability benefits for Plans 2/3 members (or only certain members - has been studied before but SCPP didn't make recommendation).

Policy makers may also decide that further study is necessary before making any recommendations.

Evaluation Of PSERS Membership

The study mandate requires the identification and evaluation of groups for possible inclusion in PSERS.

Certain groups may seek inclusion in PSERS due to the lower normal retirement age, lower early retirement age and enhanced disability benefits. Some policy makers may wish to expand PSERS to include occupations with higher-risk. As discussed previously, assessing risk can be based on subjective criteria or injury rate data. Further study might inform policy makers on types of injury which may be helpful in assessing which, if any, occupations to include in PSERS.

In the following section, a sample framework is introduced to evaluate PSERS membership. Implications of expanding PSERS eligibility is also discussed.

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Key Findings On Evaluation of PSERS Membership

- ❖ PSERS membership may be evaluated on the basis of job duties or job risk. There are multiple criteria that can be used to assess either, and expanding membership on either basis carries separate policy implications. It is likely that policy makers will weigh various criteria differently when determining if and how to expand PSERS membership. Examples of evaluation criteria are:
 - ◇ Rate of injury
 - ◇ Perception of risk or job hazards
 - ◇ Similar duties to current PSERS members
 - ◇ Psychological risk
 - ◇ Exposure to violence
- ❖ Some non-PSERS members may have similar job duties to existing PSERS members but are excluded from PSERS because their employer is not a PSERS-eligible employer. Such members may include Juvenile Rehabilitation Administration staff and Office of the Insurance Commissioner investigators.
- ❖ Basing PSERS membership on risk alone may be challenging due to:
 - ◇ Changing risks over time.
 - ◇ Insufficient data that, at this time, does not allow for analysis by types of risk, such as violence, occupational disease, and total permanent disability.
 - ◇ Many occupations which are not typically considered public safety have higher compensable claims rates than current PSERS members.
- ❖ A PSERS evaluation framework based on various criteria will likely not be the only tool used for evaluating PSERS membership.

The Study Mandate Requires Evaluation Of PSERS Membership

Evaluation of PSERS membership can generally be based on job duties or job risk or a combination of both. Policy makers will likely weigh various criteria such as injury rates, job risks and hazards, and similarity to current PSERS occupations when determining if and how to expand PSERS membership.

PSERS Membership Evaluation Framework

One tool that may assist policy makers in considering groups for inclusion in PSERS is which occupations is an evaluation framework. This tool facilitates the evaluation and comparison of occupations based on specific criteria such as rate of work related injury, connection to public safety, exposure to violence, etc.

A sample evaluation framework—filled out by staff for illustrative purposes—is provided on the following page. The framework is set up so that criteria that is more quantitative is located towards the left and more subjective, or qualitative, is towards the right. The quantitative criteria are those that can theoretically be quantified with injury rate data, should further study occur and a longer experience study take place. More subjective criteria such as public safety and physical risk cannot be quantified and are therefore subject to interpretation by individual policy makers or users of the framework.

It is likely that different users will fill out the framework differently. Furthermore, different users may likely include different criteria. Policy makers will likely select different occupations when filling out the framework. For the sample framework, staff used occupations that had compensable claims rates that were 40 percent or higher than the general population over the study period. Additionally, occupations that were identified by stakeholders as being high-risk were included.

In using this framework, policy makers may wish to evaluate groups in comparison to the general population or existing PSERS members and may focus on different framework criteria. For example, one policy maker may weigh job duties that are similar to PSERS differently than other criteria. Another may wish to focus on occupations that contain the most criteria. In other words, an occupation that has a higher rate of injury than a typical PSERS occupation and has similar job duties to PSERS and carries physical and psychological risk.

Policy makers may wish to use this framework for identifying groups for inclusion in PSERS, evaluating stakeholder requests, or identifying groups for further study. It is likely that this framework will be used as

The sample PSERS evaluation framework evaluates occupations by various criteria, ranging from quantifiable criteria to more subjective criteria.

This sample framework is one of multiple tools that will likely be used in determining if, and how, to adjust pension policy in response to workplace risk.

only one tool in determining if and how to adjust pension policy to address workplace risk.

The following are sample definitions for the more qualitative criteria included in the sample framework.

- ❖ "Job Duties Similar to PSERS" - Jobs that likely share some of the same requirements and duties as PSERS occupations.
- ❖ "Public Safety" - Jobs that likely contain a high degree of physical risk to the employees' personal safety and that provide direct protections of lives and property.
- ❖ "Environmental Hazard" - Jobs with the potential to cause severe or disabling injuries or illness or where human error could potentially lead to severe accident or injury.
- ❖ "Exposure to Violence" - Jobs that are likely exposed to acts of violence or the threat of violence from other individuals.
- ❖ "Physical Risk" - Jobs that likely require high physical conditioning to complete required tasks.
- ❖ "Psychological Risk" - Jobs that likely expose employees to high levels of traumatic stress on a consistent basis.

