

Update from the Office of the State Actuary

*Presentation to
DRS Advisory Committee*

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Today's Presentation

- OSA update
- 2023 AVR highlights
- SCPP update
- Demographic Experience Study ("DEXTER") next year

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OSA Update

- No recent employee turnover
- New team member hired in January
- 19 FTEs (no current vacancies)
 - With 12.3 average years of service at OSA
 - Median value of 10.6 years
 - Three team members with 25+ years of service
- Three additional team members attained their actuarial credentials

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2023 AVR Highlights

- Point-in-time measurement of plan health and funding progress
 - Brings together membership data, assets, plan provisions, funding policy, assumptions, and methods
 - Collaboration amongst multiple agencies/parties
 - Performed each year for DRS plans
 - Supports contribution rate process in even-numbered years
 - Applied in our pricings, projections, and financial reporting
- Results as of June 30, 2023
 - Always a one-year delay
- Report available [here](#)

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Participant Data

June 30, 2023	
Active Members	
Number	352,278
Average Annual Salary	\$83,812
Average Age	45.8
Average Service	10.3
Retirees and Beneficiaries	
Number	224,021
Average Annual Benefit	\$26,742
Terminated Members	
Number Vested	71,888
Number Non-Vested	172,849

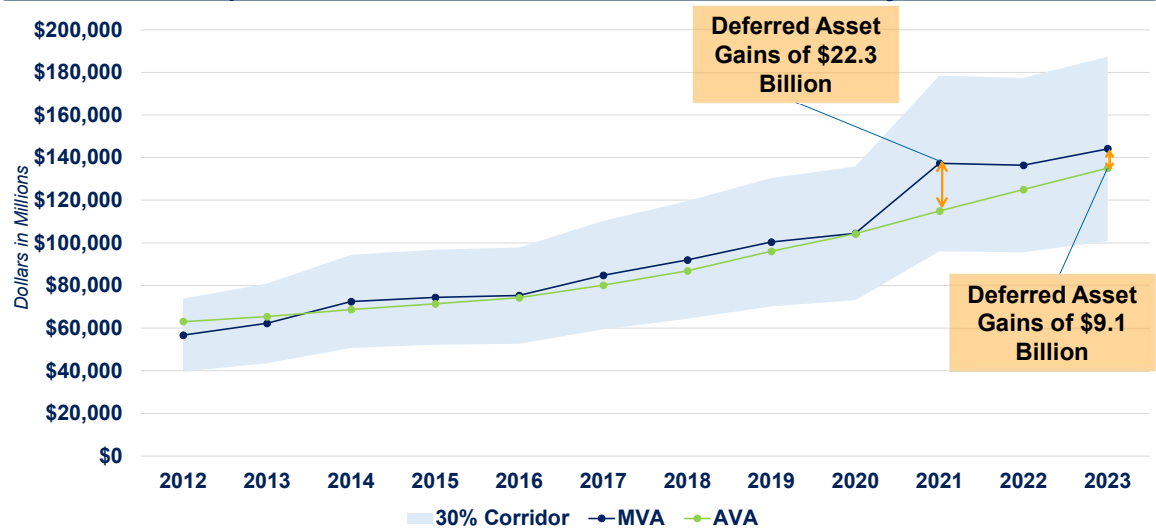
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Market Value and Actuarial Value of Assets Comparison — All Retirement Systems



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Funded Ratio (or Funded Status)

- Funded ratio = **Actuarial Value of Assets** ÷ **Accrued Liability**
 - Provides measure of plan health
- Funded ratio > 100%
 - Plan has more assets than earned benefits
 - On track with systematic actuarial funding plan
 - Plan may still require regular contributions to stay on track
- Funded ratio < 100%
 - Plan needs additional assets to get it back on track to full funding

