

2006 Dual Response Membership Survey

Washington State Law Enforcement
Officers' and Fire Fighters' Plan 2
Retirement Board

March 29, 2006

Survey Objectives

- Test Survey Methodology
- Evaluate Benefit Familiarity
- Member Education

Methodology - Format

- Mailed directly to 15,997 members and retirees
- One-page insert in “Dual Response”
 - Pre-Addressed Return
- Pre-notification

Methodology – Response Rate

1,898 Total Respondents (3/10/06)

- 928 Law Enforcement (49%)
- 970 Fire Fighters (51%)

■ Total Response Rate of 11.7%

■ Statistical Reliability

- Confidence Level 99%
- Confidence Interval $\pm 3\%$

Familiarity

- Average Familiarity = 3.07
 - Law Enforcement = 3.03
 - Fire Fighter = 3.10
- Positive Correlations
 - Age and Familiarity
 - Years of Service and Familiarity
 - Use of Retirement Materials and Familiarity

Member Education

- 21% responded “no” or “don’t know/unsure” regarding beneficiary information
- 63% have not visited the Board’s Web site
- 64% have not done a benefit estimate calculation
- 91% have not attended a seminar

Other Comments

- 5% included comments or notes
- Four Categories
 - Haven't, But Will
 - Thanks and Compliments
 - Benefit Suggestions
 - Questions, Problems, or Complaints

Lessons Learned

- Increased response rate using pre-notification and insert format
- Surveys damaged in return process
- Communication of survey purpose

Questions?

“Dual Response” Membership Survey Report

March 29, 2006

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1. About This Survey

Background

The LEOFF Plan 2 Retirement Board conducted its initial membership survey in the 2005 Winter Edition of the *Dual Response* newsletter. The 2005 survey received a very low response rate causing the Board to consider alternative designs for the member survey and to redo the survey in 2006 seeking a more statistically reliable response level.

Methodology

A mail survey was included in the Winter 2006 edition of the LEOFF Plan 2 Retirement Board newsletter *Dual Response*. The newsletter was sent to 16,372 individuals and organizations including members (15,372), retirees (625), and employers (375). Responses to the survey were expected only from the members and retirees (15,997).

The 2006 survey retained all of the questions used on the 2005 survey. One modification to the survey content was an additional question regarding member usage of the Board's Web site.

Pre-notification and a format design change were utilized to increase the survey response rate.

Pre-notification consisted of an article from the Chair of the Board identifying the survey and requesting response.

The format design change was to include the survey as a one-page insert in the newsletter. In 2005, the member survey was included as a tear-out in the newsletter. The tear-out design meant that the respondent had to cut out the survey in order to return it. It was also learned that some members did not see the survey, in some cases. The new insert format was easier to return and more identifiable by members.

The new survey insert was also pre-addressed for return to the Board's mailing address. A respondent was required to complete the survey, complete the respondents return address in the pre-printed area on the survey, fold, seal, and return the survey to the LEOFF Plan 2 Retirement Board. Postage-paid return envelopes were not included with the survey so respondents were required to pay postage to return the survey.

Study Objectives

The 2006 survey retained the three original objectives that were established for the 2005 survey.

The *first study objective* was to test the methodology of conducting surveys by mail, and specifically through the newsletter. A test of this nature is a common process through which the effectiveness of a survey or delivery mechanism can be evaluated. In particular, it can help the surveyor to evaluate the interest or attention level of the topic and to gauge responsiveness of the population.

Modifications made to the 2006 survey resulted in a higher response than the 2005 survey. The increased response rate ensured that the survey results would be statistically reliable. There are two key measures of statistical reliability for survey results: confidence level and confidence interval.

The confidence level tells you how sure you can be about the results. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain. Most researchers use the 95% confidence level.

The confidence interval is the plus-or-minus figure usually reported with all survey results. For example, if you use a confidence interval of $\pm 3\%$ and 47% percent of your sample picks an answer you can be "sure" that if you had asked the question of the entire relevant population between 44% (47% - 3%) and 50% (47% + 3%) would have picked that answer. The wider the confidence interval you are willing to accept, the more certain you can be that the whole population answers would be within that range. However, a confidence interval of $\pm 3\%$ is used by most researchers.

When you put the confidence level and the confidence interval together, you can say that you are 99% sure that the true percentage of the population for the given answer is between 44% and 50%.

A survey of the LEOFF Plan 2 active and retired member population (15,997), with a 99% confidence level and a $\pm 3\%$ confidence interval, requires a response rate of 10.4%. This means at least 1658 were required for the results to be statistically reliable.

At the time of this report, there were a total of 1,898 responses to the survey that had been entered in the database. This represents an 11.9% response rate. The greatly improved response rate and quality of response (correctly completed survey) suggests the new survey methodology is viable. Despite the apparent success of this method, several responses were received that had been damaged in the mailing process to the point that the responses were unusable. This may be cause for further changes on the survey format.

The *second study objective* was to gather baseline information about members' familiarity with the plan so that education efforts can be targeted to improve the understanding of benefits and any improvements can be measured over time with later surveys.

To gauge familiarity, respondents were asked to rate their own level of familiarity on a scale of 1 to 5 where 1 is not familiar with benefits and 5 is very familiar. The familiarity level was also examined for possible influences, including type of employment, age, and use of retirement planning materials.

