Administrative Factors

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Today's Presentation

- Background information
- Policy decisions before the Board
  - Not adopting administrative factors today
- Recommendations
- Next steps

Background – What Are Administrative Factors?

- Administrative factors adjust pensions for optional payment forms
  - Optional payments should be cost-neutral to the plan as a whole – "Actuarial Equivalence"
- Factors cover all plan members
  - Best actuarial equivalence includes all members in the development of the factors

Background – Why Is This Before The Board?

- The Board has authority to adopt factors
  - First time before the Board
  - DRS adopts factors for all other plans
- The Board adopted new assumptions last interim
  - When assumptions change, administrative factors may need updating

Policy Decisions Before The Board

- Will you adopt new method for developing Early Retirement Factors?
- Will you include projected mortality improvements?
- Will you include mortality for members with disabilities?

LEOFF 2 Has Four Factors To Update

- Early Retirement Factors (ERFs)
- Joint and Survivor Option Factors (J&S factors)
- Monthly Benefit per Dollar of Accumulation (annuity factors)
- Service Credit Purchase Factors

Early Retirement Factors

- ERFs reduce a member's benefit for early commencement
- Applies to non-duty disability or death benefits prior to age 53 – Normal Retirement Age (NRA)
- New method proposed for better actuarial equivalence – policy decision

Joint And Survivor Option Factors

- J&S factors reduce a member's benefit to provide an ongoing benefit for their survivor
- Three types of survivor benefits available under the plan:
  - J&S 100 percent
  - J&S 50 percent
  - J&S 66 2/3 percent

Monthly Benefit Per Dollar Of Accumulation

- Annuity factor converts a lifetime monthly benefit to a lump sum
- Calculation is made at retirement
- Applies to cash-out of small monthly pension or purchase of additional pension (up to 5 years) - “airtime”

Service Credit Purchase Factors

- Factors determine the price of the increase in a member's benefit if they purchase or restore service credit
- Purchase is made sometime before retirement
- Example - service withdrawn in the past and member wants to restore it
- Developing new method for these factors – sample factors are not available today

Policy Decision – ERF Method

- Will you adopt new method for developing ERFs?
- Current method uses a series of constant reductions
- New method uses best-estimate ERFs at each year
  - Improves actuarial equivalence

Years Early	Current Factor	New Method	Percent Change
1	0.92	0.909	-1%
2	0.84	0.828	-1%
3	0.76	0.754	-1%
4	0.71	0.688	-3%
5	0.66	0.628	-5%
6	0.61	0.574	-6%
7	0.56	0.524	-6%

ERF Method – Factor Comparison

Change	Current Factor	New Method	Percent Change
Max*	0.13	0.104	-20.0%
Min	0.31	0.310	0.0%
Average	0.33	0.312	-6.4%

**Occurs at 26 years early*

- Impact on benefit for non-duty disability retirement:
  - member age = 45
  - accrued benefit = $1,500/mo

	Early Retirement Factor	Monthly Benefit
Current	0.510	$765
New Method	0.480	$720

ERF Method – Recommendation

- We recommend adopting the new method for developing ERFs
  - Best-estimate ERFs at each year
  - Best actuarial equivalence (accuracy)
  - Consistent with other plans

Policy Decision – Mortality Assumption

- Will you include projected mortality improvements?
- Mortality assumption impacts all factors
- Recognition of future mortality improvements adopted last interim following demographic experience study
  - Used for the actuarial valuation – funding purposes
- Mortality assumption can be different for the actuarial valuation compared to the administrative factors

Mortality Assumption – Valuation Option

- "Valuation" rates reflect expected mortality for all members of the plan
  - Include active and inactive members
  - Average age is 42
  - Mortality improvements recognized to 2034
  - Used for funding purposes (actuarial valuation)

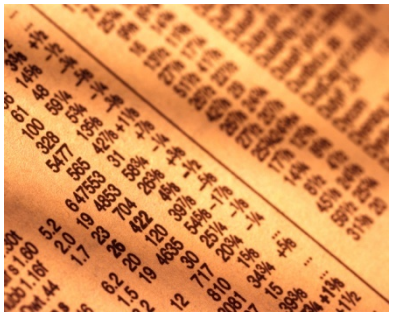
Mortality Assumption – Custom Option

- "Custom" rates reflect expected mortality for members impacted by most administrative factors
  - Include active members at retirement age
  - Average retirement age is 55
  - Mortality improvements recognized to 2026
- Custom rates provide the best actuarial equivalence

