

Department of Retirement Systems

Year in Review

Marcie Frost, Director

LEOFF 2 Board

November 18, 2015



•Dollars Collected

- Members – \$1.1 B last FY
- Employers - \$1.6 B last FY

•Dollars Paid

- \$338 M in June 2015
- \$4.1 B last FY

•Team Members – 238

•Employers – 1,321

•Plan Members

- Active – 301,331
- Annuitants – 164,555
- Inactive – 241,276
- Total – 707,162

•Work Load

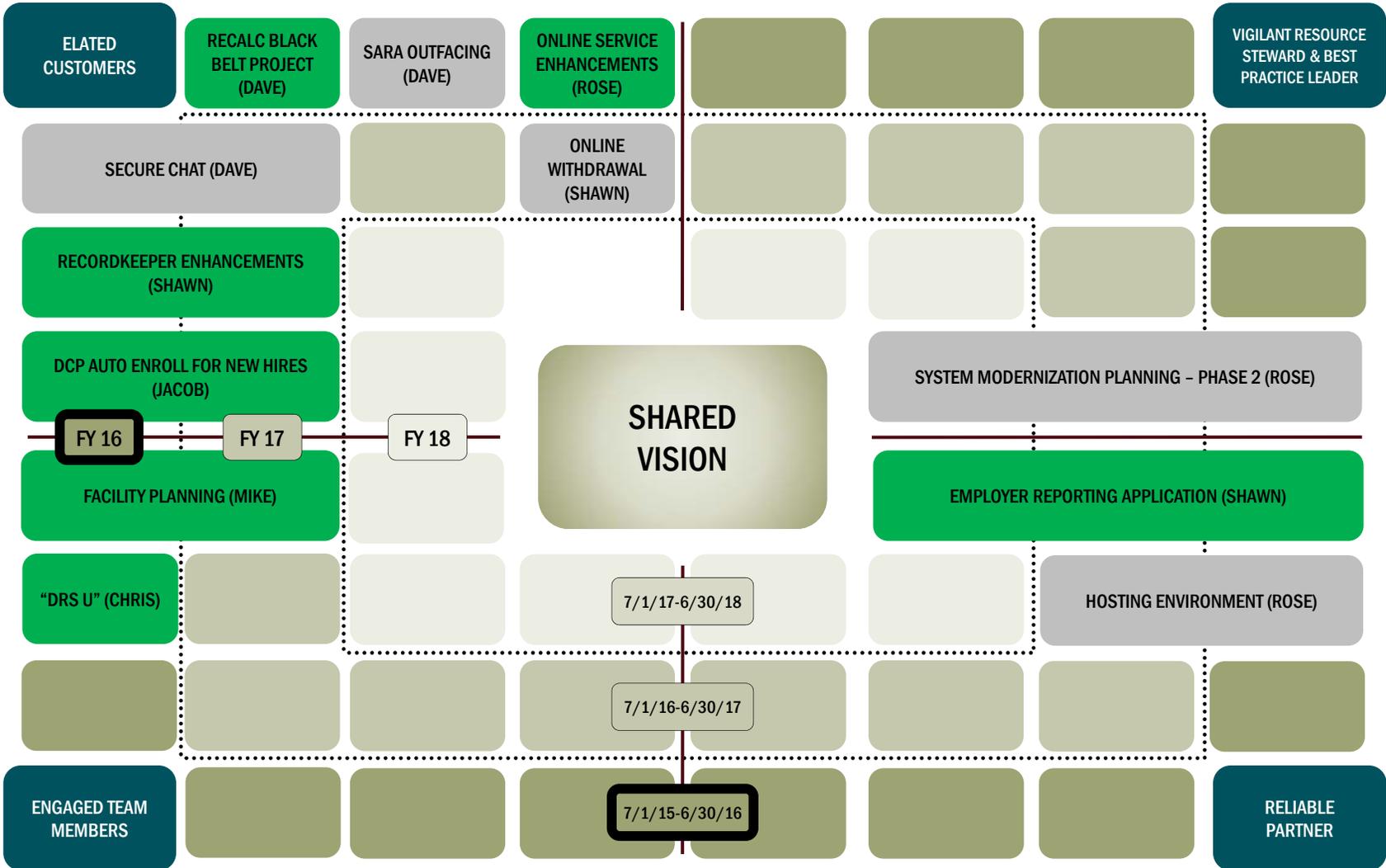
- Phone Calls – 117,000
- Walk-Ins – 6,224
- Emails – 17,000
- Estimates – 22,072
- Calculations – 11,127
- Recalculations – 5,198