The respondent population declared an average familiarity of **3.07**, which is the middle of the scale between not familiar and very familiar with benefits. The type of employment did not appear to have a significant influence on familiarity of benefits. The average familiarity for fire fighter respondents was **3.10**. The average familiarity for law enforcement respondents was **3.03**.

Age did appear to have an influence on familiarity with benefits. On average, respondents in the two youngest age groups reported familiarity levels of **2.70** and **3.03**. Respondents in the two oldest age groups reported familiarity levels of **3.33** and **3.44**.

Lastly, the use of retirement planning materials available did appear to have an influence on familiarity with benefits. Respondents who had reviewed a copy of the LEOFF Plan 2 Member Handbook, had attended a retirement planning seminar, had requested an estimate of benefits (or used the online retirement benefit estimator), or had visited the LEOFF Plan 2 Retirement Board Web site were *twice as likely to indicate a high level of familiarity* with benefits than respondents who had not used any one of these retirement planning resources.

The *third study objective* of member education was two-fold. The survey provided the opportunity to inform members about retirement planning tools available to them such as the Board's Web site, the Member Handbook, and the estimate calculator available on the Department of Retirement System's Web site. The survey also gathered information on areas that could be member education opportunities, such as future newsletter articles.

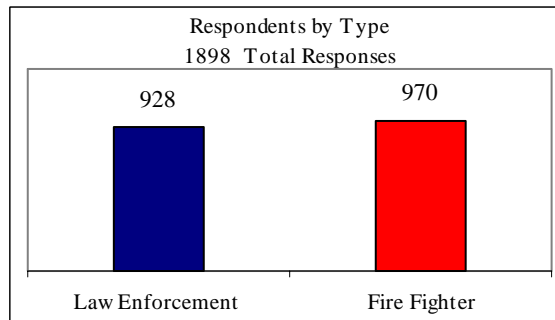
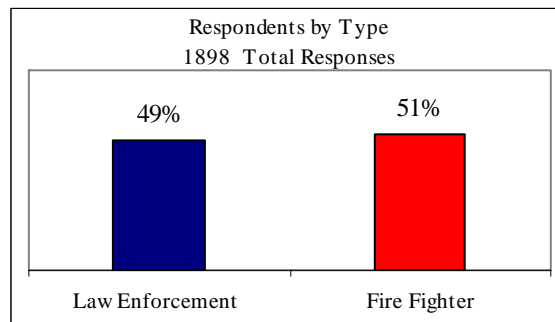
2. Profile of Respondents

- *Are you a law enforcement officer or fire fighter?*
- *How many years have you been law enforcement officer or fire fighter in Washington?*
- *What is your age group?*

Are you a Law Enforcement Officer or Fire Fighter?

A total of **1,898** responses were recorded at the time of report. This represents an 11.9% response rate. The respondents to the survey were split relatively equal between law enforcement and fire fighters.

- **1,898 total respondents.**
- **928 law enforcement officers** responded to the survey representing **49%** of the total respondents.
- **970 fire fighters** responded to the survey representing **51%** of the total respondents.

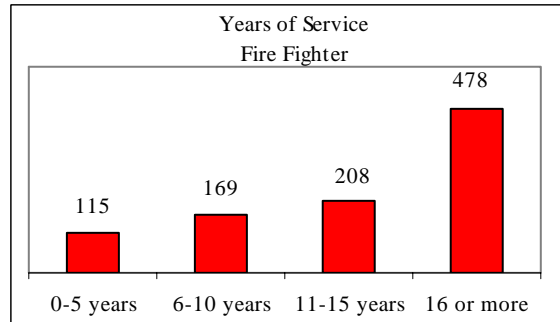
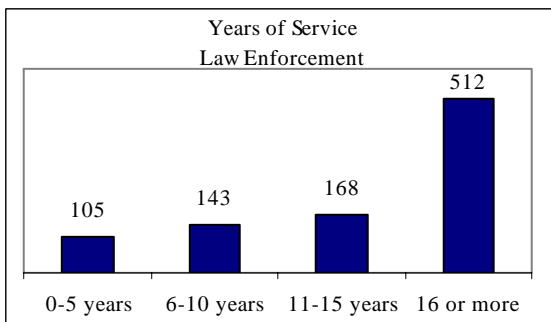
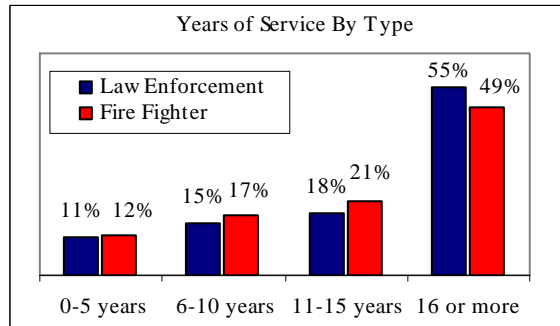
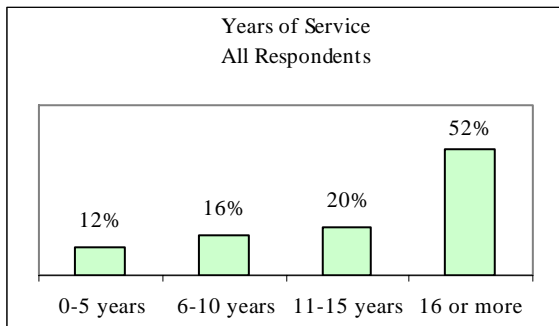


How many years have you been a fire fighter or a law enforcement officer in Washington?