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Sample PSERS Membership Evaluation Framework

Job Classification	Quantitative Criteria					Qualitative Criteria						
	Rate of Injury > General Population	Rate of Injury > PSERS Members	Rate of Violence	Rate of Occupational Disease	Rate of Total Permanent Disability	Job Duties Similar to PSERS	Public Safety	Environmental Hazard	Exposure to Violence	Physical Risk	Psychological Risk	Other Criteria?
Attendant Counselor	X	X	ID	ID	ID	X	X		X	X	X	
Mental Health Technician	X	X	ID	ID	ID	X			X	X	X	
K-12 Service Worker	X	X	ID	ID	ID			X		X		
Licensed Practical Nurse	X	X	ID	ID	ID				X	X	X	
Nursing Assistant	X	X	ID	ID	ID				X	X	X	
Psychiatric Security Attendant	X	X	ID	ID	ID	X	X		X	X	X	
Psychiatric Child Care Counselor	X	X	ID	ID	ID				X	X	X	
K-12 Crafts/Trades	X	X	ID	ID	ID			X		X		
Attendant Counselor or Trainee	X	X	ID	ID	ID				X	X	X	
K-12 Laborer	X	X	ID	ID	ID			X		X		
Registered Nurse	X		ID	ID	ID				X	X	X	
Eastern & Western State Hospital Staff	X	X	ID	ID	ID	X	X	X	X	X	X	
Juvenile Rehabilitation Administration	X		ID	ID	ID	X	X	X	X	X	X	
DSHS Institutions Staff	X	X	ID	ID	ID		X	X	X	X	X	
OIC Investigators			ID	ID	ID	X	X					
Property Enforcement Officers	ID	ID	ID	ID	ID		X		X			
Forensic Officers			ID	ID	ID						X	
Animal Control Officers	ID	ID	ID	ID	ID		X	X		X	X	
Public Roads Workers	X		ID	ID	ID			X		X		
Refuse Workers	ID	ID	ID	ID	ID			X		X		
Energy-Northwest Security Guards	ID	ID	ID	ID	ID	X	X			X		
DOT Highway Maintenance Workers	X		ID	ID	ID			X		X		
E911 Telecommunicators	ID	ID	ID	ID	ID		X				X	
K-12 Custodians, Grounds & Bldg. Maintenance	X	X	ID	ID	ID			X		X		
K-12 Warehouse Workers	X	X	ID	ID	ID			X		X		
K-12 Truck & Bus Drivers	X		ID	ID	ID			X		X		
K-12 Bus Mechanics	X	X	ID	ID	ID			X		X		
Other Occupations?												

Non-shaded cells are occupations which have compensable claims rates that are 40% or higher than the general population.

Shaded blue cells are occupations identified by stakeholder.

ID = Insufficient Data.

This sample evaluation framework was completed by SPP staff and is intended for illustrative purposes only. It is likely that others would complete the framework differently.

See Appendix E for more detailed occupational compensable claims rates.

Alternate Evaluation Approach

Some policy makers may feel that evaluating PSERS membership based on job risk alone is too broad and allows for the possible inclusion of occupations that are not solely public safety in nature. An alternate way to approach evaluating PSERS membership is to group certain occupations based on similarities to existing PSERS membership eligibility criteria.

With this alternate approach, occupational groups can be separated into tiers. The more tiers expand, the more they deviate from the existing PSERS membership eligibility criteria. For example, Tier 1 is narrow in focus and includes only those occupations that would likely be included in PSERS if their employer was listed in statute. For Tier 1, the duty-based PSERS definition would likely not be altered. Tier 2 is less narrow than Tier 1 and includes those occupations whose primary responsibility is to ensure the custody or safety of incarcerated or institutionalized individuals. Tier 3 expands even further and includes groups whose primary responsibility is to provide direct care to individuals who are incarcerated or institutionalized. It is likely that pursuing Tier 2 and 3 would require a change in the statutory definition of PSERS membership.

Policy makers may wish to approach expanding PSERS membership based on job duty and employer, as opposed to occupation alone.

The following is an example of how policy makers could group occupations based on job duty and employer for possible inclusion in PSERS or for further study.

- ❖ **Tier 1:** Groups that have been excluded from PSERS membership because their employer is not listed in statute as a PSERS employer, but would otherwise likely meet membership criteria. Possible occupations could include the following.
 - **Juvenile Rehabilitation Administration:** Residential & Community Counselors and Counselor Assistants.
 - **Office of the Insurance Commissioner:** Investigators.
- ❖ **Tier 2:** Groups with a primary responsibility of supervising or ensuring the custody and safety of residents of juvenile detention centers, mental health institutions, and institutions for the developmentally disabled. Possible occupations could include the following.
 - **Juvenile Rehabilitation Administration:** Residential Counselor, Counselor Assistant, Community Counselor.
 - **Mental Health Institutions:** Mental Health Technician, Psychiatric Security Attendant, Security Guard.
 - **Institutions for the Developmentally Disabled:** Attendant Counselors, Psychiatric Childcare Counselor.

- **Department of Corrections/Special Commitment Center:** Residential Rehabilitation Counselor, Security Guard.
- ❖ **Tier 3:** Groups with a primary responsibility of providing direct care to residents of mental health institutions and institutions for the developmentally disabled. Possible occupations include the following.
 - **Mental Health Institutions:** Licensed Practical Nurse, Psychiatric Security Nurse, Occupational & Recreational Therapists, Institutional Counselor, Psychologists, and Psychiatric Social Workers.
 - **Institutions for the Developmentally Disabled:** Licensed Practical Nurse, Adult Training Specialist, Recreation & Athletic Specialist, Custodian, Psychiatric Social Worker.
 - **Veteran's Home:** Registered Nurse, Licensed Practical Nurse, Nursing Assistant, Psychiatric Social Worker, Custodian.
 - **Department of Corrections:** Registered Nurse, Nursing Assistant, Licensed Practical Nurse.

Currently, supervisors of eligible PSERS members are also included in PSERS. Policy makers will likely want to keep this in mind when determining which groups to include in PSERS, if any.

It is likely further study would be required to determine which occupations would be included in PSERS if one or more of the aforementioned tiers were chosen.

