



Select Committee on Pension Policy

Update On PFC Rate Adoption

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What Did The SCPP Recommend?

- Adoption of the findings of the *2013 Actuarial Valuation Report (AVR)* and *2007-2012 Demographic Experience Study*
 - Includes changing the mortality improvement assumption to 100 percent of Scale BB
- Recommendation did not include specific rates or a phase-in



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What Rates Did The PFC Adopt?

- Adoption of 2013 AVR and 2007-2012 Demographic Experience Study results, including changing the mortality improvement assumption to 100 percent of Scale BB
- Three biennia phase-in of rates
 - 2015-17 rates adopted
 - Future biennia to follow normal contribution rate setting cycle
 - Allows time to manage budget impacts but does not fully prefund expected costs to the system under current funding policy

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Adopted Rates Subject To Revision By The Legislature*

	Current Rates		2015-2017 Rates	
	Employer	Plan 2 Member	Employer	Plan 2 Member
PERS	9.03	4.92	11.00	6.12
LEOFF 1	0.00	n/a	0.00	n/a
WSPRS	7.91	6.59	8.01	6.69
PSERS	10.36	6.36	11.36	6.59
TRS	10.21	4.96	12.95	5.95
SERS	9.64	4.64	11.40	5.63

*Excludes administrative fee of 0.18%.

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2015-17 Budget Impacts Smaller Under Phase-In Approach*

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Comparison Of Best Estimate and Phased-In 2015-17 Budget Impacts		
(Dollars in Millions)	Total Without Phase-In	Total With Phase-In
General Fund	\$482	\$299
Non-General Fund	\$196	\$118
Total State	\$678	\$417
Local Government	\$556	\$338
Total Employer	\$1,233	\$755

**Impacts reflect the difference between current contribution rates and rates from the preliminary 2013 AVR only.*