



WASHINGTON STATE PATROL TROOPERS ASSOCIATION

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July 23, 2012

Senator Steve Conway, Chair
Select Committee on Pension Policy
P.O. Box 40914
Olympia, WA 98504-0914

Re: SCPP rate recommendation on WSPRS rates

Dear Senator Conway:

I am writing to comment on an item on the upcoming SCPP agenda. The committee is due to adopt recommendations on contribution rates for 2013-15 for all systems, including WSPRS. The actuary's report indicates that, due to phasing in of the new interest rate assumption, WSPRS rates could drop next biennium before going back up. While this is permissible, the Troopers Association does not believe it is advisable.

The last decade of pension rate history has taught us all the importance of stable pension rates. It is important for system funding, and it is important for employee planning. Changing rates changes paychecks.

I brought this rate issue to the Troopers Association Board and they agreed with me that it is better to stay the course and keep WSPRS rates where they are, rather than dropping them next biennium only to raise them again the biennium after that. We are asking the SCPP to recommend to the PFC that WSPRS employer and employee rates remain the same for 2013-2015.

It is important that the Committee apply the same policy to both employer and employee rates. But if the Committee decides to lower the employer rate, then fairness demands the employee rate follow suit. Again, that is not our preference, but it is your decision.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Joe Hill".

Washington State Patrol Troopers' Association, President