As reported in *The Office of the State Actuary's 2004 LEOFF Plan 2 Actuarial Valuation Report*, the average years of member service is 11.3 years. The typical survey respondent had more years of service.

About 12% of the total respondents had 0 to 5 years of service. Respondents with 6 to 10 years of service and 11 to 15 years of service composed 16% and 20% of the total respondents, respectively. By far the largest response group, at 52% of the total responses, was law enforcement officers and fire fighters having served 16 or more years of service.

When the years of service are examined by type of employment, the response rate pattern for law enforcement officers and fire fighters each remain in line with total respondents.

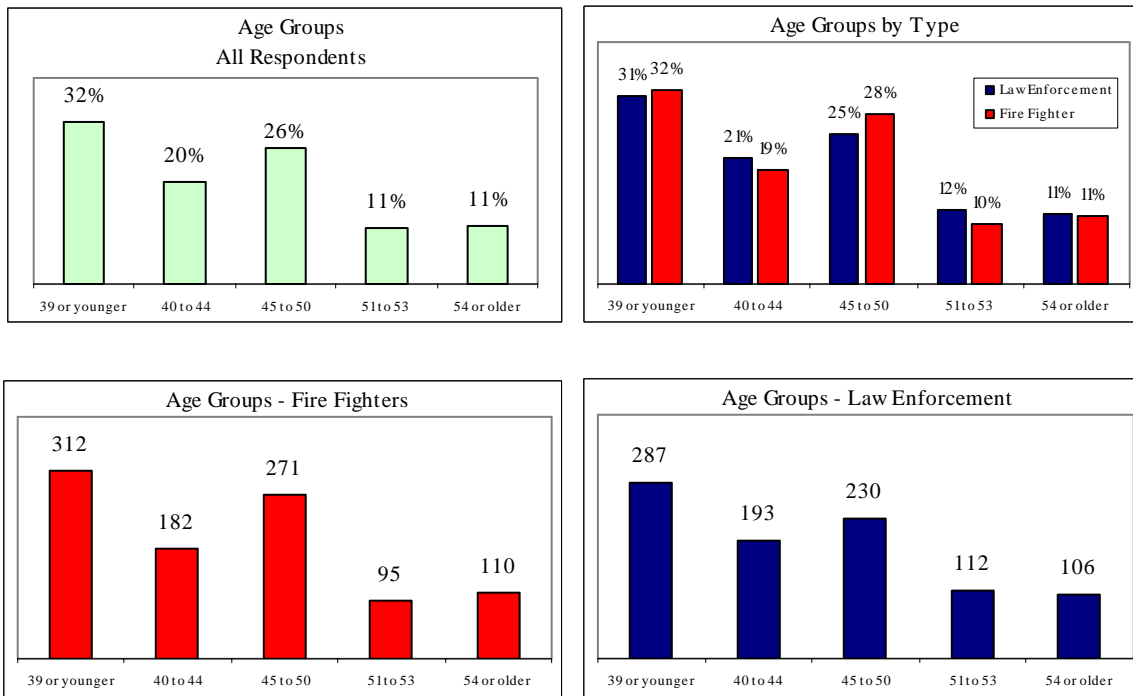


What is your age group?

As reported in *The Office of the State Actuary's 2004 LEOFF Plan 2 Actuarial Valuation Report*, the average member age was 40.1 years. Relative to the active member distribution in the 2004 Valuation Report, the 45 to 50 age group and the 54 or older age group had much higher response levels proportionally compared to the other age groups.

More than half of the total respondents were age 44 or younger (52%). Just over one quarter of the respondents are ages 45 to 50 (26%). The remaining respondents were 51 or older (22%).

When the years of service are examined by type of employment, the response rate pattern for law enforcement officers and fire fighters each remain in line with total respondents.



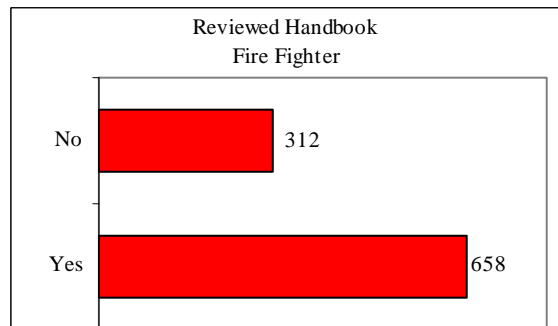
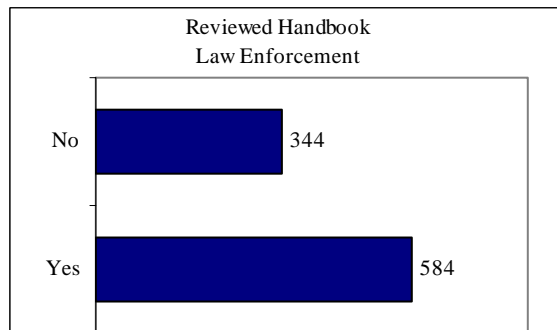
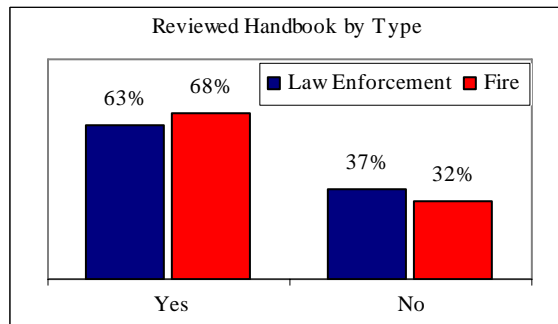
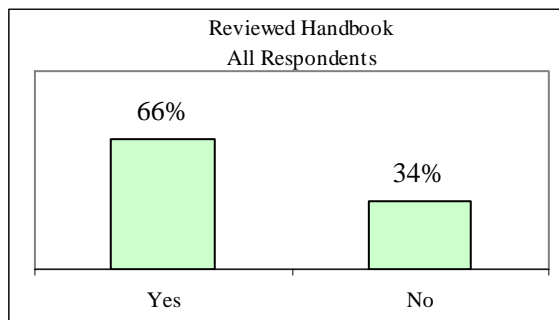
3. Retirement Planning

