



WASHINGTON STATE LEGISLATURE
Office of the State Actuary

May 16, 2005

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

Dear Steve:

RE: 2005 SUPPLEMENTAL RATES

As required under RCW 41.45.070, we are forwarding preliminary LEOFF 2 supplemental rate increases, effective September 1, 2005, for the following bills that passed during the 2005 legislative session:

	Members	Employers	State
SSB 5615	0.23%	0.14%	0.09%
SHB 1936	<u>0.01%</u>	<u>0.01%</u>	<u>0.00%</u>
Total	0.24%	0.15%	0.09%

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 now 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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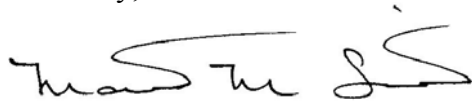
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As you recall, RCW 41.45.067(2) requires that DRS provide a 30-day notice to affected employers prior to the effective date of any rate change. We have assumed that a September 1, 2005 effective date will provide sufficient time for the board to audit and adopt supplemental rates prior to the 30-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 Sandy Matheson
Dave Nelsen

Contribution rates for the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2
2005 Supplemental Rates Included

(1) Subject to further action by the board as provided in RCW 41.45.0604, the basic member, employer, and state contribution rates shall be charged as follows:

Contribution Rate Beginning Date	Member Contribution Rate	Employer Contribution Rate	State Contribution Rate
July 1, 2005	6.75%	4.05%	2.70%
September 1, 2005	6.99%	4.20%	2.79%
July 1, 2006	7.79%	4.68%	3.11%
July 1, 2007	8.54%	5.13%	3.41%
July 1, 2008	8.73%	5.24%	3.48%

(2) Beginning July 1, 2009, the rates adopted by the board shall be no less than ninety percent of the normal cost calculated under the entry age normal cost method.

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July 1, 2008	8.73%	5.24%	3.48%

(2) Beginning July 1, 2009, the rates adopted by the board shall be no less than ninety percent of the normal cost calculated under the entry age normal cost method.