Mortality Assumption – ERF Comparison

- ERFs are not very sensitive to changes in mortality
  - Compares deferred annuity (to NRA) to immediate annuity

	Valuation Option Percent Change	Custom Option Percent Change
Max	2.1%	1.9%
Min	0.0%	0.0%
Average	1.0%	0.7%



Mortality Assumption – ERF Comparison

- Impact on benefit for non-duty disability retirement:
  - member age = 45
  - accrued benefit = $1,500/mo

	Early Retirement Factor	Monthly Benefit
Current	0.510	$765
New ERF Method	0.480	$720
+ Valuation Mortality	0.484	$726
+ Custom Mortality	0.483	$725

Mortality Assumption – J&S Factor Comparison

- J&S factors are not very sensitive to changes in mortality
  - Compares single life annuity to joint life annuity

	Valuation Option Percent Change J&S 100%	Custom Option Percent Change J&S 100%
Max	1.8%	1.3%
Min	0.3%	0.0%
Average	1.2%	0.7%

Mortality Assumption – J&S Factor Comparison

- Impact on $2,700 monthly retirement benefit for member electing J&S 100 percent (age difference = 3):

	J&S 100% Factor	Monthly Benefit
Current	0.855	$2,309
Valuation Mortality	0.870	$2,349
Custom Mortality	0.866	$2,338

Mortality Assumption – Annuity Factor Comparison

- Annuity factors are more sensitive to changes in mortality

	Valuation Option Percent Change	Custom Option Percent Change
Max*	-8.7%	-7.6%
Min	-0.7%	-0.6%
Average	-4.6%	-3.9%

**Occurs at age 85*

Mortality Assumption – Annuity Factor Comparison

- Impact on cost to purchase additional $600 monthly benefit (5 years “airtime”) for age 55 member:

	Annuity Factor	Lump Sum Cost
Current	0.0058596	$102,400
Valuation Mortality	0.0056421	$106,300
Custom Mortality	0.0056802	$105,600

Mortality Assumption – Recommendation

- We recommend the "custom" option
  - Future mortality improvement recognized based on life expectancy of members at retirement age
  - Estimates appropriate life expectancies for impacted members
  - Best actuarial equivalence (accuracy)
  - Not consistent with other plans – different funding policies in place

Policy Decision – Including Disabled Mortality

- Will you include mortality for members with disabilities in the development of administrative factors?
- Mortality assumption impacts all factors
- Current factors only use healthy mortality
  - Covers most members of the plan
- Can include disabled mortality by blending rates

Blending Mortality Rates Is Common

- Current plan blends male and female mortality rates
- Blending healthy and disabled mortality rates reflect expected mortality for all members of the plan
  - Administrative factors apply to all members of the plan
  - Improves actuarial equivalence for the plan

Including Disabled Mortality – Factor Comparison

- Probability of member taking a disability benefit is small
- Impact on each factor is small
- Largest change for each factor is less than 1 percent

Including Disabled Mortality – Recommendation

- We recommend blending healthy and disabled mortality rates
  - Reflects all plan members, not just healthy
  - Best actuarial equivalence (accuracy)
  - Consistent with other plans

Recommendations – Recap

- Use new method for developing ERFs – best-estimate ERFs by year
- Use "custom" projected mortality improvements to 2026
- Include mortality for members with disabilities by blending rates based on expectations of plan members

Next Steps

- Board addresses policy decisions
- OSA will develop factors based on the Board's policy decisions
- Board adopts final factors
- DRS will communicate factor changes to members and implement new factors

Questions?