DRS Stats as of June 2015

Annual cycle for strategic planning

- New initiatives or operational capability improvements
- Clarity to the organization about resource allocation/priorities
- Provides direction to the Project Management Division



2015-17 Strategic Initiatives

A year focused on operational excellence

- Customer satisfaction with high levels of team engagement
- Emphasis on connecting every team member into the management system
- High levels of self and team accountability
- Problem solving by everyone – common language
- Leadership that is supportive and engaged – facilitating style



DRS Perspective on Culture

O1-Customer Satisfaction (Dave)

		QTR10	QTR11	QTR12	QTR13
RESPECT	Valued Customer	96	97	98	96
	Carefully Guided	90	90	91	94
	Informed of Issues	89	90	88	93
RESPONSIVE	Quick Access	95	92	96	96
	Timely Response	91	89	93	93
	Informed Status	80	77	73	87
	Anticipate Needs	93	91	93	95
	Online Tools	88	90	90	91
RIGHT	Accurate Info	94	94	96	97
	Correct/Timely \$	95	94	97	97

- 260 interviews were conducted in the quarter
- 93.01% of ELT members completed interviews
- The new ORA Tracker/Status page was implemented in June. The current quarter's interviews reflect this improvement – specifically in Responsive/Informed of Status.

O2-Team Engagement (Marcie)

Customer Focused	80	78	85	84	
People & Team Focused	78	76	77	76	
Supportive & Engaged Leadership	81	75	80	83	
Open & Transparent Communication	64	63	70	67	
Learning & Growth	76	75	83	83	
Accountability	80	76	77	71	
Pursuit of Excellence	88	83	85	83	
	Q9	Q10	Q11	Q12	Q13

- Due to the transition to new Guiding Team members, no interviews were conducted last quarter

ideascale DRS Team Members

Home

DRS Team Members

Another IdeaScale Community

[Submit New Idea](#)

Campaigns

- All Ideas
- General
- Enhancing Services and Value for Customers
- Increasing Efficiency / Preventing Waste
- Reinforcing a Positive, Productive Work Environment

Social Web

Like Sign Up to see what your friends like.

Browse Recent Ideas

Recent (139) Popular (139) Hot (9) In Review (42) In Progress (25) Completed/Closed (84)

I agree GENERAL »

Feedback Score: **1**

Employer access to Org account balances in E-services

I disagree When an employer is trying to reconcile their organization's account with DRS it is helpful for them to know their current account balances. Within employer E-services if they had a link to an accounts receivables section that basically was a pretty version of the MonAcct screen it would provide them the detail they need. Currently they only receive their balances once a month in a paper document that is mailed or by ... more »

1 comment Submitted by sethm 2 days ago

I agree ENHANCING SERVICES AND VALUE FOR CUSTOMERS »

Feedback Score: **2**

ORA for W/D Dual Mbrs

I disagree Working with a customer in their online account access recently I noticed that even though they had w/drawn contributions from their PERS 2 account and were now in LEOFF 2, the system would not let them use ORA to apply for retirement - they rec'd a message stating they couldn't since they were a dual mbr. What I then noticed was that in the PERS 2 account menu/information there was a link to "apply for retirement" but ... more »

Add your comment Submitted by jeffd 7 days ago

I agree INCREASING EFFICIENCY / PREVENTING WASTE »

