

Demographic Experience Study Timing

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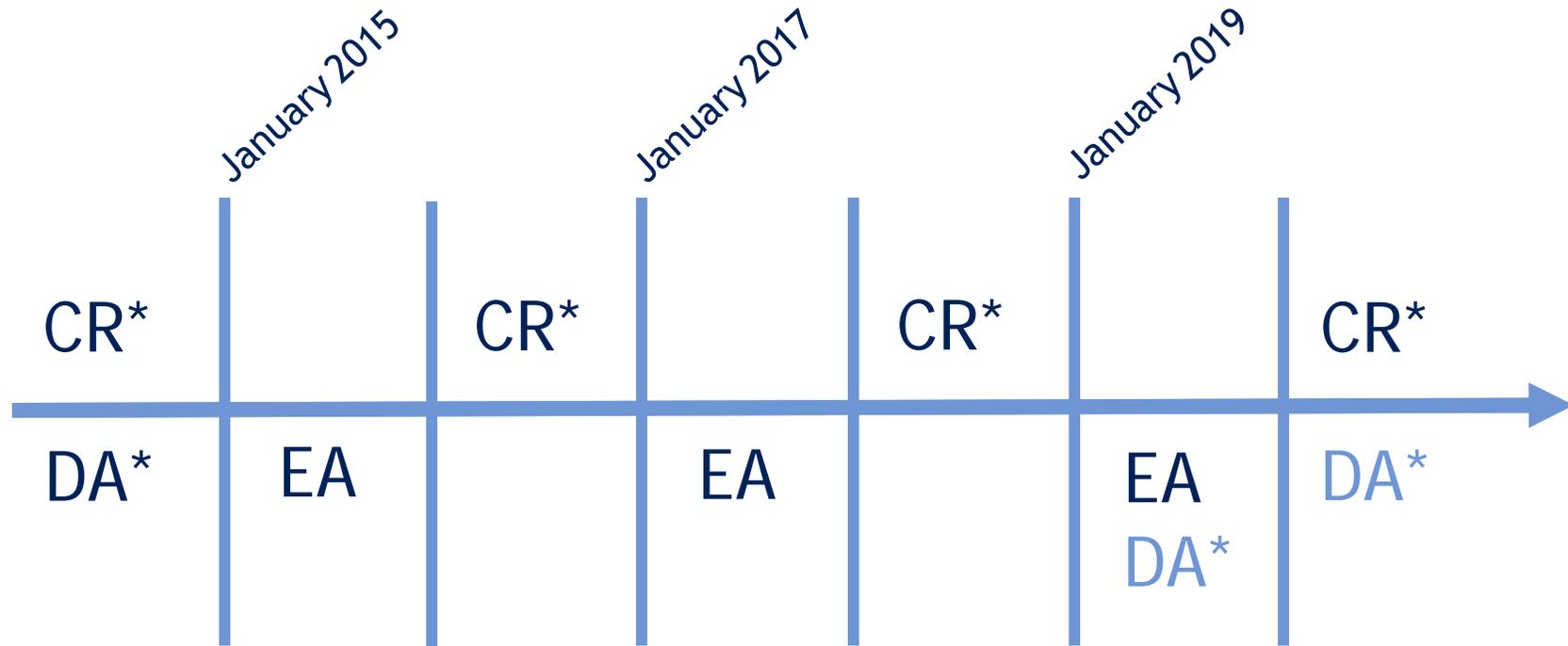
Office of the State Actuary
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June 24, 2015

Today's Presentation

- Overview of Board adoption for key actuarial processes
- Timing considerations for demographic assumptions
- No Board action required

Contribution Rate And Assumption Adoption



Legend:

- CR - Contribution Rates
- DA - Demographic Assumptions
- EA - Economic Assumptions
- *Audited by Outside Actuary

Adoption Processes In Statute

- Economic assumptions adopted every odd year
 - RCW 41.45.030 “Beginning September 1, 2007, and every two years thereafter, the state actuary shall...make recommendations regarding the long-term economic assumptions...”
- Contribution rates adopted every even year
 - RCW 41.45.0604 “Not later than July 31, 2008, and every even-numbered year thereafter, the LEOFF 2 retirement board shall adopt contribution rates for LEOFF 2...”

Timing Considerations For Adopting Demographic Assumptions

- No amendment is required to current statutes
 - RCW 41.26.720 “The board...shall adopt actuarial tables, assumptions, and cost methodologies in consultation with an enrolled actuary...”
 - RCW 41.45.090 “At least once in each six-year period, the state actuary shall conduct an actuarial experience study...of the members and beneficiaries...”
- Possible one-time adjustment to current six-year cycle
 - Next demographic experience study would be 2013-2017 (five years)
 - Subsequent study would be 2017-2022 (six years)
- Assumption changes reviewed/adopted in separate year from rate-setting
- Outside audit would occur off-cycle to the actuarial valuation audit

Questions?

