

# Select Committee on Pension Policy

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## TO: PENSION FUNDING COUNCIL MEMBERS

Ms. Marcie Frost, Chair,  
Pension Funding Council  
Senator Andy Hill, Chair,  
Senate Ways and Means Committee  
Senator Jim Hargrove, Ranking Minority Member,  
Senate Ways and Means Committee  
Representative Ross Hunter, Chair,  
House Ways and Means Committee  
Representative Bruce Chandler, Ranking Minority Member,  
House Ways and Means Committee  
Mr. David Schumacher, Director,  
Office of Financial Management

**FROM:** Senator Barbara Bailey, Chair  
Select Committee on Pension Policy  
Representative Timm Ormsby, Vice Chair  
Select Committee on Pension Policy

## SUBJECT: SELECT COMMITTEE ON PENSION POLICY RECOMMENDATION ON 2015-17 BIENNIUM PENSION CONTRIBUTION RATES

Pursuant to RCW 41.04.281(4), the Select Committee on Pension Policy (SCPP) hereby recommends that the Pension Funding Council (PFC) adopt the findings of the *2013 Actuarial Valuation Report* and the *2007-2012 Demographic Experience Study*.

The SCPP supports full funding of the Washington State retirement systems. Adopting these findings—including assumptions for future mortality improvements—supports full funding and the long term financial soundness of the retirement systems by recognizing the expected future costs of the retirement systems. However, adopting the findings also requires a significant financial commitment from employers and Plan 2 members that may be unaffordable in the short-term and require careful management.

At this time, the SCPP is not recommending specific contribution rates for the 2015-17 Biennium. This is due to concerns over the

**\*Senator Barbara Bailey, Chair**

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**\*Eugene Forrester**  
*TRS Retirees*

**\*Marcie Frost, Director**  
*Department of Retirement Systems*

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short-term affordability of the preliminary rates calculated by the State Actuary, the limited time available to the SCPP to consider alternatives, and uncertainty around the future budget outlook. However, the SCPP intends to revisit contribution rates in the fall and may develop additional options or a specific proposal for the Legislature to consider during the 2015 Session.

Sincerely,



Senator Barbara Bailey  
Chair



Representative Timm Ormsby  
Vice Chair