Feedback Score: **8**

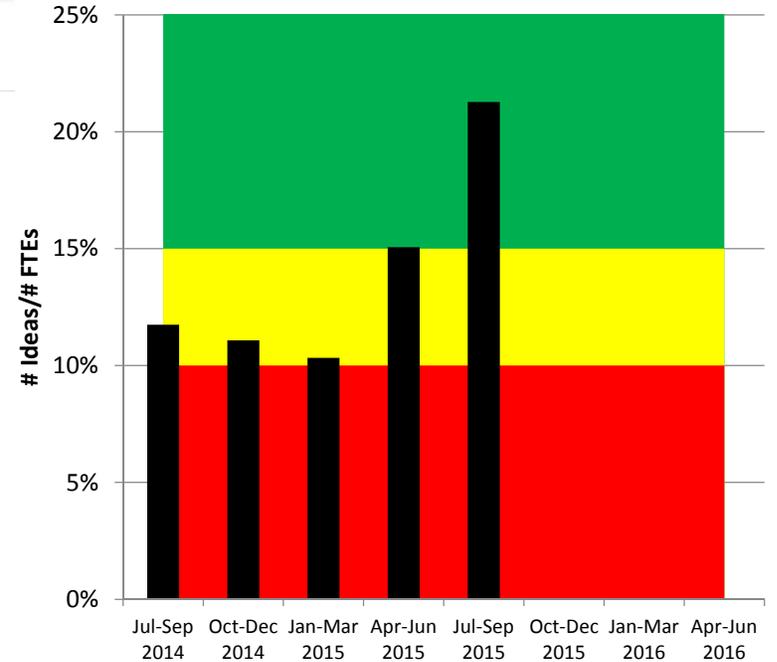
Automatic Retirement Statements

I disagree Often times customer phone calls are a sign that we aren't providing the customer with the information they need. As a way to reduce the requests for estimates I think we should provide system generated emails to members with DB Access accounts every year in the month of their birthday after they turn 55 that shows them what their retirement benefit would be if they work until 65 and if they stop working now and collect ... more »

5 comments Submitted by alanas 9 days ago



O8-Ideas Implemented (Shawn)



- DRS implemented 51 ideas this quarter



Team Engagement

FOUNDATIONS

Department of Retirement Systems
Fundamentals Map

MISSION
We provide information, tools, expertise and services that ensure our members receive the retirement benefits they earn while in public service

VISION
Satisfied customers
Valued team members

VALUES
Customer Focus
Team Member Engagement
Valued Relationships
Performance Excellence
Resource Stewardship



KEY GOALS

- Elated Customers
- Engaged Team Members
- Vigilant Resource Steward
- Best Practice Leader
- Reliable Partner

OUTCOME MEASURES

- Customer Satisfaction O1
- Team Engagement O2
- Employer Satisfaction O3
- Stakeholder Satisfaction O4
- Operational Health O5
- Retirement Readiness O6
- Benefits Paid O7
- Ideas Implemented O8
- Charitable Participation O9
- Performance to Budget O10
- Cost Effectiveness O11

MEASURE OWNER

- Dave Nelsen
- Marcie Frost
- Mike Ricchio
- Jacob White
- Marcie Frost
- David Brine
- Mike Ricchio
- Shawn Merchant
- Chris Greenwalt
- Mark Feldhausen
- Mark Feldhausen

CORE PROCESSES

	OPERATING PROCESSES					SUPPORTING PROCESSES							
	Paying Benefits OP1	Maintaining Member & Employer Info OP2	Accounting for Retirement Funds OP3	Promoting Retirement Readiness OP4	Developing & Implementing Policies OP5	Managing Organizational Performance SP1	Supporting Team Members SP2	Providing Information Technology SP3	Leading Innovation SP4	Purchasing & Acquisition SP5	Listening & Informing SP6	Managing Risks SP7	Supporting Community SP8
PROCESS OWNER	Dave Nelsen	Rose Bossio	Mike Ricchio	David Brine	Jacob White	Mark Feldhausen	Chris Greenwalt	Rose Bossio	Shawn Merchant	Mike Ricchio	David Brine	George Pickett	Chris Greenwalt

