AGENDA

Pension Funding Council

Agenda:

I. State Actuary's final report on the pension experience study and actuarial valuation.

II. Report of the actuarial auditors.

III. Adopt pension rates.
COMMITTEE ON
Pension Funding Council

DATE: July 22, 2008              TIME: 2:30pm-3:30pm              LOCATION: SHR 2

The meeting was called to order at 2:34 pm by Victor Moore, OFM.

Members present: Representative Alexander, Representative Sommers, Victor Moore, Senator Prentice and Sandy Matheson (via teleconference).

WORK SESSION:
2:35
State Actuary's final report on the pension experience study and actuarial valuation.
Matt Smith, State Actuary
Chris Jafferson, Office of the State Actuary

2:38
Questions from members

2:51
Report of the actuarial auditors.
Marilyn Oliver, Manager of Audit, Vice President & Actuary, Bartel Associates, LLC.
John Bartel, Peer Review, President, Bartel Associates, LLC.

2:55
Questions from members

2:57
Adoption of pension rates.
Chair proceeds with motions for adoption of pension rates
Motion B is adopted

MEETING ADJOURNED: 2:58 pm
MINUTES SUBMITTED BY: Devon Nichols

AN AUDIO RECORDING OF THE MEETING AND WRITTEN TESTIMONY
SUBMITTED ARE ON FILE WITH THE COMMITTEE.
Motion B

2009-11 Basic Pension Contribution Rates -- OSA
Recommended Assumptions

(Including Mortality Improvement and 4.25 General Salary Assumptions)

1. The following pension contribution rates (Attachment A of OSA memo of July 21, 2008) take effect on the dates indicated:

   Percent of Member Pay

<table>
<thead>
<tr>
<th></th>
<th>Employer</th>
<th>Plan 2</th>
<th>Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective July 1, 2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Employees' Retirement System</td>
<td>7.84</td>
<td>4.61</td>
<td></td>
</tr>
<tr>
<td>Law Enforcement Officers' and Firefighters' Retirement System Plan 1</td>
<td>0.00</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Washington State Patrol Retirement System</td>
<td>8.57</td>
<td>6.95</td>
<td></td>
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<tr>
<td>Public Safety Employees' Retirement System</td>
<td>10.06</td>
<td>6.94</td>
<td></td>
</tr>
</tbody>
</table>

   Effective September 1, 2009
   Teachers' Retirement System          10.79     4.93
   School Employees' Retirement System   8.12      4.00

   (These rates do not include the DRS administrative fee.)

2. Further, the members of the Pension Funding Work Group are directed to work with the Office of the State Actuary on legislation to revise the General Salary Assumption from 4.50% to 4.25%. Until such legislation is enacted, the Office of the State Actuary may offset the assumption for service-related salary increases by negative 0.25%.

Recommendation – Majority

X  Adopt

Do not adopt

Representative Gary Alexander

Sandra Matheson

Victor Moore

Margarita Prentice

Representative Helen Sommers

Senator Joseph Zarelli
July 15, 2008

TO: Pension Funding Council Members
    Senator Margarita Prentice, Chair Ways and Means Committee
    Senator Joseph Zarelli, Ranking Minority Member Ways and Means Committee
    Representative Helen Sommers, Chair Appropriations Committee
    Representative Gary Alexander, Ranking Minority Member, Appropriations Committee
    Ms. Sandra Matheson, Director Department of Retirement Systems
    Mr. Victor Moore, Director Office of Financial Management

FROM: Senator Mark Schoesler, Chair Select Committee on Pension Policy
      Representative Steve Conway, Vice-Chair Select Committee on Pension Policy

SUBJECT: SELECT COMMITTEE ON PENSION POLICY RECOMMENDATION ON 2009-11 PENSION CONTRIBUTION RATES

The Select Committee on Pension Policy recommends that the Pension Funding Council adopt the State Actuary’s recommended contribution rates for the 2009-2011 biennium with projected mortality improvements, using the general salary increase assumption of 4.25 percent. The SCPP will recommend legislation for 2009 that reduces the salary growth assumption in RCW 41.45.035(b) from 4.5 to 4.25 percent.