

Contributions to Retirement Systems

Current Law Budget

Request	\$61,930,000	
Net change from current biennium	\$54,196,013	Decrease
Percent change from current biennium	46.7%	Decrease

Contributions to Retirement Systems represents the direct state contributions to specific retirement system trust funds. While public employers and employees make most of the contributions to the retirement systems, as part of the payroll process, the Legislature also makes supplemental appropriations directly to specific systems, based upon data developed by the Office of the State Actuary.

Agency Level Summary

Operating Budget: Summary

2007-09 Appropriations	Appropriated Funds		Expenditures		
	Amount	Estimated Balance	2005-07 Actual	2007-09 Estimated	2009-11 Proposed
116,400,000	273,987	General Fund - Basic Account - State	86,333,371	116,126,013	61,930,000

Operating Budget: Change from Preceding Biennium

	2005-07 Actual		2007-09 Estimated		2009-11 Proposed	
	Amount	Percent	Amount	Percent	Amount	Percent
Total	31,885,020	58.6%	29,792,642	34.5%	(54,196,013)	(46.7)%

Contributions to Retirement Systems

Postretirement Adjustments Established After July 1, 1991 (Dollars in Millions)

	2005-07	2007-09	2009-11
PERS Plan 1	\$36.9	\$49.9	\$63.8
TRS Plan 1	\$24.7	\$34.9	\$44.3
WSPRS Plan 1	\$2.5	\$2.9	\$3.3
Total	\$64.1	\$87.7	\$111.4

PERS and TRS:

Chapter 345, Laws of 1995, Uniform COLA

Chapter 340, Laws of 1998, Gain-Sharing

Chapter 85, Laws of 2004, \$1,000 Minimum Benefit

Chapter 491, Laws of 2007, Repeal of Gain-Sharing

WSPRS

Chapter 74, Laws of 1999, Uniform COLA added to the survivor benefit

Chapter 329, Laws of 2001, 3% COLA for all retirees

Unfunded Actuarial Accrued Liability

Public Employees' Retirement System Plan 1 (PERS 1)

The results of the June 30, 2007 Actuarial Valuation of PERS 1 shows an Unfunded Actuarial Accrued Liability (UAAL) of \$3,609 million. The contribution rate necessary to amortize the UAAL as of June 30, 2024 as a level percentage of total compensation (includes SERS and PSERS compensation) is 3.12 percent. This is equivalent in 2009-11 to \$631 million for all PERS employers, of which \$328 million is state, and \$165 million is General Fund-State. These amounts are assumed to grow approximately 11 percent per biennium (with salary increases and increased PERS, SERS, and PSERS membership).

Teachers' Retirement System Plan 1 (TRS 1)

The results of the June 30, 2007 Actuarial Valuation of TRS 1 shows an Unfunded Actuarial Accrued Liability (UAAL) of \$2,288 million. The contribution rate necessary to amortize the UAAL as of June 30, 2024 as a level percentage of total TRS compensation is 5.09 percent. This is equivalent in 2009-11 to \$458 million for all TRS employers, of which \$304 million is state (all General Fund-State). These amounts are assumed to grow approximately 10 percent per biennium (with salary increases and increased TRS membership).

Law Enforcement Officers' and Firefighters' Retirement System Plan 1 (LEOFF 1)

The results of the June 30, 2007 Actuarial Valuation of LEOFF 1 indicated no Unfunded Actuarial Accrued Liability.

Plans 2/3 and the Washington State Patrol Retirement System (WSPRS)

Valuations of PERS 2/3, TRS 2/3, SERS 2/3 and WSPRS used the aggregate actuarial funding method, which does not develop an Unfunded Actuarial Accrued Liability.