Assumption, Methods, and Data

- Key assumptions:
  - 8 percent interest
  - RP2007 Mortality (from 2001-2006 Experience Study Report)
  - 3 percent COLA
  - 90 percent male population
- Methods:
  - Healthy and disabled mortality blending based on probability benefit is paid for a healthy or disability cause
  - All other methods match those used in the 2007 Actuarial Valuation Report
- Data:
  - 2007 Actuarial Valuation Report data

Disclosure

- The information contained in this presentation was prepared for the LEOFF 2 Retirement Board to assist them with policy decisions for developing administrative factors. The presentation was prepared during the 2009 Interim and should not be used beyond that period.
- This is a preliminary communication and the numbers contained in this material should not be considered final. Final administrative factors will be communicated in a separate document.
- Please use the entire presentation. Distribution of, or reliance on, only parts of the presentation could result in its misuse and may mislead others.
- We believe that the methods used and the assumptions developed for this presentation are reasonable and are in conformity with generally accepted actuarial principles and standards of practice as of the date of this communication.
- Another set of assumptions and methods could also be reasonable and could produce materially different results.
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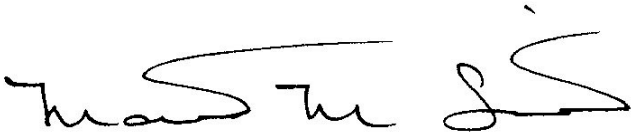

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Supplemental Handout

Preliminary Early Retirement Factors (ERFs)

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Years		New		Blended		Healthy	
Early[1]	Current	Method[2]	Updated[3]	2026	2034	2026	2034
0	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1	0.920	0.908	0.909	0.910	0.911	0.910	0.911
2	0.840	0.826	0.828	0.830	0.830	0.830	0.830
3	0.760	0.752	0.754	0.757	0.757	0.757	0.757
4	0.710	0.685	0.688	0.691	0.692	0.691	0.692
5	0.660	0.624	0.628	0.631	0.632	0.631	0.632
6	0.610	0.570	0.574	0.577	0.578	0.577	0.578
7	0.560	0.520	0.524	0.527	0.529	0.527	0.529
8	0.510	0.475	0.480	0.483	0.484	0.483	0.484
9	0.470	0.435	0.439	0.442	0.443	0.442	0.443
10	0.430	0.398	0.402	0.405	0.406	0.405	0.406
11	0.390	0.364	0.368	0.371	0.373	0.372	0.373
12	0.350	0.334	0.338	0.341	0.342	0.341	0.342
13	0.310	0.306	0.310	0.313	0.314	0.313	0.314
14	0.290	0.281	0.284	0.287	0.288	0.287	0.288
15	0.270	0.258	0.261	0.264	0.265	0.264	0.265
16	0.250	0.236	0.240	0.242	0.243	0.242	0.243
17	0.230	0.217	0.220	0.223	0.224	0.223	0.224
18	0.210	0.199	0.202	0.205	0.206	0.205	0.206
19	0.200	0.183	0.186	0.188	0.189	0.188	0.189
20	0.190	0.169	0.171	0.173	0.174	0.173	0.174
21	0.180	0.155	0.158	0.159	0.160	0.160	0.160
22	0.170	0.143	0.145	0.147	0.148	0.147	0.148
23	0.160	0.131	0.134	0.135	0.136	0.135	0.136
24	0.150	0.121	0.123	0.125	0.125	0.125	0.125
25	0.140	0.111	0.113	0.115	0.115	0.115	0.115
26	0.130	0.102	0.104	0.106	0.106	0.106	0.106
27	0.120	0.100	0.100	0.100	0.100	0.100	0.100
28	0.110	0.100	0.100	0.100	0.100	0.100	0.100
29	0.100	0.100	0.100	0.100	0.100	0.100	0.100
30+	0.100	0.100	0.100	0.100	0.100	0.100	0.100

[1]Only years retired early shown. Final factors will be applied by months retired early.

[2]Best-estimate factor rounded to the nearest 0.1 percent.

[3]Without mortality blending or future mortality improvements; uses new method and RP 2007 Mortality

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Preliminary Joint & Survivor Option Factors – 100 Percent Survivor Options