SUB PROCESSES

1. Receiving payment request	1. Enrolling & maintaining employer information	1. Receiving & depositing contributions	1. Partnering with employers	1. Monitoring policy environment	1. Defining strategy	1. Recruiting & hiring	1. Governing enterprise architecture	1. Assessing business needs	1. Managing contracts	1. Managing DRS reputation/brand	1. Identifying risk	1. Creating community support teams
2. Verifying eligibility	2. Educating employers	2. Directing funds	2. Educating new members	2. Analyzing external policy ideas	2. Selecting breakthrough initiatives	2. Onboarding	2. Researching & monitoring	2. Managing purchase of goods & services	2. Managing purchase of goods & services	2. Building relationships	2. Evaluating & assessing risk	2. Evaluating & selecting charitable opportunities
3. Processing payment request	3. Collecting & updating member information	3. Creating & managing receivables	3. Promoting online account	3. Informing policy makers	3. Setting targets	3. Coaching & developing successful team members	3. Establishing requirements	3. Managing inventory	3. Managing inventory	3. Enabling feedback & identifying needs	3. Addressing & treating risk	3. Implementing charitable opportunities
4. Calculating payment	4. Managing documents	4. Reconciling general ledgers	4. Promoting retirement planning tools	4. Determining policy & rule needs	4. Connecting employees to targets	4. Recognizing people	4. Ensuring security	4. Determining solution cost	4. Staying current on pension issues	4. Staying current on pension issues	4. Monitoring & reviewing risk & treatment plans	4. Developing communication strategies
5. Providing 1:1 assistance	5. Auditing employer processes	5. Accounting for benefit deductions	5. Marketing DCP	5. Developing policies & rules	5. Creating organizational understanding	5. Managing employment information	5. Providing business systems analysis	5. Managing projects	5. Developing communication strategies	5. Developing communication strategies	5. Adjusting as needed	5. Creating informational content
6. Issuing payment	6. Auditing member information	6. Creating financial reports	6. Providing presentations & resources	6. Implementing policies & rules	6. Managing operations	6. Providing tools & resources	6. Developing operations	6. Testing solutions	6. Creating informational content	6. Creating informational content	6. Managing communication channels	6. Delivering information
	7. Sharing information	7. Accounting for benefit payments	7. Targeting reminders to waypoints	7. Working with education partners	7. Managing breakthrough initiatives	7. Managing facilities	7. Developing solutions	7. Releasing to production	7. Delivering information	7. Delivering information	7. Managing communication channels	7. Managing communication channels
		8. Auditing employer processes	8. Working with education partners	8. Reviewing organizational performance	8. Reviewing organizational performance	8. Fostering safety & wellness	8. Fostering safety & wellness	8. Releasing to production	8. Managing communication channels	8. Managing communication channels	8. Managing communication channels	8. Managing communication channels
		9. Auditing employer processes	9. Working with education partners	9. Making performance corrections	9. Making performance corrections							

PROCESS MEASURES

b. Calculation accuracy	a. Self service transaction time savings	a. Member receivables	a. Members joining DCP	b. Rule development	b. Process measure health	a. Training hours	a. Request backlog	a. Projects on budget	a. Contract costs	a. Online reach	a. Risk management reviews	a. DRS events sponsored
c. Estimate accuracy	b. Employer corrections	b. Credit redistributions	b. Affirmative plan choice	c. Timely fiscal notes	c. Strategy execution	b. Safety & wellness	b. Systems intervention	b. Project effectiveness	b. Contract purchases	b. Content & materials review	b. Risk status	b. State CFD participation
d. Estimate turnaround	c. Requests for information from employers	c. Employer receivables	c. Online account registrations	d. Timely petitions		c. Turnover	c. Estimated completion	c. Adoption rate	c. Vendor payments	c. Content & materials review	c. Timely COOP update	
f. Recalc turnaround	d. Late employer reporting	d. Employer paper checks	d. Online retirement applications	e. Timely policy review/update		d. Present to win	d. Hours to resolution	d. Projects on time	d. Timely procurement	d. Content & materials review	d. Efficient evacuations	
h. Timely phone response		e. Employer paper checks				e. Time to fill positions			e. Timely procurement	e. Content & materials review	e. Timely audit responses	
i. Timely 1:1 counseling		f. Employer paper checks				f. Team members trained			f. Full inventory	f. Content & materials review	f. Timely review responses	
j. Timely correspondence		g. Employer paper checks								g. Content & materials review		



Fundamentals Map

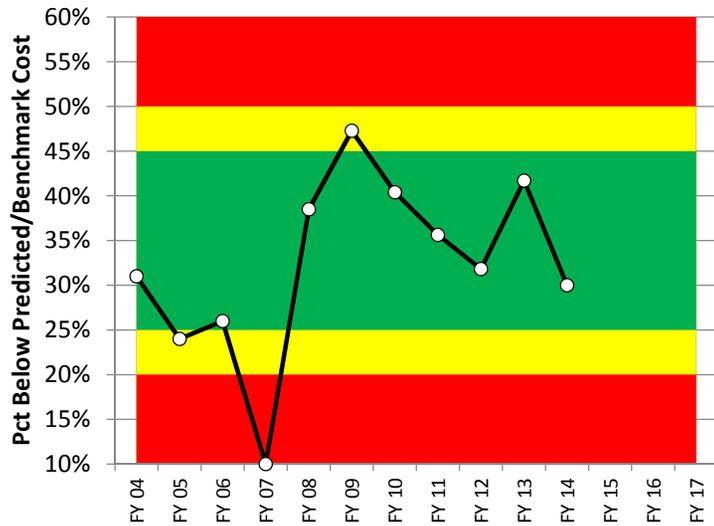
2+ years into Quarterly Target Reviews

- Transparency is key to engagement
- What gets measured gets managed
- Creating an environment where everyone is responsible for performance
- Now recorded so all team members can view
- High levels of accountability by agency leadership

