



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:

	<b>Members</b>	<b>Employers</b>	<b>State</b>
<b>HB 2932 (C 39, L 06)</b>	0.02%	0.01%	0.01%
<b>SHB 2933 (C 351, L 06)</b>	0.01%	0.01%	0.00%
<b>SB 6723 (C 345, L 06)</b>	<u>0.03%</u>	<u>0.02%</u>	<u>0.01%</u>
<b>Total</b>	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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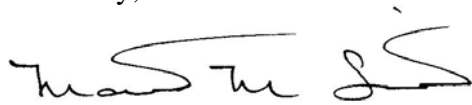
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As you recall, RCW 41.45.067(2) requires that DRS provide a thirty-day notice to affected employers prior to the effective date of any rate change. We have assumed that a September 1, 2006, effective date will provide sufficient time for the board 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,

A handwritten signature in black ink, appearing to read "Matthew M. Smith". The signature is fluid and cursive, with a prominent initial "M" and a stylized "S".

Matthew M. Smith  
State Actuary

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