Expanding PSERS Eligibility Has Policy Implications

Expanding PSERS eligibility requirements has various implications that policy makers will likely consider. Including positions based on risk, as opposed to job duties, could change the nature of PSERS membership and move it away from a more law enforcement focus. There is potential for many groups to seek inclusion in the system and it may be difficult for policy makers to determine where to draw the line if eligibility is opened up based solely on risk factors. Some physically demanding occupations, such as service workers or laborers have higher rates of compensable claims than existing PSERS members but do not qualify for existing PSERS membership. And other occupations, such as 911 dispatchers or attendant counselors may face similar levels of job stress but do not currently fit the membership definition of PSERS.

Expanding PSERS based on risk alone could change the nature of PSERS membership and make it difficult to determine which occupations are included.

Additionally, it is a possibility that expanding plan eligibility might result in current PSERS members seeking enhanced benefits if they feel that the newly added positions do not face similar risks.

California has experienced many of the implications mentioned previously. In the early 1970s, California's State Safety Plan was created. This new plan had a narrow definition and included members from prisons and law enforcement. Throughout the 1990s additional occupations were included, most of which were located in the prisons and mental hospitals. As the plan grew, so did the nature of its membership. In the early 2000s, over 3,500 employees were converted from the state's miscellaneous member classification to the State Safety Plan, making the safety plan approximately 11 percent⁹ of the total membership in all state plans. As a comparison, Washington State's PSERS system comprises just over one percent of the total retirement system membership. California's State Safety plan now includes occupations such as milk testers, billboard inspectors, and DMV driving examiners.

In addition to California's State Safety plan, there is a State Industrial plan, State Peace Officer and Firefighter plan, and a Highway Patrol Plan. When combined with the State Safety plan, approximately 40 percent of all state employees fall into an enhanced plan. Currently in Washington, just over 7.5 percent of all active employees are in a plan other than PERS, TRS, or SERS.

Some policy makers may see expanding PSERS membership as the best method of enhancing retirement benefits for certain occupations. Expanding PSERS membership allows enhancing benefits for certain groups without shifting increased costs to non-public safety employees and employers as with some options such as creating a new tier of benefits within PERS, TRS, or SERS.

Conclusion

The study mandate prescribed in 2ESB 6378 (2012) requires the SCPP to evaluate jobs that entail a high degree of physical or psychological risk that may result in injury or disablement for older employees; and to consider them for potential inclusion in PSERS. Analyzing job risk can be a subjective exercise. There are several factors that policy makers may decide to evaluate in determining the need to adjust pension policy in response to older employees working in high risk/stress occupations. Such factors may include current policy and policy goals around retirement age, implications of older employees in

⁹ Does not include California state universities.

high-risk jobs, types of workplace risk, implications of changing pension policy, and affordability.

Every position in public employment has some degree of risk and stress. However, some jobs have more risk and stress than others, and policy makers may be more concerned about certain types of risk or stress. Some types of risk or stress may impact older employees to a greater degree. In some cases, retaining older employees in the workforce could create additional risks for the individual, their coworkers, their employer, or the public.

Research shows that, overall, older employees are at decreased risk of injury as they age. However, it is likely that some occupations counter this trend in certain industries. To determine which occupations may have an increased risk of injury for older employees further study would be required.

Pension policy—through retirement eligibility—can address some, but not all, workplace risks. Pension policy can be effective in addressing risks that are related to or exacerbated by aging or length of exposure. Other risks may be more effectively addressed outside of pension policy. Some policy makers may set a high bar for changing pension policy to address job risks in consideration of implications for retention, contractual rights, and the long-term sustainability of the retirement systems.

When considering workplace risk, policy makers will likely evaluate possible exposure to various types of workplace risk for older employees and options currently available inside and outside of the pension system to mitigate those risks. The PSERS evaluation framework or tiered approach presented in this study may also help policy makers determine which occupations, if any, to include in PSERS. Some policy makers may feel that the occupations with the most critical risks have already been addressed and that employees in other occupations who cannot or do not want to work until the normal retirement age have sufficient options available to them under current law. Other policy makers may feel that existing options are not sufficient for older employees in certain occupations with higher levels of risk or stress and may seek policy changes either inside or outside of the pension systems. While the study mandate specifically contemplates expanding PSERS membership, policy makers may wish to consider other potential options to address concerns around older employees in high-risk jobs. Ultimately, in responding to this issue, policy makers will likely consider the balance between employee and employer needs and affordability of the systems.

Appendices

- ❖ Appendix A – Summary of Plan Provisions.
- ❖ Appendix B – Public Safety Retirement Benefits Comparison – Washington’s Peer States.
- ❖ Appendix C – Sources Reviewed.
- ❖ Appendix D – Relative Compensable Claims Rates by DSHS and DOC affiliated Institutions.
- ❖ Appendix E – Relative Compensable Claims Rates by Occupation.

Attachments

- ❖ Attachment A – Study Mandate.
- ❖ Attachment B – Correspondence as of November 8, 2012.
 - ◇ Chris Vance, King County Adult Corrections Guild, May 14, 2012.
 - ◇ Keith Flewelling, Washington State APCO-NENA Chapter, June 15, 2012.
 - ◇ Gabe Hall, Local 862 Washington Federation of State Employees, June 18, 2012.
 - ◇ Matt Zuvich, Washington Federation of State Employees, June 21, 2012.
 - ◇ Matt Zuvich, Washington Federation of State Employees, June 25, 2012.
 - ◇ Wayne Johnson, Teamsters Local 760, August 20, 2012.
 - ◇ Michelle Woodrow, Teamsters Local 117, August 20, 2012.
 - ◇ Robert Hawks, Teamsters Local 839, August 21, 2012.
 - ◇ John Witte, Teamsters Local 589, August 21, 2012.
 - ◇ Heather Weiner, Teamsters Local 28, August 21, 2012.
 - ◇ Jason Powell, Teamsters Local 763, August 21, 2012.
 - ◇ Darren O’Neil, Teamsters Local 252, August 21, 2012.
 - ◇ Leonard Kelley, Teamsters Local 231, August 21, 2012.
 - ◇ John Griffith, August 23, 2012.
 - ◇ Val Holmstrom, Teamsters Local 690, August 29, 2012.