- *Have you reviewed a copy of the LEOFF Plan 2 Member Handbook, which is available from your employer or on the Department of Retirement Systems' (DRS) Web site at www.drs.wa.gov?*
- *Have you provided your beneficiary information to DRS?*
- *Have you requested an estimate of your pension from DRS or used the Online Retirement Benefit Estimator on the DRS Web site?*
- *Have you attended a DRS retirement planning seminar?*
- *Have you visited the LEOFF Plan 2 Retirement Board's Web site at www.leoff.wa.gov?*

Have you reviewed a copy of the LEOFF Plan 2 Member Handbook?

Of the total respondents, 66% have reviewed a copy the Member Handbook.

A slightly higher proportion of fire fighter respondents have reviewed a handbook than law enforcement respondents. Sixty-eight percent of the fire fighter respondents and 63% of the law enforcement respondents have reviewed the Member Handbook.

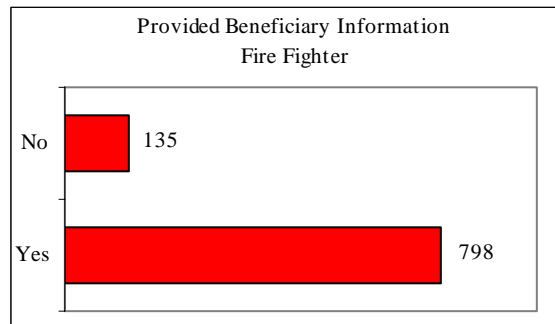
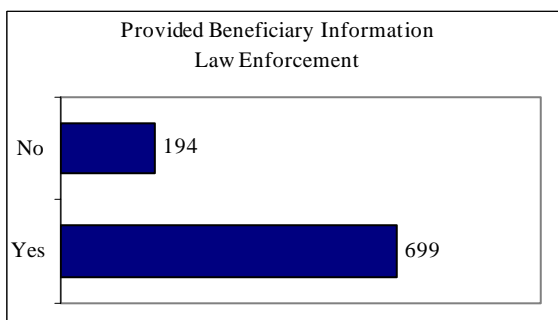
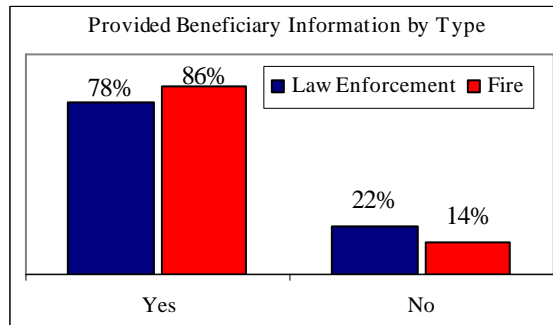
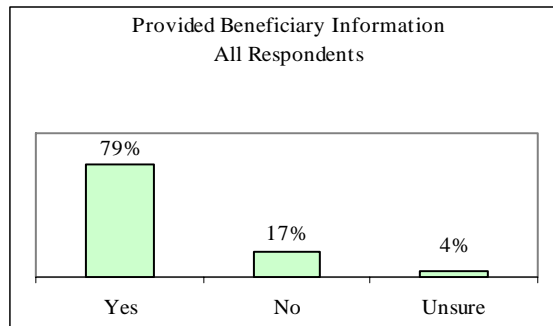


Have you provided your beneficiary information to DRS?

Normally, beneficiary information is submitted to DRS through the employer at the time an employee is hired.

Seventy-nine percent of the total respondents reported they had provided their beneficiary information to DRS. Surprisingly, 17% of the total respondents reported that they had not provided their beneficiary information to DRS and an additional 4% did not know or were unsure if they had provided their beneficiary information.

Seventy-eight percent of the law enforcement respondents reported providing their beneficiary information and 86% of the fire fighter respondents provided their beneficiary information.