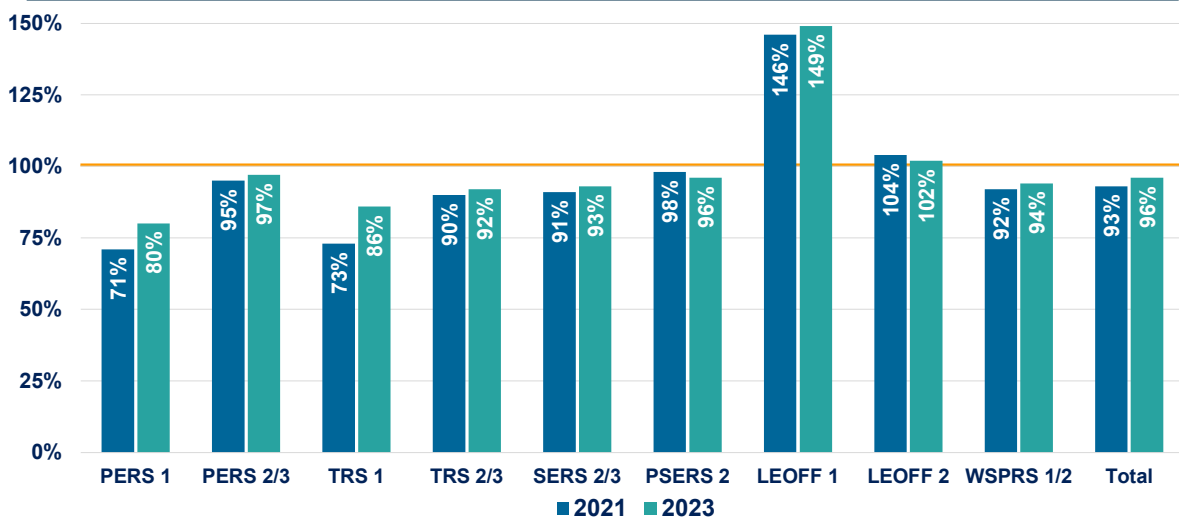
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Funded Ratio Comparison



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Total Employer Contribution Rates

System	Current FY25	Calculated from AVR	Adopted	
			FY26	FY27
PERS*	8.91%	8.62%	8.20%	7.20%
TRS*	9.66%	9.82%	9.26%	9.26%
SERS*	10.31%	9.97%	9.64%	8.64%
PSERS*	9.31%	9.76%	9.12%	8.12%
LEOFF**	8.53%	9.43%	8.53%	8.53%
WSPRS	17.80%	21.72%	17.71%	17.71%

*Note: Excludes DRS administrative expense fee of 0.20%.
 *UAAL rates are 2.05% for PERS 1 and 1.10% for TRS 1.
 **No contributions required for LEOFF 1 when plan is fully funded.*

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Plan 2 Member Contribution Rates

System	Current FY 25	Calculated from AVR	Adopted 2025-27
PERS*	6.36%	6.57%	6.15%
TRS*	8.06%	8.65%	8.16%
SERS*	7.76%	7.92%	7.59%
PSERS	6.76%	7.71%	7.07%
LEOFF**	8.53%	9.43%	8.53%
WSPRS	8.75%	8.75%	8.75%

**Plan 1 members' contribution rate is statutorily set at 6.0%.
 Members in Plan 3 do not make contributions to their defined benefit.
 **No contributions required for LEOFF 1 when plan is fully funded.*

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SCPP Update

- In July, voted to sponsor the “Month of Death” bill
 - If enacted, DRS would no longer prorate benefits based on date of death
 - All recipients would get a full month of benefits regardless
- In November, voted to sponsor an ongoing Plans 2/3 style COLA for PERS 1 and TRS 1

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Looking Ahead: “DEXTER”

- Demographic experience study
- Conducted roughly every six years
- Helps inform assumption-setting by asking
 - How have member demographics changed over time?
 - How has reality compared with assumptions?
 - Reminder: OSA uses assumptions to measure things like plan assets and liabilities
- Some examples
 - At what age/service have members been retiring?
 - How have salaries changed?
 - How long are members living?

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Thank You

For questions, please contact
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