- ◇ Dave Griffith, Energy Northwest Nuclear Security Officers, September 11, 2012.
- ◇ Isaac Bouse, Energy Northwest Nuclear Security Officers, September 26, 2012.
- ◇ Pat Thompson, October 30, 2012.
- ◇ Lorraine James, November 13, 2012.
- ◇ Pat Thompson, December 3, 2012.

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Appendix A

Summary of Plan Provisions - PERS			
	Plan 1	Plan 2	Plan 3
Effective Date of Plan	10/1/47	10/1/77	3/1/02
Date Closed to New Entrants	9/30/77	Open	Open
Statutory Reference	Chapter 41.40 RCW	Chapter 41.40 RCW	Chapter 41.40 RCW
Normal Retirement Eligibility (age/service)	60/5, 55/25, Any Age/30	65/5	65/10 or vested
Accrued Benefit Formula	2% x YOS x AFC; Maximum 60% AFC	2% x YOS x AFC	1% x YOS x AFC; 0.25% per month pre-retirement COLA with 20 years of service
Computation of AFC	Annual average of the greatest compensation earnable during a 24 consecutive month period	Average compensation earnable for the highest 60 consecutive months	Average compensation earnable for the highest 60 consecutive months
Credited Service	Monthly, based on hours worked each month (school yr. for edu. emplys.)	Monthly, based on hours worked each month (school yr. for edu. emplys.)	Monthly, based on hours worked each month (school yr. for edu. emplys.)
Vesting	5 years	5 years	10 years (5 under select circumstances)
Vested Benefits Upon Termination	Refund of employee contributions plus interest, or deferred retirement allowance	Refund of employee contributions plus interest, or deferred retirement allowance	Refund of employee contributions plus investment earnings and deferred retirement allowance
Early Retirement Eligibility (age/service)	n/a	55/20	55/10
Early Retirement Reduction Factors	n/a	3% or alternate subsidized ERF with 30 YOS (5% if hired on or after 5/1/13), otherwise actuarial	3% or alternate subsidized ERF with 30 YOS (5% if hired on or after 5/1/13), otherwise actuarial
Disability Retirement Benefit	Non-duty: reduced accrued benefit; Duty: temporary annuity plus deferred retirement allowance	Accrued benefit, actuarially reduced	Accrued benefit, actuarially reduced
COLA	\$2.00 per month/YOS* on 7/1/12	Lesser of CPI** or 3%	Lesser of CPI** or 3%
Minimum Benefit per Month	\$46.57* per YOS on 7/1/12, \$1,591.35* for select annuitants	n/a	n/a
Changes in Plan Provisions Since Last Valuation	Civil Marriages (C 3 L 12)	Civil Marriages (C 3 L 12); Pension Reform (C 7 L 12, 1 st Spec Ses); DFW Service Credit Transfer (C 248 L 12); WSP Service Credit Transfer (C 72 L 12)	Civil Marriages (C 3 L 12); Pension Reform (C 7 L 12, 1 st Spec Ses); DFW Service Credit Transfer (C 248 L 12)

*Minimum COLA payable to qualified members only; increases by 3% annually. The Uniform COLA was removed under C 362 L 11.

**CPI: Urban Wage Earners & Clerical Workers, Seattle-Tacoma-Bremerton, WA - All Items.

Summary of Plan Provisions - TRS (Continued)			
	Plan 1	Plan 2	Plan 3
Effective Date of Plan	3/1/38	10/1/77	7/1/96
Date Closed to New Entrants	9/30/77	Open	Open
Statutory Reference	Chapter 41.32 RCW	Chapter 41.32 RCW	Chapter 41.32 RCW
Normal Retirement Eligibility (age/service)	60/5, 55/25, Any Age/30	65/5	65/10 or vested
Accrued Benefit Formula	2% x YOS x AFC; Maximum 60% AFC	2% x YOS x AFC	1% x YOS x AFC; 0.25% per month pre-retirement COLA with 20 years of service
Computation of AFC	Annual average earnable compensation for the two highest consecutive service credit years	Average compensation earnable for the highest 60 consecutive months	Average compensation earnable for the highest 60 consecutive months
Credited Service	Yearly, based on days worked each year	Monthly, based on number of months and hours worked during school year	Monthly, based on number of months and hours worked during school year
Vesting	5 years	5 years	10 years (5 under select circumstances)
Vested Benefits Upon Termination	Refund of employee contributions plus interest, or deferred retirement allowance	Refund of employee contributions plus interest, or deferred retirement allowance	Refund of employee contributions plus investment earnings and deferred retirement allowance
Early Retirement Eligibility (age/service)	n/a	55/20	55/10
Early Retirement Reduction Factors	n/a	3% or alternate subsidized ERF with 30 YOS (5% if hired on or after 5/1/13), otherwise actuarial	3% or alternate subsidized ERF with 30 YOS (5% if hired on or after 5/1/13), otherwise actuarial
Disability Retirement Benefit	Accrued benefit	Accrued benefit, actuarially reduced	Accrued benefit, actuarially reduced
COLA	\$2.00 per month/YOS* on 7/1/12	Lesser of CPI** or 3%	Lesser of CPI** or 3%
Minimum Benefit per Month	\$46.57* per YOS on 7/1/12, \$1,591.35* for select annuitants	n/a	n/a
Changes in Plan Provisions Since Last Valuation	Civil Marriages (C 3 L 12)	Civil Marriages (C 3 L 12); Pension Reform (C 7 L 12, 1 st Spec Ses)	Civil Marriages (C 3 L 12); Pension Reform (C 7 L 12, 1 st Spec Ses)

*Minimum COLA payable to qualified members only; increases by 3% annually. The Uniform COLA was removed under C 362 L 11.