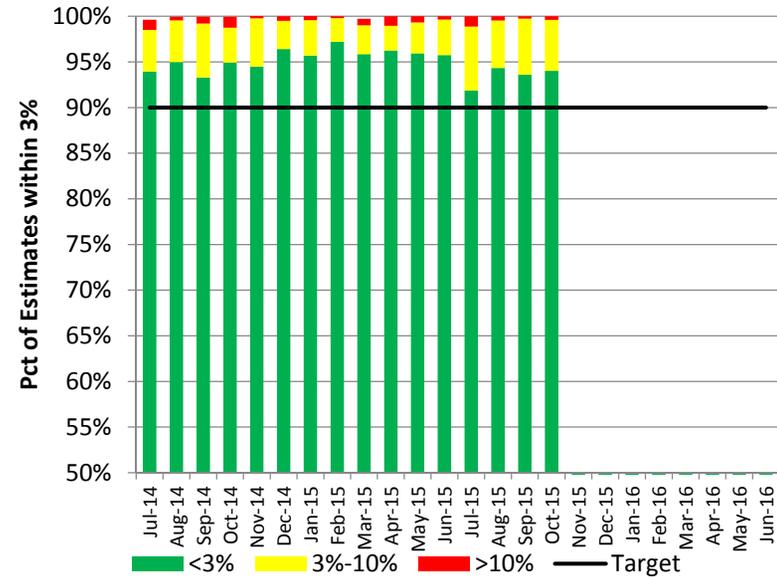


Quarterly Target Review Success Factors

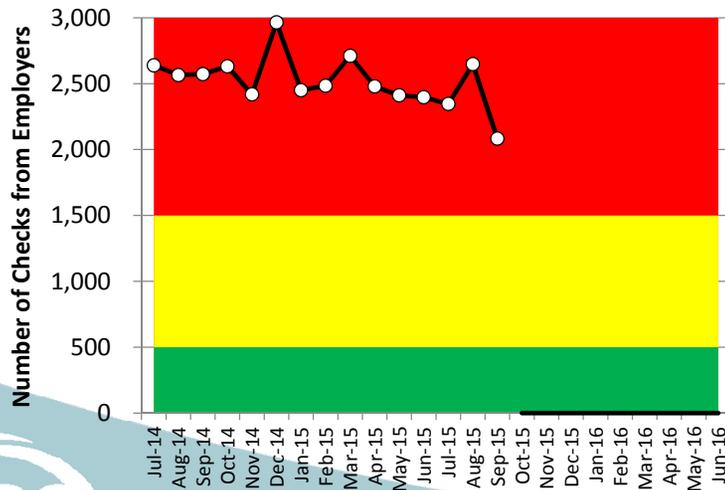
O11-Cost Effectiveness (Mark)



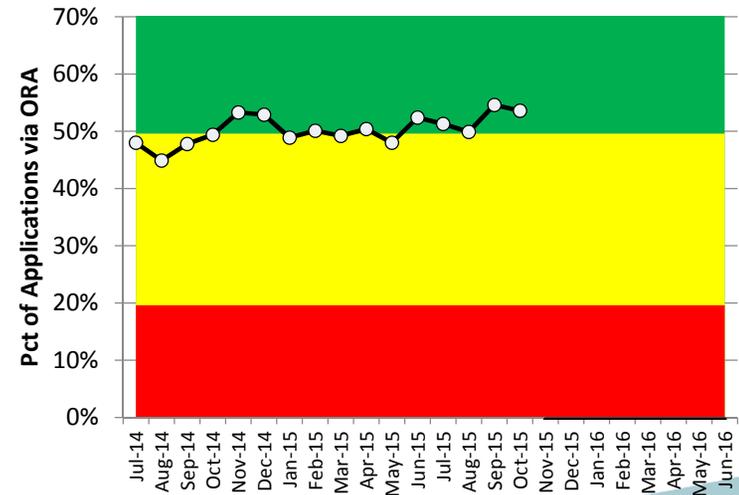
OP1c-Estimate Accuracy (Dave)