Law Enforcement Officers and Fire Fighters' Retirement System Plan 2

Age			Blended		Healthy	
Difference	Current	Updated*	2026	2034	2026	2034
-20	0.953	0.956	0.961	0.963	0.961	0.963
-19	0.950	0.954	0.958	0.960	0.958	0.960
-18	0.947	0.950	0.955	0.957	0.955	0.957
-17	0.944	0.947	0.952	0.954	0.952	0.954
-16	0.940	0.944	0.949	0.951	0.949	0.951
-15	0.937	0.940	0.946	0.948	0.946	0.948
-14	0.933	0.937	0.943	0.945	0.943	0.945
-13	0.929	0.933	0.939	0.942	0.939	0.942
-12	0.925	0.929	0.936	0.938	0.936	0.938
-11	0.921	0.925	0.932	0.934	0.932	0.934
-10	0.917	0.921	0.928	0.931	0.928	0.931
-9	0.913	0.916	0.924	0.927	0.924	0.927
-8	0.908	0.912	0.919	0.922	0.919	0.922
-7	0.904	0.907	0.915	0.918	0.915	0.918
-6	0.899	0.903	0.911	0.914	0.911	0.914
-5	0.894	0.898	0.906	0.909	0.906	0.909
-4	0.890	0.893	0.901	0.905	0.901	0.905
-3	0.885	0.888	0.896	0.900	0.896	0.900
-2	0.880	0.883	0.891	0.895	0.891	0.895
-1	0.875	0.877	0.886	0.890	0.886	0.890
0	0.870	0.872	0.881	0.885	0.881	0.885
1	0.865	0.867	0.876	0.880	0.876	0.880
2	0.860	0.861	0.871	0.875	0.871	0.875
3	0.855	0.856	0.866	0.870	0.866	0.870
4	0.850	0.850	0.861	0.865	0.861	0.865
5	0.845	0.845	0.855	0.859	0.855	0.859
6	0.840	0.840	0.850	0.854	0.850	0.854
7	0.835	0.834	0.845	0.849	0.845	0.849
8	0.830	0.829	0.840	0.844	0.840	0.844
9	0.825	0.824	0.835	0.839	0.835	0.839
10	0.821	0.819	0.830	0.834	0.830	0.834

Age difference equals member age minus beneficiary age.
**Without mortality blending or future mortality improvements; uses RP 2007 mortality. .*

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Preliminary Joint & Survivor Option Factors - 100 Percent Survivor Option (Continued)

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Age			Blended		Healthy	
Difference	Current	Updated*	2026	2034	2026	2034
11	0.816	0.814	0.825	0.829	0.825	0.829
12	0.812	0.809	0.820	0.824	0.820	0.824
13	0.808	0.804	0.815	0.820	0.815	0.820
14	0.803	0.799	0.811	0.815	0.811	0.815
15	0.799	0.795	0.806	0.811	0.806	0.811
16	0.795	0.790	0.802	0.806	0.802	0.806
17	0.792	0.786	0.797	0.802	0.797	0.802
18	0.788	0.782	0.793	0.798	0.793	0.798
19	0.784	0.778	0.789	0.794	0.789	0.794
20	0.781	0.774	0.785	0.790	0.785	0.790
21	0.777	0.770	0.782	0.786	0.782	0.786
22	0.774	0.766	0.778	0.783	0.778	0.783
23	0.771	0.763	0.774	0.779	0.774	0.779
24	0.768	0.759	0.771	0.776	0.771	0.776
25	0.765	0.756	0.768	0.772	0.768	0.772
26	0.763	0.753	0.765	0.769	0.765	0.769
27	0.760	0.749	0.762	0.766	0.761	0.766
28	0.757	0.747	0.759	0.763	0.759	0.763
29	0.755	0.744	0.756	0.761	0.756	0.761
30	0.753	0.741	0.753	0.758	0.753	0.758
31	0.750	0.738	0.751	0.755	0.751	0.755
32	0.748	0.736	0.748	0.753	0.748	0.753
33	0.746	0.734	0.746	0.751	0.746	0.751
34	0.744	0.731	0.743	0.748	0.743	0.748
35	0.742	0.729	0.741	0.746	0.741	0.746
36	0.741	0.727	0.739	0.744	0.739	0.744
37	0.739	0.725	0.737	0.742	0.737	0.742
38	0.737	0.723	0.735	0.740	0.735	0.740
39	0.736	0.721	0.734	0.738	0.734	0.738
40	0.734	0.720	0.732	0.737	0.732	0.737

Age difference equals member age minus beneficiary age.
**Without mortality blending or future mortality improvement; uses RP 2007 mortality.*

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Preliminary Joint & Survivor Option Factors - 50 Percent Survivor Option