**CPI: Urban Wage Earners & Clerical Workers, Seattle-Tacoma-Bremerton, WA - All Items.

Summary of Plan Provisions - SERS <i>(Continued)</i>		
	Plan 2	Plan 3
Effective Date of Plan	9/1/00	9/1/00
Date Closed to New Entrants	Open	Open
Statutory Reference	Chapter 41.35 RCW	Chapter 41.35 RCW
Normal Retirement Eligibility (age/service)	65/5	65/10 or vested
Accrued Benefit Formula	2% x YOS x AFC	1% x YOS x AFC; 0.25% per month pre-retirement COLA with 20 years of service
Computation of AFC	Average compensation earnable for the highest 60 consecutive months	Average compensation earnable for the highest 60 consecutive months
Credited Service	Monthly, based on number of months and hours worked during school year	Monthly, based on number of months and hours worked during school year
Vesting	5 years	10 years (5 under select circumstances)
Vested Benefits Upon Termination	Refund of employee contributions plus interest, or deferred retirement allowance	Refund of employee contributions plus investment earnings and deferred retirement allowance
Early Retirement Eligibility (age/service)	55/20	55/10
Early Retirement Reduction Factors	3% or alternate subsidized ERF with 30 YOS (5% if hired on or after 5/1/13), otherwise actuarial	3% or alternate subsidized ERF with 30 YOS (5% if hired on or after 5/1/13), otherwise actuarial
Disability Retirement Benefit	Accrued benefit, actuarially reduced	Accrued benefit, actuarially reduced
COLA	Lesser of CPI* or 3%	Lesser of CPI* or 3%
Minimum Benefit per Month per YOS	n/a	n/a
Changes in Plan Provisions Since Last Valuation	Civil Marriages (C 3 L 12); Pension Reform (C 7 L 12, 1 st Spec Ses)	Civil Marriages (C 3 L 12); Pension Reform (C 7 L 12, 1 st Spec Ses)

*CPI: *Urban Wage Earners & Clerical Workers, Seattle-Tacoma-Bremerton, WA - All Items.*

Summary of Plan Provision - PSERS <i>(Continued)</i>	
	Plan 2
Effective Date of Plan	7/1/06
Date Closed to New Entrants	Open
Statutory Reference	Chapter 41.37 RCW
Normal Retirement Eligibility (age/service)	65/5 Total Service, 60/10 PSERS service
Accrued Benefit Formula	2% x YOS x AFC
Computation of AFS	Average compensation earnable for the highest 60 consecutive months
Credited Service	Monthly, based on hours worked each month
Vesting	5 years
Vested Benefits Upon Termination	Refund of employee contributions plus interest, or deferred retirement allowance
Early Retirement Eligibility (age/service)	53/20 Total Service
Early Retirement Reduction Factors	3% ERF with 20 YOS, otherwise actuarial
Disability Retirement Benefit	Accrued benefit, actuarially reduced from age 60
COLA	Lesser of CPI* or 3%
Minimum Benefit per Month per YOS**	n/a
Changes in Plan Provisions Since Last Valuation	Civil Marriages (C 3 L 12)

*CPI: *Urban Wage Earners & Clerical Workers, Seattle-Tacoma-Bremerton, WA - All Items.*

Appendix B

Public Safety Retirement Benefits Comparison - Washington's Peer States				
State	Plan	Positions Covered	Normal Age/Service	ERFs
California	California Public Employees' Retirement System - Peace Officers and Firefighters Supplemental Plan; Industrial Tiers 1 & 2; State Safety Plan; and California Highway Patrol	Law enforcement, fire suppression, Department of Forestry, Youth Authority, Corrections	50/5	N/A
Colorado	Colorado Public Employee Retirement Association	Bureau of Investigation	Any/30 50/25 55/20 65/5	50/20 60/5 Benefit reduction applies
Florida	Florida Retirement System Special Risk Class	Public safety, protective services and institutional personnel	60/vested (8 years) Any/25 57/30 Any/33	Any/5% per year before normal retirement age
Idaho	Idaho Public Employees' Retirement System	Police & Fire only		
Iowa	Iowa Peace Officers' Retirement System	State patrol, Capitol Policy, state investigative force, State Fire Marshall	55/22	50 Benefit reduction applies
	Iowa Public Employee Retirement System	Protection Occupations	55	50
Minnesota	Minnesota State Retirement System Correctional Plan	Correctional and other employees responsible for inmate care	55 Vesting is gradual, 50% at 5 years of service, 100% at 10 years of service.	50 Benefit reduction applies
Missouri	Missouri Department of Transportation and Highway Patrol Employees' Retirement System	DOT & civilian patrol employees	62/5 Rule of 80 with a minimum age of 48	57/5 Benefit reduction applies
Ohio	Ohio Highway Patrol Retirement System	Sworn officers and members of the radio division	48/25 52/20	Various options available at differing ages with age 48 being the lowest

State	Plan	Positions Covered	Normal Age/Service	ERFs
Oregon	Oregon Public Service Retirement Plan	State & local police, firefighters other law enforcement: Corrections employees, Parole & probation officers, Liquor Control Officers, Dept. of Agriculture livestock police, DOJ investigators, Lottery commission agents, Youth correction and juvenile detention facilities	60 53/25 including 5 years of service immediately preceding retirement	50/5 years of service immediately preceding retirement
Wisconsin	Wisconsin Retirement System	Protective employees covered by Social Security, state police, other state and local public safety employees	53/25 54	50 Benefit reduction applies
	Wisconsin Retirement System	Protective employees not covered by Social Security, some local government firefighters	53/25 54	50 Benefit reduction applies
Washington	Public Safety Employees' Retirement Systems	Limited authority law enforcement, corrections officers, DNR, Liquor Control	65/5 60/10	53/20 Benefit reduction applies