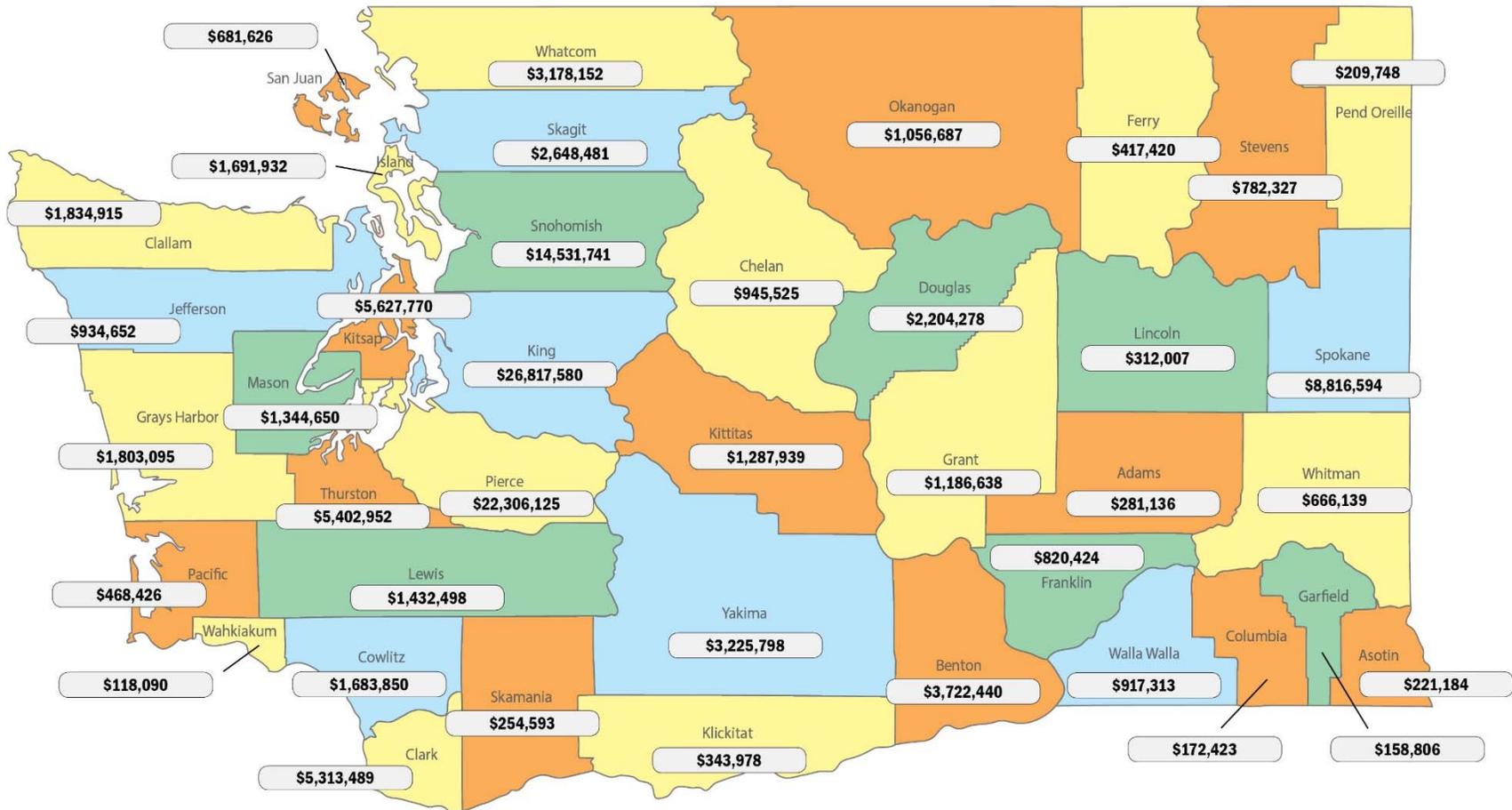
OP3g-# of Employer Paper Checks (Mike)



OP4d-Online Retirement Applications (David)

