



Retired Firefighters of Washington

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RECEIVED

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Office of
The State Actuary

Richard C. Warbrouck
President

November 14, 2012

The Honorable Senator Steve Conway
Chair, Select Committee on Pension Policy
8121 S. Park Ave
Tacoma, WA 98408

The Honorable Representative Barbara Bailey
Vice Chair, Select Committee on Pension Policy
PO Box 374
Oak Harbor, WA 98277

Mr. Matt Smith, State Actuary
Office of the State Actuary
PO Box 40914
Olympia, WA 98504-0914

Dear Senator Conway, Representative Bailey and Mr. Smith,

I want to apologize for this late request. I would like the opportunity to make a brief introduction of an idea to the SCPP Committee during the Committee's November meeting. If time permits I could answer questions and maybe partake in a brief discussion.

The Department of Retirement Systems, the Select Committee on Pension Policy and the member representatives are all interested in the quality of life after retirement. We all want to provide a comfortable standard of living for our retirees and reduce the dependence on the pension system. Currently the state

employees who participate in the deferred comp program invested by the State Investment Board can no longer participate after retirement. They can maintain their account but they can no longer make any deposits into the account. Other employees who qualify for a state pension and who are employed by local governments are not eligible to participate in the deferred comp program.

I would like to briefly discuss the possibility of developing a program to allow all retired members of the state retirement systems to open or rollover an existing IRA, Roth IRA or similar account to be managed by the Department of Retirement Systems and invested by the State investment Board. There would be an additional advantage if the retirees could have an option to deduct a portion of their retirement check to be deposited into their IRA, Roth IRA, 401K or 501 accounts. The account would have to comply with the current taxing requirements for, Ira, Roth IRA and similar accounts managed by other financial institutions. It would certainly be to our advantage if we could capitalize on the professional management of the State Investment Board and gain access to investments that are not now available to private individuals and many financial institutions.

I only want to discuss this subject in general and do not expect any answers at this time. If there is enough interest, this issue could be studied during the interim. There may be issues that will have to be addressed by the IRS and we may have to contact our Representatives in Washington D.C. for assistance. I discussed this proposal very briefly at the November meeting of the Pension Advisory Committee. It has been placed on their April 2013 meeting agenda. The investment accounts could be self directed or invested as part of the comingled trust fund. We, as members of the State's Retirement Systems, would all benefit if such a plan can be developed.

I want to thank you in advance for your consideration of this request.

A handwritten signature in cursive script that reads "R.C. Warbrouck".

Richard C. Warbrouck