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Appendix C

Sources Reviewed

- ❖ American Psychological Association, "[Overwhelmed by workplace stress? You're not alone](#)," accessed August 2012.
- ❖ Bureau of Labor Statistics, "[Case and Demographic Characteristics for Work-related Injuries and Illnesses Involving Days Away From Work](#)," 2010, accessed August 2012.
- ❖ Bureau of Labor Statistics, TED: The Editor's Desk, "[Industries with the most cases of occupational stress](#)," October 1999, accessed August 2012.
- ❖ Bureau of Labor Statistics, "[Revisions to the 2010 Census of Fatal Occupational Injuries \(CFOI\) Counts](#)," April 2012, accessed October 2012.
- ❖ Bureau of Labor Statistics, TED: The Editor's Desk, "[White-collar workers account for most cases of occupational stress](#)," October 1999, accessed August 2012.
- ❖ Centers for Disease Control and Prevention, NIOSH Science Blog, "[Safer and Healthier at Any Age: Strategies for an Aging Workforce](#)," July 2012, accessed August 2012.
- ❖ Centers for Disease Control and Prevention, "[Nonfatal Occupational Injuries and Illnesses Among Older Workers](#)," April 2011, accessed August 2012.
- ❖ Centers for Disease Control and Prevention, "[Older Employees in the Workplace](#)," July 2012, accessed August 2012.
- ❖ Centers for Disease Control and Prevention, "[Stress...At Work](#)," 1999, accessed August 2012.
- ❖ Maxon, Rebecca, Fairleigh Dickinson University, "[Stress in the Workplace: A Costly Epidemic](#)," 1999, accessed August 2012.
- ❖ Root, Norman, "[Injuries at Work Are Fewer Among Older Employees](#)," March 1981, accessed August 2012.

Appendix D

Relative Compensable Claims Rates By DSHS And DOC Affiliated Institutions

Employer	5-Year Claims	5-Year Headcount	% from Population Studied
DSHS Residential Habilitation Center	1,399	13,195	193.08%
DSHS Mental Health Hospitals & Institutions	1,270	16,435	125.49%
DSHS State Operated Living Alternatives (SOLA)	104	1,157	43.25%
Veteran's Home	205	3,432	36.08%
Corrections	1,017	32,155	29.22%
DSHS Juvenile Rehabilitation Administration	155	4,080	15.93%
Corrections Health Services	48	1,432	7.10%
DSHS DDD Field Services	22	1,830	(0.95%)
DSHS All Other	416	55,442	(9.39%)

See page 12 in the **Findings section for a detailed discussion on limitations with the compensable claims data.*

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Appendix E

Relative Compensable Claims Rates By Occupation

Job Classification	Employer(s)	5-Year Claims	5-Year Headcount	% from Pop. Studied
ATTENDANT COUNSELOR	DSHS: Institutions	1,012	7,095	217.99%
MENTAL HEALTH TECHNICIAN	DSHS: Child Study & Treatment Center, State hospitals, Institutions, Special Commitment Center; Corrections: Health Services; Dept. of Veteran's Affairs	345	2,395	128.51%
Service Worker	School Districts	2,343	40,987	107.16%
LICENSED PRACTICAL NURSE	DSHS: Child Study & Treatment Center, State hospitals, Institutions, Special Commitment Center; Corrections: Health Services; Dept. of Veteran's Affairs	236	2,553	63.49%
NURSING ASSISTANT	DSHS: Child Study & Treatment Center, Institutions, Special Commitment Center; Corrections: Health Services; Dept. of Veteran's Affairs	92	703	59.07%
PSYCHIATRIC SECURITY ATTENDANT	DSHS: State Hospitals	110	926	57.82%
PSYCHIATRIC CHILD CARE COUNSELOR	DSHS: Child Study & Treatment Center	58	395	53.19%
Crafts / Trades	School Districts	455	7,882	47.79%
ATTENDANT COUNSELOR TRAINEE	DSHS: Institutions	88	867	43.14%
Laborer	School Districts	91	925	42.77%
PSERS Consolidation	Corrections, Liquor Control Board, WSP, Gambling Commission, Parks & Rec, DNR	1,120	28,408	41.90%
REGISTERED NURSE	DSHS: Child Study & Treatment Center, Institutions, State hospitals; Corrections: Health Services; Dept. of Veteran's Affairs	265	4,196	41.20%
CUSTODIAN	GA, DSHS, Military Dept., Parks & Rec, L&I, WSP, DOT, Dept. of Veteran's Affairs,	149	1,965	39.14%
ADULT TRAINING SPECIALIST	DSHS: Institutions, SCC, State hospitals	78	856	35.44%
NURSING ASSISTANT - CERTIFIED	Corrections, Dept. of Veteran's Affairs, DSHS: SCC	36	319	31.46%
FOOD SERVICE WORKER	DSHS: Child Study & Treatment Center, State hospitals, Institutions, SCC; Dept. of Veteran's Affairs	58	636	30.71%