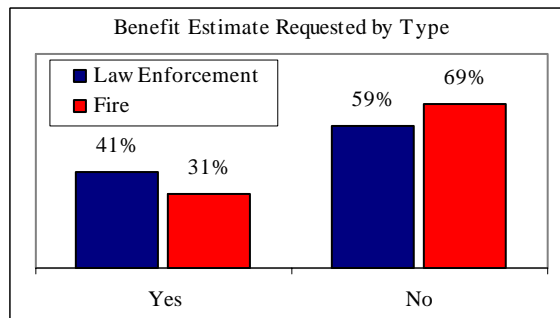
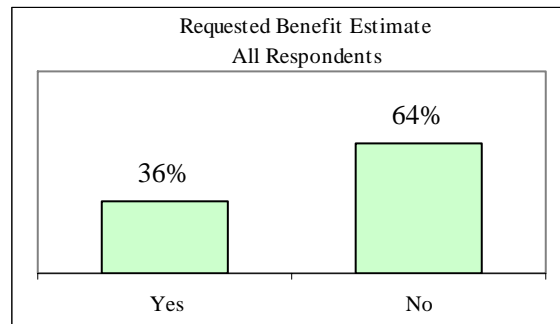


Have you requested an estimate of your pension from DRS or used the Online Retirement Benefit Estimator on the DRS Web site?

According to the 2005 Retirement Confidence Survey by the Employee Benefit Research Institute and Mathew Greenwald & Associates Inc, roughly 4 in 10 workers (42%) have taken the time and effort to complete a retirement needs calculation, the basic planning step that can help individuals determine how much money they are likely to need in retirement and how much they will need to save to meet that goal.

Only 36% of the total respondents have attempted to determine the amount of their LEOFF Plan 2 pension by requesting an estimate from DRS or using the Online Retirement Benefit Estimator. The remaining 64% of the respondents have not used either of these tools to get an estimate of their retirement benefits.

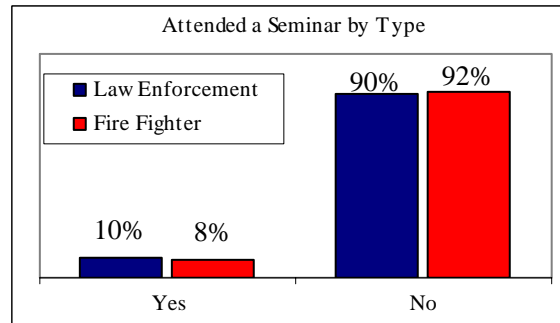
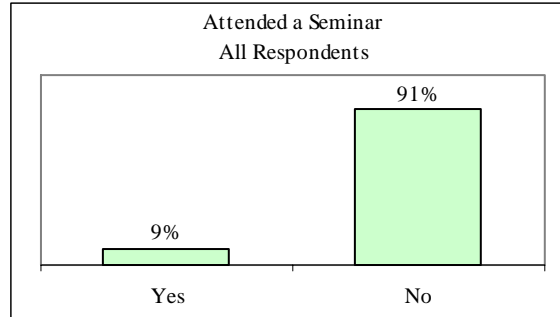
When examined by type, the law enforcement and fire fighter respondents are split relatively equally. Slightly more law enforcement respondents (41%) have requested an estimate than fire fighter respondents (31%).



Have you attended a DRS retirement planning seminar?

A small proportion of the membership has attended a DRS retirement planning seminar. A total of 9% of the respondents have attended a seminar while 91% have not.

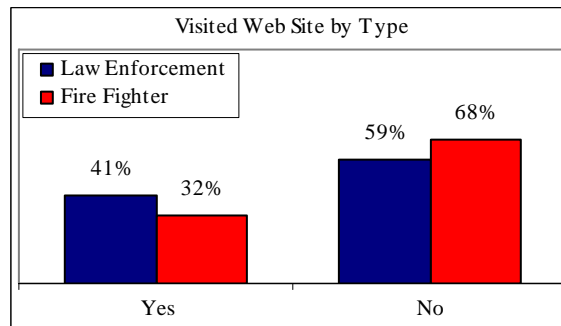
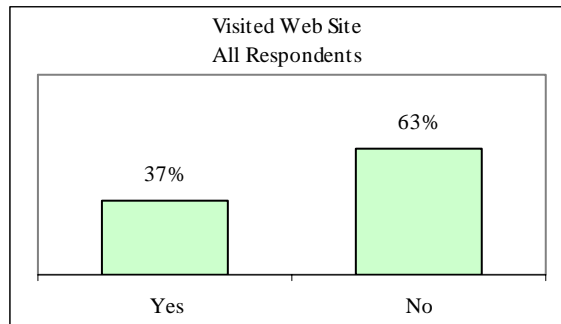
When examined by type of respondent, 10% of the law enforcement respondents and 8% of fire fighter respondents have attended a seminar. Correspondingly, 90% of the law enforcement and 92% of the fire fighter respondents have not attended a seminar.



Have you visited the LEOFF Plan 2 Retirement Board's Web site?

More than a third (37%) of the total respondents has visited the LEOFF Plan 2 Retirement Board's Web site. Although 63% of the total respondents have not visited the Web site, many noted comments on the survey that they "will today".

The Web site statistics for February did show a large increase in activity over levels recorded for the previous month. Additionally, the busiest day of the month for the Web site occurred just after the newsletter began reaching member's homes.



