

LEOFF Plan 2 Retirement Board
Summer 2006 Edition of *Dual Response*
Articles as of April 26, 2006

1. Message from the Chair

2. 2005 Legislature Passes Three Board Bills

- Catastrophic Disability Benefit (HB 2932)
- Survivor Health Care Insurance (SB 6723)
- \$150,000 Death Benefit (SHB 2933)

3. Interim Board Activities

- Strategic Planning
- Study Retiree Medical
- Study Alternate Revenue Sources to fund further benefit improvements, as opposed to increasing contribution rates.
- Adopt supplemental contribution rates, for 2006 Board bills, and rates for 2007-09.
- Work with Select Committee on Pension Policy (SCPP) for possible joint legislation on:
 - \$150K Death Benefit Inflation Adjustment
 - Dual Membership
 - Temporary Duty Disability

4. Member Survey Results

- Define survey objective
- Survey results
- Future surveys

5. Member Education – Did you Know?

- That approximately 4 out of 10 of workers, have not conducted a financial needs assessment for their retirement?
- That you can produce your own retirement estimate based on your personal data information on the DRS Web site?
- That you need to keep your beneficiary information up to date with DRS?

6. Agency Contact Info

7. Remaining 2006 Board Meetings Scheduled

8. Board Members

9. Mission, Values and Goals



WASHINGTON STATE LEGISLATURE
Office of the State Actuary

April 20, 2006

Mr. Steve Nelsen, Executive Director
LEOFF Plan 2 Retirement Board
P.O. Box 40918
Olympia, Washington 98504-0918

Dear Steve:

RE: 2006 SUPPLEMENTAL RATES

As required under RCW 41.45.070, we are forwarding preliminary LEOFF 2 supplemental rate increases, effective September 1, 2006, for the following bills that passed during the 2006 legislative session:

	Members	Employers	State
HB 2932 (C 39, L 06)	0.02%	0.01%	0.01%
SHB 2933 (C 351, L 06)	0.01%	0.01%	0.00%
SB 6723 (C 345, L 06)	<u>0.03%</u>	<u>0.02%</u>	<u>0.01%</u>
Total	0.06%	0.04%	0.02%

We have not identified any additional legislation that requires a supplemental rate increase for LEOFF 2 at this time.

With the passage of Initiative Measure No. 790 and the corresponding implementing legislation (SHB 2197, Chapter 92, Laws of 2003), the primary responsibility to calculate supplemental rate increases for LEOFF 2 rests with the LEOFF 2 Board. As a result, supplemental rates for LEOFF 2 are calculated by the actuary retained by the board and the state actuary through the process provided in RCW 41.26.720(1)(a).

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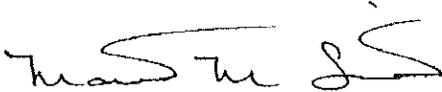
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As you recall, RCW 41.45.067(2) requires that DRS provide a thirty-day notice to affected employers prior to the effective date of any rate change. We have assumed that a September 1, 2006, effective date will provide sufficient time for the board to audit and adopt supplemental rates prior to the thirty-day notice period. The rates provided above are appropriate for an earlier effective date should the board adopt rates sooner.

Please feel free to contact me directly should you have any questions.

Sincerely,



Matthew M. Smith
State Actuary

cc: Sandra Matheson, Director
Department of Retirement Systems
Dave Nelsen
Department of Retirement Systemss