Job Classification	Employer(s)	5-Year Claims	5-Year Headcount	% from Pop. Studied
PSYCHIATRIC SECURITY NURSE	DSHS: State Hospitals	41	392	30.44%
TRUCK DRIVER	CSS, Corrections, DSHS, GA, DIS, L&I, DNR, Parks, DOT, Dept. of Veteran's Affairs	64	743	30.04%
Operator	School Districts	641	16,795	29.99%
INSTITUTION COUNSELOR	DSHS: Institutions, State hospitals, SCC	53	615	27.11%
LAUNDRY WORKER	CSS; DSHS: Institutions; Dept. of Veteran's Affairs	37	377	27.03%
RESIDENTIAL REHABILITATION COUNSELOR	DSHS: Child Study & Treatment Center, Institutions, State hospitals, SCC; Corrections	78	1,260	21.74%
MAINTENANCE TECHNICIAN	DOT, GA, DNR	151	3,092	21.67%
RETAIL ASSISTANT MANAGER	LCB	56	808	21.49%
MAINTENANCE MECHANIC	ATG, DSHS, CSS, Corrections, DFW, GA, DOH, Historical Society, DIS, L&I, DOL, LCB, Military, DNR, Parks, Dept. of Veteran's Affairs, WSP, DOT	98	1,747	21.35%
LIQUOR STORE CLERK	LCB	105	1,945	20.85%
COOK	DSHS: Child Study & Treatment Center, State hospitals, Institutions, SCC; Corrections; Military Dept.; Dept. of Veteran's Affairs, WSP	56	838	20.71%
COOK, AC	Corrections	57	1,011	16.39%
FOOD SERVICE AIDE	DSHS: State Hospitals, Child Study & Treatment Center, Institutions; Dept. of Veteran's Affairs	24	322	15.23%
EQUIPMENT OPERATOR	CSS, DFW, GA, DNR, Parks, DOT	17	202	15.19%
CONSTRUCTION & MAINTENANCE PROJ SPEC	CJTC, Military Dept., Parks	13	142	14.67%
CONSTRUCTION & MAINTENANCE PROJECT LEAD	Historical Society, Military Dept., Parks	13	139	14.17%
JUVENILE REHABILITATION COUNSELOR ASST	DSHS: Child Study & Treatment Center, Institutions; Corrections	31	519	12.88%
REST AREA ATTENDANT - TRANSPORTATION	DOT	17	224	12.61%
CARPENTER	CSS; DSHS: Institutions, State hospitals; DFW, GA, DNR, Dept. of Veteran's Affairs, DOT	13	171	11.67%
ELECTRICIAN	CSS; Ferries; DSHS: Institutions, State hospitals; DFW, GA, LCB, Military Dept., Dept. of Veteran's Affairs,	17	242	11.42%
MAINTENANCE TECHNICIAN , BRIDGE	DOT	17	246	11.16%

Job Classification	Employer(s)	5-Year Claims	5-Year Headcount	% from Pop. Studied
RETAIL MANAGER	LCB	41	841	10.99%
MAINTENANCE LEAD TECHNICIAN	DOT	46	1,054	9.81%
EQUIPMENT TECHNICIAN	CSS; Corrections; Ecology; DSHS: Institutions, State hospitals; DFW; GA; DNR; Parks; WSP; DOT	34	741	9.34%
TICKET SELLER/A	Ferries	26	532	9.00%
CONSTRUCTION & MAINTENANCE PROJECT SUPV	Corrections; DFW; Parks; DSHS: SCC; GA; Military; Parks, DNR	14	250	8.04%
AGRICULTURAL INSPECTOR	Dept. of Agriculture	29	692	7.46%
TERM ATTD/WATCH	Ferries	20	435	6.82%
JUVENILE REHABILITATION SUPERVISOR	DSHS: Institutions	11	193	6.68%
JUVENILE REHABILITATION SECURITY OFR	DSHS: Institutions	43	1,240	6.45%
JUVENILE REHABILITATION RESIDENT CNSLR	DSHS: Institutions	38	1,082	6.21%
GROUNDS & NURSERY SERVICES SPECIALIST	CSS; Corrections; Ecology; DSHS: Institutions, SCC, State Hospitals; GA; Military Dept.; Parks; DVA; WSP; DOT	16	377	5.90%
RECREATION & ATHLETICS SPECIALIST	DSHS: Child Study & Treatment Center, Hospitals, Institutions, SCC; DOC; DVA	21	533	5.43%
FISH HATCHERY SPECIALIST	DFW	34	1,064	5.06%
WAREHOUSE OPERATOR	CSS; DOC; DOE; ESD; DSHS; DFW; GA; HCA; DOH; DIS; DOL; LCB; Lottery; DNR; DOR; SOS; WSP; DOT	40	1,269	5.05%
DENTAL ASSISTANT	DOC; DSHS: Institutions, Hospitals	8	170	4.71%
SAFETY & HEALTH SPECIALIST	L&I	25	777	4.30%
LT	DOC	13	356	4.17%
MAINTENANCE SPECIALIST	GA; LCB; Military Dept.; Parks; DOT	11	285	4.01%
TRANSPORTATION SYSTEMS TECHNICIAN B	DOT	8	193	3.86%
ON-CALL TERMINAL	Ferries	18	549	3.79%
RECREATION THERAPIST	DSHS: Child Study & Treatment Center, Institutions, Hospitals, SCC	6	156	2.94%
PARK RANGER	Parks	13	434	2.83%
ELECTRICIAN SUPERVISOR	CSS; DOC; DSHS: Institutions, SCC, Hospitals	6	151	2.56%
CORRECTIONS SPECIALIST	DOC	18	653	2.50%