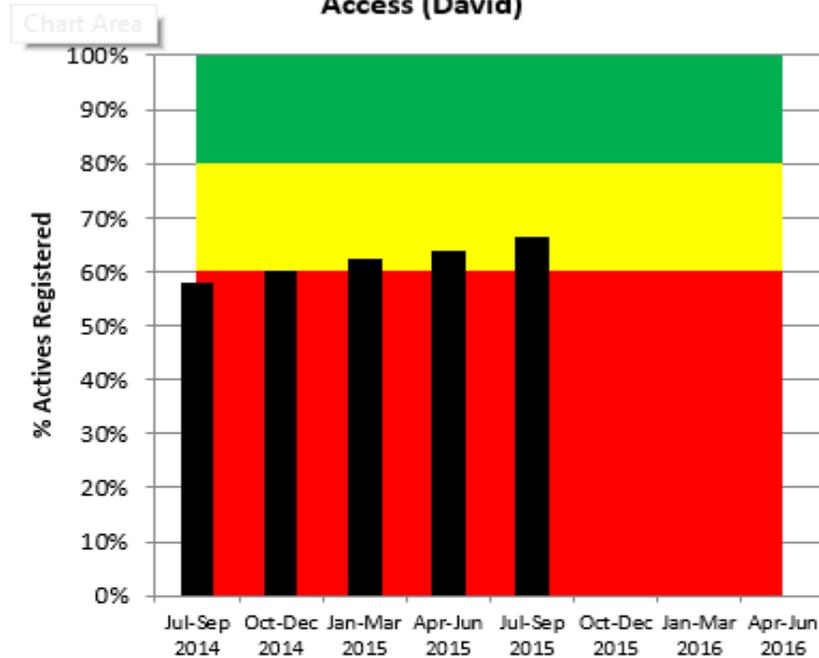


Quarterly Target Review



Benefits Paid to LEOFF 2 Annuitants - FY 2014

OP4c-% Members Registered for Online Acct Access (David)



- Percent of Active Members that are registered
 - Grew from 64% to 66.4%
- Highest level since measure began

ACTIVE MEMBERS

View information by system and plan

- Plan Summary
- Service Credit Detail
- Employment History
- Annual Statements
- DRS News

Calculators Available

- Benefit Estimator
- Purchase Service
- Purchasing Annuity
- IRS Withholding

Retirement

- Request benefit estimate
- Apply for retirement
- Track status of retirement application process
- Receive retirement application status email messages

RETIREES

View information by system and plan

- Service Credit Detail
- Annual Statements
- Benefit Summary
- Download pension verification letter
- DRS News
- View return to work information

Make changes to their account

- Change when to receive paper benefit statements
- Change IRS withholding tax

The screenshot shows the 'Apply For PERS 2 Retirement' page. At the top right, there are links for 'DRS Home | Contact Us | Log Off'. The main header is 'Online Account Access'. Below this, there's a 'WELCOME' section and a navigation menu for 'PERS 2' with options like 'Plan Summary', 'Service Credit Detail', etc. The main content area features a progress bar with four steps: 'STEP 1: Create Estimate', 'STEP 2: Start Retirement Application', 'STEP 3: Complete and Submit Retirement Application', and 'STEP 4: Complete and Submit Additional Forms'. A yellow callout box points to the '09/14/2015 Date Retirement Application Submitted' entry in the 'MY ACCOUNT' section, stating: '09/14/2015 We still need additional forms/documents from you to process your retirement application. Please see forms list in tracking section below.' Below the progress bar is a 'Retirement Tracker' table with columns for 'Form or Document', 'Date Received', and 'Status'. The table lists 'Photocopy of Evidence of Birth Date' with a status of 'Not Received'. At the bottom of the page, there is a copyright notice: 'Copyright 2015 Washington State Department of Retirement Systems | 800.547.6657 |'.



Online Account Access

- **Increasing Complexity and Volume**
 - PTSD claims becoming more frequent
 - Multi causal claims increasing as population ages
- **Evaluating Ways to Make Determinations**
 - Increased Use of Independent Medical Evaluations
 - Other Sources of Medical Review

- Tax exemption provided to PSO if health care is deducted from pension benefit
- Worked with Health Benefit Exchange to allow retirees to receive deduction if using carrier through the HBE
- Statute changed in 2015 to restrict payments to carriers from HBE
 - Payments now must be made directly to carrier
- DRS will work with carriers to make payments for retirees
 - Most carriers accept deducted payments from DRS, but some don't
- DRS can't require carriers to take payment from a deduction



\$3K Public Safety Officer Tax Exemption

Preliminary* Employer Reporting Application Timeline



* Each Bidder's proposal is based on their unique toolset and methodology. Project dates and phases provided are preliminary until contract signature.

Questions?