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Age			Blended		Healthy	
Difference	Current	Updated*	2026	2034	2026	2034
-20	0.976	0.978	0.980	0.981	0.980	0.981
-19	0.974	0.976	0.979	0.980	0.979	0.980
-18	0.973	0.975	0.977	0.978	0.977	0.978
-17	0.971	0.973	0.976	0.977	0.976	0.977
-16	0.969	0.971	0.974	0.975	0.974	0.975
-15	0.967	0.969	0.972	0.973	0.972	0.973
-14	0.965	0.967	0.971	0.972	0.971	0.972
-13	0.963	0.965	0.969	0.970	0.969	0.970
-12	0.961	0.963	0.967	0.968	0.967	0.968
-11	0.959	0.961	0.965	0.966	0.965	0.966
-10	0.957	0.959	0.963	0.964	0.963	0.964
-9	0.954	0.956	0.960	0.962	0.960	0.962
-8	0.952	0.954	0.958	0.960	0.958	0.960
-7	0.949	0.951	0.956	0.957	0.956	0.957
-6	0.947	0.949	0.953	0.955	0.953	0.955
-5	0.944	0.946	0.951	0.952	0.951	0.952
-4	0.942	0.943	0.948	0.950	0.948	0.950
-3	0.939	0.941	0.945	0.947	0.945	0.947
-2	0.936	0.938	0.943	0.945	0.943	0.945
-1	0.933	0.935	0.940	0.942	0.940	0.942
0	0.930	0.932	0.937	0.939	0.937	0.939
1	0.927	0.929	0.934	0.936	0.934	0.936
2	0.924	0.925	0.931	0.933	0.931	0.933
3	0.922	0.922	0.928	0.930	0.928	0.930
4	0.919	0.919	0.925	0.927	0.925	0.927
5	0.916	0.916	0.922	0.924	0.922	0.924
6	0.913	0.913	0.919	0.921	0.919	0.921
7	0.910	0.910	0.916	0.918	0.916	0.918
8	0.907	0.907	0.913	0.915	0.913	0.915
9	0.904	0.904	0.910	0.912	0.910	0.912
10	0.902	0.900	0.907	0.910	0.907	0.910

Age difference equals member age minus beneficiary age.
**Without mortality blending or future mortality improvements; uses RP 2007 mortality.*

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Preliminary Joint & Survivor Option Factors - 50 Percent Survivor Option (Continued)

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Age			Blended		Healthy	
Difference	Current	Updated*	2026	2034	2026	2034
11	0.899	0.897	0.904	0.907	0.904	0.907
12	0.896	0.894	0.901	0.904	0.901	0.904
13	0.894	0.891	0.898	0.901	0.898	0.901
14	0.891	0.888	0.895	0.898	0.895	0.898
15	0.888	0.886	0.893	0.895	0.893	0.895
16	0.886	0.883	0.890	0.893	0.890	0.893
17	0.884	0.880	0.887	0.890	0.887	0.890
18	0.881	0.877	0.885	0.888	0.885	0.888
19	0.879	0.875	0.882	0.885	0.882	0.885
20	0.877	0.872	0.880	0.883	0.880	0.883
21	0.875	0.870	0.877	0.880	0.877	0.880
22	0.873	0.868	0.875	0.878	0.875	0.878
23	0.871	0.865	0.873	0.876	0.873	0.876
24	0.869	0.863	0.871	0.874	0.871	0.874
25	0.867	0.861	0.869	0.872	0.869	0.872
26	0.865	0.859	0.867	0.870	0.867	0.870
27	0.864	0.857	0.865	0.868	0.865	0.868
28	0.862	0.855	0.863	0.866	0.863	0.866
29	0.860	0.853	0.861	0.864	0.861	0.864
30	0.859	0.851	0.859	0.862	0.859	0.862
31	0.857	0.850	0.858	0.861	0.857	0.861
32	0.856	0.848	0.856	0.859	0.856	0.859
33	0.855	0.846	0.854	0.858	0.854	0.857
34	0.853	0.845	0.853	0.856	0.853	0.856
35	0.852	0.843	0.851	0.855	0.851	0.855
36	0.851	0.842	0.850	0.853	0.850	0.853
37	0.850	0.841	0.849	0.852	0.849	0.852
38	0.849	0.839	0.848	0.851	0.847	0.851
39	0.848	0.838	0.846	0.850	0.846	0.850
40	0.847	0.837	0.845	0.848	0.845	0.848

Age difference equals member age minus beneficiary age.
**Without mortality blending or future mortality improvements; uses RP 2007 mortality.*