4. Familiarity with Benefits

- *How familiar are you with your LEOFF Plan 2 Retirement Benefits?*
- *Does age affect familiarity with benefits?*
- *Are members who have reviewed a member handbook more familiar with their benefits?*
- *Are members who have attended a DRS retirement planning seminar more familiar with their benefits?*
- *Are members who have requested an estimate more familiar with their benefits?*

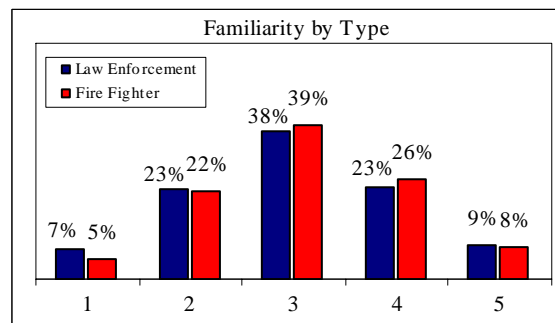
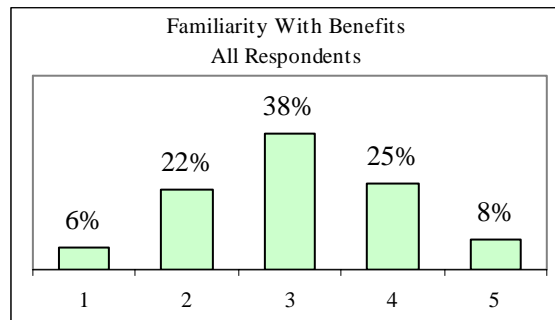
How familiar are you with your LEOFF Plan 2 Retirement benefits?

Respondents were asked to rate their level of familiarity on a scale from 1 to 5 where 1 is “not familiar” with benefits and 5 is “very familiar” with benefits.

The average response of all respondents was 3.07.

The average familiarity for law enforcement respondents was 3.03.

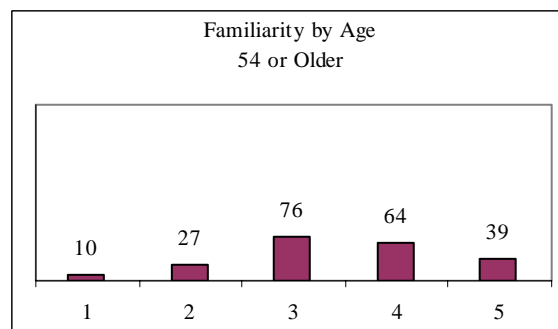
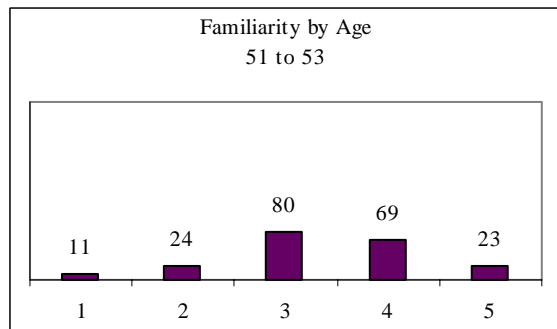
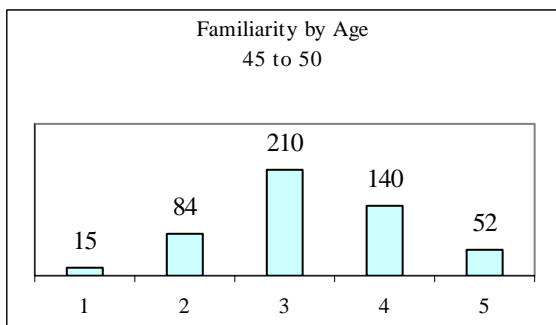
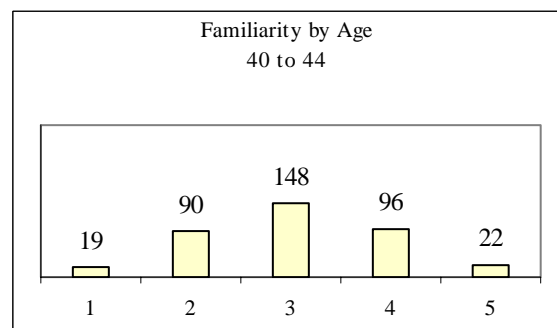
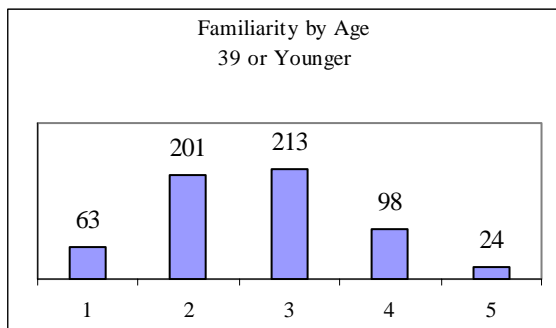
The average familiarity for fire fighter respondents was 3.10.



Does age affect familiarity with benefits?

Familiarity with benefits was examined by age group. It was expected that younger members would be less familiar with their benefits than older members. Older members were expected to be more familiar due to exposure to benefit information over time in the work place or through labor organizations, and due to heightened interest as members approach retirement age.

Looking at the familiarity by age group confirms that there is a gradual shifting of familiarity with benefits from 1 “not familiar” to 5 “very familiar” with the increase of age. Respondents in the two youngest age groups reported average familiarity levels of 2.70 and 3.03. Respondents in the two oldest age groups reported average familiarity levels of 3.33 and 3.44.