Job Classification	Employer(s)	5-Year Claims	5-Year Headcount	% from Pop. Studied
ATTENDANT COUNSELOR MANAGER	DSHS: Institutions	12	408	2.46%
WSP TROOPER CADET	WSP	10	312	2.36%
FOREST CREW SUPERVISOR, CORR FACILITIES	DNR	7	203	2.18%
STATIONARY ENGINEER	CSS; DOC; DSHS: Institutions, SCC, Hospitals; GA; DVA	12	450	1.70%
EQUIPMENT TECHNICIAN SUPERVISOR	CSS; DNR; Parks; WSP; DOT, DSHS: Hospitals	5	147	1.64%
LIQUOR ENFORCEMENT OFFICER	LCB	5	169	1.60%
APPRENTICE - WORKERS' COMPENSATION ADJ	L&I	8	299	1.59%
COMMERCIAL VEHICLE ENFORCEMENT OFFICER	WSP	7	267	1.41%
CONSTRUCTION & MAINTENANCE SUPT	DFW; GA; Military Dept.; Parks; DSHS; WSP	4	144	1.24%
ENGINEERING AIDE	DOC; DFW; Military; DNR; Parks; WSP	5	192	1.17%
FORMS & RECORDS ANALYST	ATG; SAO; DSHS: Child Study & Treatment Center, Hospitals, Institutions, SCC; DOC Health Svcs, DOE; ESD; Gambling; GA; OIC; L&I; DOL; Lottery; DNR; DOR; WSP; OSPI; DOT; DVA	15	685	1.17%
EQUIPMENT TECHNICIAN LEAD	ATG; CSS; DOC; DOE; GA, DNR; DOT	7	264	1.14%
PARK AIDE	Parks	15	696	1.10%
NATURAL RESOURCES TECHNICIAN	DFW; DNR	6	222	1.07%
SECURITY GUARD	DSHS: Hospitals, Institutions; Military Dept.; Historical Society	9	385	1.05%
CORRECTIONS MENTAL HEALTH CNSLR - TEAM	DOC: Health Svcs,	5	214	0.85%
LOTTERY DISTRICT SALES REPRESENTATIVE	Lottery	4	168	0.82%
SCIENTIFIC TECHNICIAN	DFW; DNR	31	1,645	0.76%
MAINTENANCE SUPERVISOR	CSS; DOT	9	404	0.74%
ELECTRICAL CONSTRUCTION INSPECTOR	DFW; L&I	10	485	0.74%

Job Classification	Employer(s)	5-Year Claims	5-Year Headcount	% from Pop. Studied
NATURAL RESOURCE WORKER	DNR	9	427	0.69%
LICENSING SERVICES REPRESENTATIVE	DOL	33	1,781	0.68%
OCCUPATIONAL THERAPIST	DSHS: Hospitals, Institutions	5	205	0.65%
RESIDENTIAL SERVICES COORDINATOR	DSHS: Institutions	5	205	0.65%
MEDICAL TREATMENT ADJUDICATOR	L&I	6	286	0.61%
PSYCHIATRIC SOCIAL WORKER	DSHS: Child Study & Treatment Center, Hospitals, Institutions; DOC: Helath Svcs; DVA	10	521	0.60%
WORKERS' COMPENSATION ADJUDICATOR	L&I	32	1,776	0.52%
TRANSPORTATION SYSTEMS TECHNICIAN C	DOT	7	327	0.49%
INDUSTRIAL INSUR UNDERWRITER	L&I	7	332	0.45%
SECRETARY LEAD	Dept. of Agriculture; Arch-Hist Preservation; ATO; SAO; DOC, DOE, DFI, DFW, DOH, Horse Racing Comm.; Housing Finance Comm.; HRC; L&I; Lottery; Military; DNR; DSHS; WSP; DOT	6	285	0.38%
IND SPEC	DOC	4	202	0.37%
INDUSTRIAL INSUR COMPENSATION UNIT SUPV	L&I	4	208	0.32%
FOOD SERVICE MANAGER	DSHS: Child Study & Treatment Center, SCC, Institutions, Hospitals; DOC; WSP, DVA	3	158	0.25%
CORRECTIONAL HEALTH CARE SPECIALIST	DOC: Health Svcs,	3	160	0.23%
PLANT MANAGER	DOC; DSHS: Institutions, Hospitals; DVA	3	164	0.18%
COMMERCIAL VEHICLE OFFICER	WSP	3	168	0.15%
PHARMACY TECHNICIAN	DOC; DSHS: Hospitals, Institutions; DVA	4	210	0.03%
OFFICE MANAGER	PERC; DSHS; WSP; WSIB	6	350	0.03%
CONSTRUCTION COMPLIANCE INSPECTOR	L&I	3	182	0.02%

*See page 12 in the **Findings** section for a detailed discussion on limitations with the compensable claims data.

**All occupations listed have compensable claims rates above the general population, of the population studied. For a detailed list of all 300 occupations, please contact OSA: state.actuary@leg.wa.gov

Attachment A

11 NEW SECTION. **Sec. 8.** The select committee on pension policy, with
12 the assistance of the department of labor and industries, shall study
13 the issue of risk classifications of employees in the Washington state
14 retirement systems that entail either high degrees of physical or
15 psychological risk to the members' own safety or unusually high
16 physical requirements that result in elevated risks of injury or
17 disablement for older employees. The select committee on pension
18 policy, with the assistance of the office of the superintendent of
19 public instruction, shall also study existing early retirement factors
20 and job requirements that may limit the effectiveness of the older
21 classroom employee. The study shall identify groups and evaluate them
22 for inclusion in the public safety employees' retirement system or the
23 creation of other early retirement factors in the teachers' or school
24 employees' retirement systems. The select committee on pension policy
25 shall report the findings and recommendations of its study to the
26 legislative fiscal committees by no later than December 15, 2012.

Passed by the Senate April 10, 2012.

Passed by the House April 10, 2012.

Approved by the Governor May 2, 2012.

Filed in Office of Secretary of State May 2, 2012.