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Preliminary Joint & Survivor Option Factors - 67 Percent Survivor Option

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Age			Blended		Healthy	
Difference	Current	Updated*	2026	2034	2026	2034
-20	0.968	0.970	0.974	0.975	0.974	0.975
-19	0.966	0.969	0.972	0.973	0.972	0.973
-18	0.964	0.966	0.970	0.971	0.970	0.971
-17	0.962	0.964	0.968	0.969	0.968	0.969
-16	0.959	0.962	0.966	0.967	0.966	0.967
-15	0.957	0.960	0.963	0.965	0.963	0.965
-14	0.954	0.957	0.961	0.963	0.961	0.963
-13	0.952	0.954	0.959	0.960	0.959	0.960
-12	0.949	0.952	0.956	0.958	0.956	0.958
-11	0.946	0.949	0.953	0.955	0.953	0.955
-10	0.943	0.946	0.951	0.953	0.951	0.953
-9	0.940	0.943	0.948	0.950	0.948	0.950
-8	0.937	0.940	0.945	0.947	0.945	0.947
-7	0.934	0.936	0.942	0.944	0.942	0.944
-6	0.930	0.933	0.939	0.941	0.939	0.941
-5	0.927	0.929	0.935	0.938	0.935	0.938
-4	0.924	0.926	0.932	0.934	0.932	0.934
-3	0.920	0.922	0.928	0.931	0.928	0.931
-2	0.916	0.918	0.925	0.927	0.925	0.927
-1	0.913	0.915	0.921	0.924	0.921	0.924
0	0.909	0.911	0.918	0.920	0.918	0.920
1	0.905	0.907	0.914	0.917	0.914	0.917
2	0.902	0.903	0.910	0.913	0.910	0.913
3	0.898	0.899	0.906	0.909	0.906	0.909
4	0.894	0.895	0.903	0.905	0.903	0.905
5	0.891	0.891	0.899	0.902	0.899	0.902
6	0.887	0.887	0.895	0.898	0.895	0.898
7	0.883	0.883	0.891	0.894	0.891	0.894
8	0.880	0.879	0.887	0.890	0.887	0.890
9	0.876	0.875	0.883	0.887	0.883	0.887
10	0.873	0.871	0.880	0.883	0.880	0.883

Age difference equals member age minus beneficiary age.
**Without mortality blending or future mortality improvements; uses RP 2007 mortality.*

Preliminary Joint & Survivor Option Factors - 67 Percent Survivor Option (Continued)

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Age			Blended		Healthy	
Difference	Current	Updated*	2026	2034	2026	2034
11	0.870	0.868	0.876	0.879	0.876	0.879
12	0.866	0.864	0.872	0.876	0.872	0.876
13	0.863	0.860	0.869	0.872	0.869	0.872
14	0.860	0.857	0.865	0.869	0.865	0.869
15	0.857	0.853	0.862	0.865	0.862	0.865
16	0.854	0.850	0.858	0.862	0.858	0.862
17	0.851	0.846	0.855	0.859	0.855	0.859
18	0.848	0.843	0.852	0.856	0.852	0.856
19	0.845	0.840	0.849	0.852	0.849	0.852
20	0.842	0.837	0.846	0.849	0.846	0.849
21	0.840	0.834	0.843	0.847	0.843	0.847
22	0.837	0.831	0.840	0.844	0.840	0.844
23	0.835	0.828	0.837	0.841	0.837	0.841
24	0.832	0.825	0.835	0.838	0.835	0.838
25	0.830	0.823	0.832	0.836	0.832	0.836
26	0.828	0.820	0.830	0.833	0.830	0.833
27	0.826	0.818	0.827	0.831	0.827	0.831
28	0.824	0.815	0.825	0.829	0.825	0.829
29	0.822	0.813	0.823	0.827	0.823	0.827
30	0.820	0.811	0.821	0.824	0.821	0.824
31	0.818	0.809	0.819	0.822	0.819	0.822
32	0.817	0.807	0.817	0.821	0.817	0.820
33	0.815	0.805	0.815	0.819	0.815	0.819
34	0.814	0.803	0.813	0.817	0.813	0.817
35	0.812	0.801	0.811	0.815	0.811	0.815
36	0.811	0.800	0.810	0.814	0.810	0.813
37	0.809	0.798	0.808	0.812	0.808	0.812
38	0.808	0.797	0.807	0.810	0.806	0.810
39	0.807	0.795	0.805	0.809	0.805	0.809
40	0.806	0.794	0.804	0.808	0.804	0.808

Age difference equals member age minus beneficiary age.

