



## Office of the State Actuary

*“Supporting financial security for generations.”*

### Letter of Introduction and Actuarial Certification Actuarial Valuation Report As of June 30, 2022

August 2023

This report documents the results of an actuarial valuation of the following Washington State retirement systems.

- ❖ Public Employees’ Retirement System (PERS).
- ❖ Teachers’ Retirement System (TRS).
- ❖ School Employees’ Retirement System (SERS).
- ❖ Public Safety Employees’ Retirement System (PSERS).
- ❖ Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF).
- ❖ Washington State Patrol Retirement System (WSPRS).

The purpose of this valuation is to provide an update on the funding progress of the systems listed above based on a June 30, 2022, valuation/measurement date. This report represents a “non-rate setting” valuation, meaning we do not provide calculated contribution rates for the systems. Instead, we update key plan funding measures and reflect material developments in the plan over the past year. This report should not be used for other purposes and is not intended to satisfy the accounting requirements under the Governmental Accounting Standards Board rules. Please replace this report with a more recent report when available.

This report is organized in the following sections:

1. Summary of Key Results.
2. Actuarial Exhibits.
3. Participant Data.
4. Actuarial Assumptions and Methods.
5. Resource.

The **Summary of Key Results** provides a high-level summary of the valuation results for all systems combined including commentary on risk, funding policy, and key plan provisions. The **Actuarial Exhibits** provide detailed actuarial asset and liability information by retirement system. The **Participant Data** section provides key metrics of the participant data for each retirement system such as headcounts, average benefits, and average salary. **Actuarial Assumptions and Methods** contains principal actuarial assumptions and methods used in this valuation. The **Resource** section outlines additional supplemental information found on our website.

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For all plans except for LEOFF 2, the economic assumptions used in this valuation were prescribed by the Pension Funding Council (PFC) and are subject to revision by the Legislature. For LEOFF 2, the economic assumptions are prescribed by the LEOFF 2 Retirement Board. Please see our [2021 Economic Experience Study](#) (EES) for further information. We developed the demographic assumptions used in this valuation during the [2013-2018 Demographic Experience Study](#). The Legislature prescribed the actuarial cost and asset valuation methods. In our opinion, all data, methods, assumptions, and calculations are reasonable for the purposes of this measurement and are in conformity with generally accepted actuarial principles and standards of practice as of the date of this publication. The use of different data, methods, or assumptions could also be reasonable and could produce materially different results.

The Department of Retirement Systems (DRS) provided us with audited member and beneficiary data. We checked the data for reasonableness based on the purpose of the valuation. The Washington State Investment Board (WSIB) and DRS provided audited financial and asset information. We relied on all the information provided as complete and accurate; however, we did make adjustments (noted in the report) to reflect certain material changes occurring after the June 30, 2022, measurement date.

Future actuarial measurements may differ significantly from the current measurements presented in this report if plan experience differs from that anticipated by the assumptions, or if changes occur in the methods, assumptions, plan provisions, or applicable law. The Risk Assessment [page](#) of our website provides information to help readers assess the financial risks to the pension systems from unexpected experience. The Commentary on Risk [page](#) of our website provides additional risk education.

The undersigned, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. While this report is intended to be complete, we are available to offer extra advice and explanations as needed. We encourage you to submit any questions you might have concerning this report to our mailing address or email address at [state.actuary@leg.wa.gov](mailto:state.actuary@leg.wa.gov).

Sincerely,



Matthew M. Smith, FCA, EA, MAAA  
State Actuary



Kyle Stineman, ASA, MAAA  
Actuary