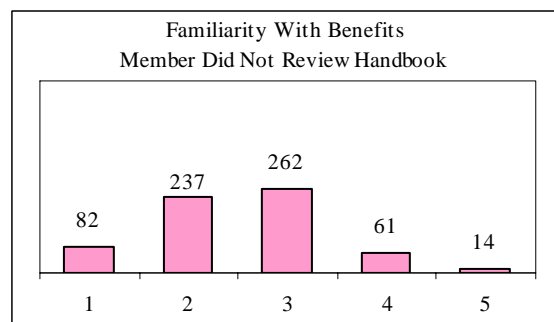
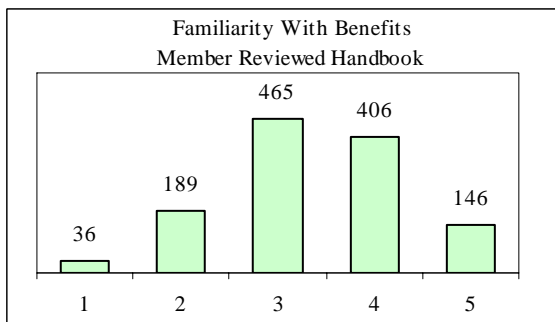
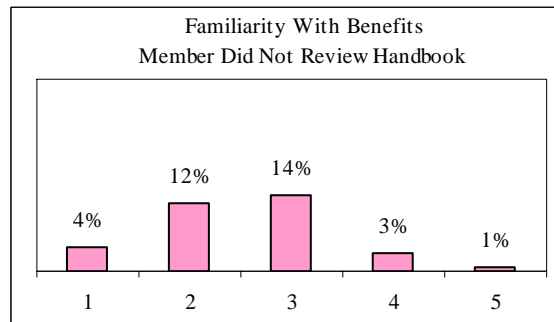
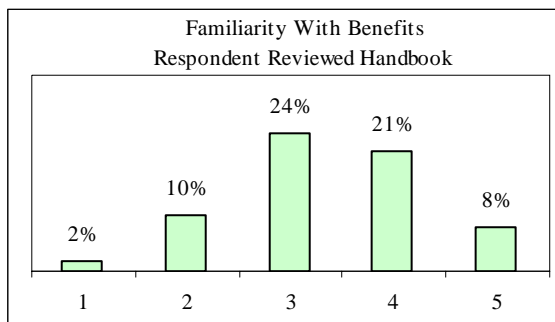
Are members who have reviewed a member handbook more familiar with their benefits?

Familiarity of benefits was compared to the respondents' answers on review of the member handbook. It was expected that members who had reviewed the member handbook would be more familiar with their benefits.

While 29% of the total respondents reported having reviewed a handbook and high familiarity level (4 or 5), only 4% of the total respondents reported a high familiarity level without having reviewed a handbook.

Although 12% of the total respondents who had reviewed a member handbook also had low familiarity with their benefits, 16% of the total respondents who had not reviewed a member handbook reported a low familiarity level.

The comparisons indicate that respondents who had reviewed a member handbook were likely to be more familiar with their benefits.

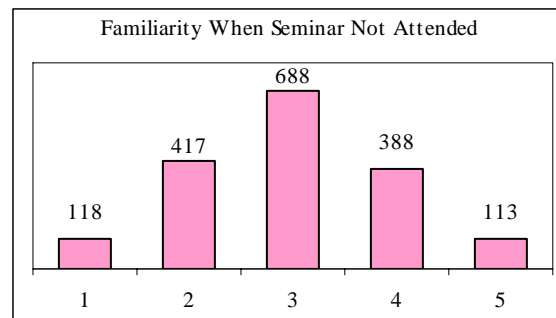
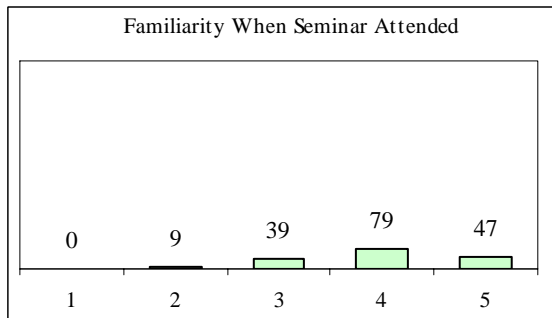
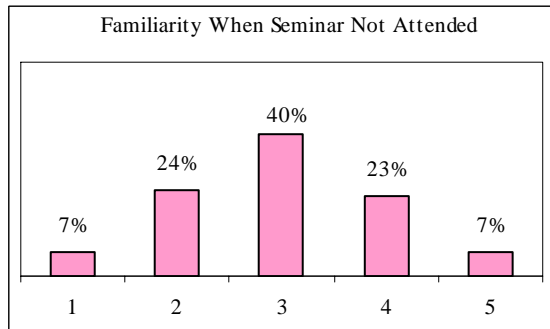
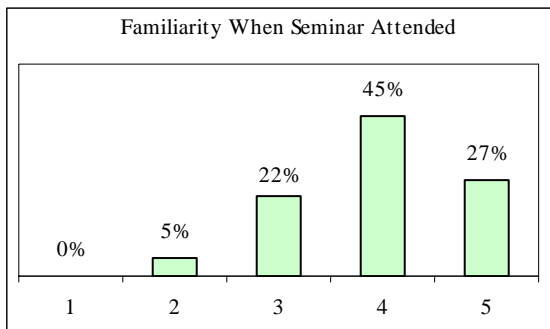


Are members who have attended a DRS retirement planning seminar more familiar with their benefits?

A respondent who had attended a DRS retirement planning seminar was likely to indicate a higher level of familiarity with benefits than respondents who had not attended a retirement planning seminar.