**Without mortality blending or future mortality improvements; uses RP 2007 mortality.*

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Preliminary Annuity Conversion Factors

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

			Blended		Healthy	
Age	Current	Updated*	2026	2034	2026	2034
20	0.0043230	0.0043122	0.0042990	0.0042931	0.0042972	0.0042913
21	0.0043375	0.0043261	0.0043125	0.0043062	0.0043106	0.0043044
22	0.0043528	0.0043409	0.0043266	0.0043201	0.0043247	0.0043183
23	0.0043690	0.0043563	0.0043414	0.0043347	0.0043394	0.0043328
24	0.0043860	0.0043727	0.0043571	0.0043500	0.0043550	0.0043480
25	0.0044039	0.0043899	0.0043735	0.0043661	0.0043714	0.0043641
26	0.0044229	0.0044081	0.0043908	0.0043831	0.0043886	0.0043810
27	0.0044430	0.0044273	0.0044091	0.0044009	0.0044068	0.0043987
28	0.0044641	0.0044475	0.0044283	0.0044197	0.0044260	0.0044175
29	0.0044865	0.0044690	0.0044486	0.0044396	0.0044463	0.0044373
30	0.0045102	0.0044917	0.0044701	0.0044606	0.0044677	0.0044582
31	0.0045351	0.0045156	0.0044927	0.0044827	0.0044903	0.0044803
32	0.0045613	0.0045409	0.0045166	0.0045059	0.0045141	0.0045035
33	0.0045889	0.0045674	0.0045416	0.0045304	0.0045391	0.0045280
34	0.0046178	0.0045953	0.0045679	0.0045561	0.0045654	0.0045536
35	0.0046482	0.0046246	0.0045956	0.0045830	0.0045930	0.0045805
36	0.0046803	0.0046555	0.0046246	0.0046114	0.0046220	0.0046088
37	0.0047140	0.0046879	0.0046552	0.0046412	0.0046525	0.0046386
38	0.0047497	0.0047222	0.0046874	0.0046726	0.0046847	0.0046700
39	0.0047875	0.0047584	0.0047214	0.0047057	0.0047187	0.0047032
40	0.0048276	0.0047968	0.0047574	0.0047409	0.0047548	0.0047383
41	0.0048701	0.0048374	0.0047956	0.0047781	0.0047930	0.0047756
42	0.0049152	0.0048805	0.0048361	0.0048176	0.0048335	0.0048151
43	0.0049631	0.0049263	0.0048791	0.0048595	0.0048766	0.0048571
44	0.0050141	0.0049750	0.0049248	0.0049041	0.0049224	0.0049018
45	0.0050683	0.0050267	0.0049733	0.0049514	0.0049710	0.0049493
46	0.0051259	0.0050817	0.0050249	0.0050018	0.0050228	0.0049998
47	0.0051874	0.0051402	0.0050797	0.0050553	0.0050779	0.0050536
48	0.0052529	0.0052026	0.0051382	0.0051124	0.0051367	0.0051111
49	0.0053230	0.0052691	0.0052005	0.0051733	0.0051995	0.0051724
50	0.0053980	0.0053403	0.0052671	0.0052384	0.0052667	0.0052380
51	0.0054784	0.0054164	0.0053389	0.0053085	0.0053385	0.0053082
52	0.0055639	0.0054980	0.0054158	0.0053837	0.0054156	0.0053835
53	0.0056556	0.0055849	0.0054978	0.0054638	0.0054978	0.0054638
54	0.0057540	0.0056779	0.0055858	0.0055499	0.0055858	0.0055499
55	0.0058596	0.0057777	0.0056802	0.0056422	0.0056802	0.0056421
56	0.0059724	0.0058848	0.0057814	0.0057410	0.0057814	0.0057410
57	0.0060925	0.0059992	0.0058893	0.0058464	0.0058893	0.0058464
58	0.0062212	0.0061211	0.0060042	0.0059586	0.0060042	0.0059586
59	0.0063591	0.0062516	0.0061272	0.0060786	0.0061272	0.0060786
60	0.0065069	0.0063915	0.0062589	0.0062072	0.0062589	0.0062072