Although only 9% of the respondents had attended a retirement planning seminar, 72% of those respondents reported a high familiarity level with their benefits. In contrast, only 30% of the respondents who did not attend a seminar reported a high familiarity level with their benefits.

The comparison suggests that those who attend a retirement planning seminar are more likely to be familiar with their benefits.

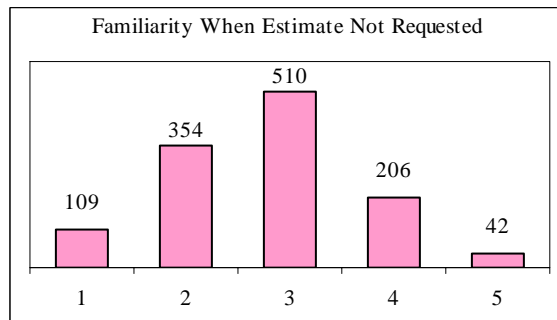
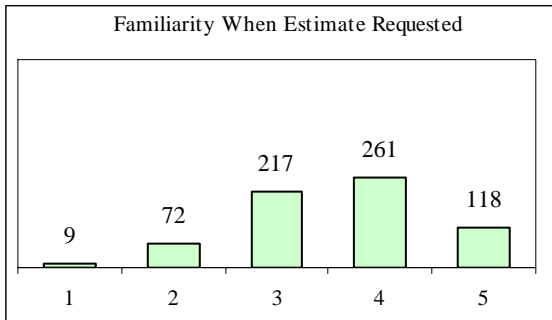
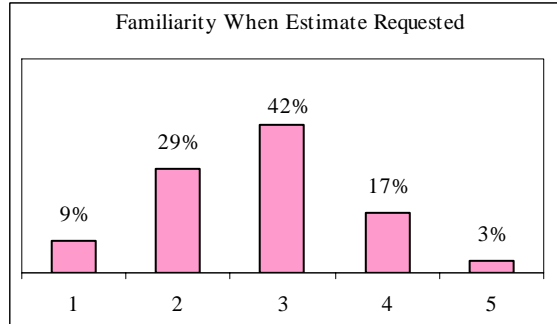
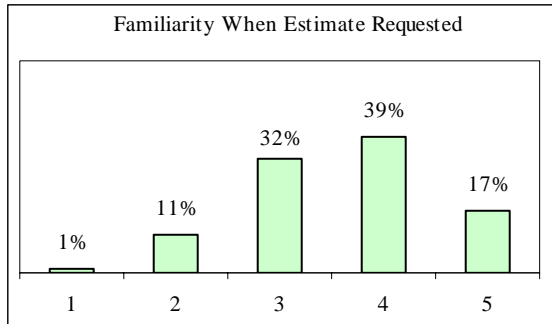


Are members who have requested an estimate more familiar with their benefits?

A respondent was likely to indicate a higher level of familiarity with benefits than those respondents who had not requested a benefit estimate.

Approximately 36% of the total respondents have requested an estimate of benefits or completed an estimate on the Online Retirement Benefit Estimator. Out of those respondents, 56% reported a high benefit familiarity level. In contrast, only 20% of the respondents who had not requested an estimate of benefits or completed an estimate on the Online Retirement Benefit Estimator reported a high familiarity level.

The comparison suggests that a member who requests an estimate of benefits or completes an estimate on the Online Retirement Benefit Estimator is more likely to be familiar with their benefits.



5. Other Comments

Although the survey did not request respondents to submit any other comments about the LEOFF Plan 2 retirement benefits, about 5% of the respondents did include comments or notes with or on their responses. Several comments were also received separately via Email. The comments generally fell into four categories:

1. Haven't but will
2. Thanks and Compliments
3. Benefit Suggestions
4. Questions, Problems, and Complaints

Comments in the first category, "haven't but will", were largely in response to the questions about the LEOFF Plan 2 Retirement Board Web site and DRS Web site. In most cases, the respondent had not been to the Web sites but planned to in the near future. Some indicated that they were not aware of the Web sites or of the services available on the Web.

Comments in the second category, thanks and compliments, were directed at the Board recognizing the work that it is doing on behalf of the members and their families.

Comments in the third category, benefit suggestions, were similar to comments received on the previous survey. As with the 2005 survey, retiree health care and the 3% multiplier were the most commonly requested improvements.

The last category captured the remaining comments which included a wide range of items from questions about benefits to problems with one of the Web sites, to complaints about the survey or system benefits.

LEOFF Plan 2 Retirement Board Staff contacted every respondent that requested a response.

6. Lessons Learned

There were three lessons learned from the 2006 Member Survey.

First, pre-notification of the survey and a more user friendly format (newsletter insert) were successful methods for increasing the survey response level.

Second, although the insert format was more successful than the tear-out format used in 2005, a couple of format issues still exist. Several surveys arrived severely damaged from the delivery process. The folded responses had the potential to snag in the postal equipment and be torn or shredded. The responses that arrived intact took considerable staff time to open because they were typically taped, glued, or stapled shut. An insert such as a card that does not require any folding or sealing to return may be a more optimal format.

Third, some respondents expressed confusion and frustration over the survey because it seemed to collect unimportant data. This suggests that there was a lack of understanding about the purpose of the survey. A better explanation about what the survey was intended to accomplish should have been provided with the survey so that members could have that information when they decided whether to respond.