**Without mortality blending or future mortality improvements; uses RP 2007 Mortality.*

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Preliminary Annuity Conversion Factors (continued)

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

			Blended		Healthy	
Age	Current	Updated*	2026	2034	2026	2034
61	0.0066653	0.0065415	0.0064002	0.0063451	0.0064002	0.0063451
62	0.0068346	0.0067019	0.0065513	0.0064925	0.0065513	0.0064925
63	0.0070156	0.0068736	0.0067129	0.0066502	0.0067128	0.0066502
64	0.0072086	0.0070570	0.0068853	0.0068184	0.0068853	0.0068183
65	0.0074156	0.0072527	0.0070694	0.0069981	0.0070694	0.0069981
66	0.0076374	0.0074626	0.0072670	0.0071909	0.0072670	0.0071909
67	0.0078743	0.0076873	0.0074781	0.0073968	0.0074781	0.0073968
68	0.0081293	0.0079279	0.0077043	0.0076174	0.0077043	0.0076174
69	0.0084053	0.0081872	0.0079491	0.0078567	0.0079491	0.0078567
70	0.0087043	0.0084672	0.0082138	0.0081155	0.0082138	0.0081155
71	0.0090273	0.0087708	0.0085025	0.0083984	0.0085025	0.0083983
72	0.0093786	0.0090984	0.0088151	0.0087051	0.0088151	0.0087051
73	0.0097607	0.0094545	0.0091561	0.0090401	0.0091561	0.0090401
74	0.0101764	0.0098417	0.0095288	0.0094068	0.0095288	0.0094068
75	0.0106287	0.0102629	0.0099363	0.0098087	0.0099363	0.0098086
76	0.0111200	0.0107207	0.0103798	0.0102463	0.0103798	0.0102463
77	0.0116562	0.0112186	0.0108658	0.0107271	0.0108658	0.0107271
78	0.0122411	0.0117609	0.0113957	0.0112515	0.0113957	0.0112515
79	0.0128804	0.0123525	0.0119743	0.0118246	0.0119743	0.0118246
80	0.0135797	0.0129990	0.0126071	0.0124513	0.0126071	0.0124513
81	0.0143456	0.0137063	0.0132991	0.0131368	0.0132990	0.0131368
82	0.0151767	0.0144806	0.0140556	0.0138859	0.0140556	0.0138859
83	0.0160772	0.0153209	0.0148749	0.0146966	0.0148749	0.0146965
84	0.0170587	0.0162339	0.0157725	0.0155876	0.0157725	0.0155876
85	0.0181210	0.0172243	0.0167437	0.0165508	0.0167437	0.0165507
86	0.0192771	0.0182984	0.0178057	0.0176076	0.0178058	0.0176075
87	0.0205333	0.0194643	0.0189719	0.0187730	0.0189720	0.0187729
88	0.0218769	0.0207214	0.0202253	0.0200241	0.0202253	0.0200241
89	0.0232959	0.0220619	0.0215551	0.0213492	0.0215551	0.0213492
90	0.0247871	0.0234798	0.0229787	0.0227744	0.0229787	0.0227744
91	0.0263029	0.0249552	0.0244483	0.0242414	0.0244483	0.0242414
92	0.0278808	0.0264610	0.0259752	0.0257761	0.0259752	0.0257761
93	0.0294763	0.0280075	0.0275207	0.0273211	0.0275207	0.0273211
94	0.0310995	0.0295796	0.0291108	0.0289183	0.0291108	0.0289183
95	0.0327475	0.0311768	0.0307651	0.0305954	0.0307651	0.0305954
96	0.0343626	0.0327726	0.0323798	0.0322177	0.0323798	0.0322177
97	0.0359778	0.0343576	0.0340193	0.0338795	0.0340193	0.0338795
98	0.0375934	0.0359444	0.0357060	0.0356068	0.0357060	0.0356068
99	0.0391353	0.0375126	0.0373073	0.0372219	0.0373073	0.0372219

**Without mortality blending or future mortality improvements; uses RP 2007 mortality.*

This handout provides supplemental documentation to the Administrative Factors presentation to the LEOFF 2 Board on July 22, 2009.