

*Washington State
Department of
Retirement Systems*



Vision

- ❖ Delighted customers, proud staff.

Mission

- ❖ To administer Washington State's public retirement and deferred compensation programs in a manner that creates the highest degree of confidence in our integrity, efficiency, fairness and financial responsibility.

Service Delivery Business Model

will be... self-service products with multiple...

Scope of Administration

❖ Seven retirement systems, 14 plans

❖ Retirement trust assets

■ All plans \$39.9 billion

■ LEOFF Plan 2 \$2.3 billion

❖ Annual contributions

■ All plans \$695.5 million

■ LEOFF Plan 2 \$79.0 million

Annual disbursements

■ All plans \$1.9 billion

Scope of Administration

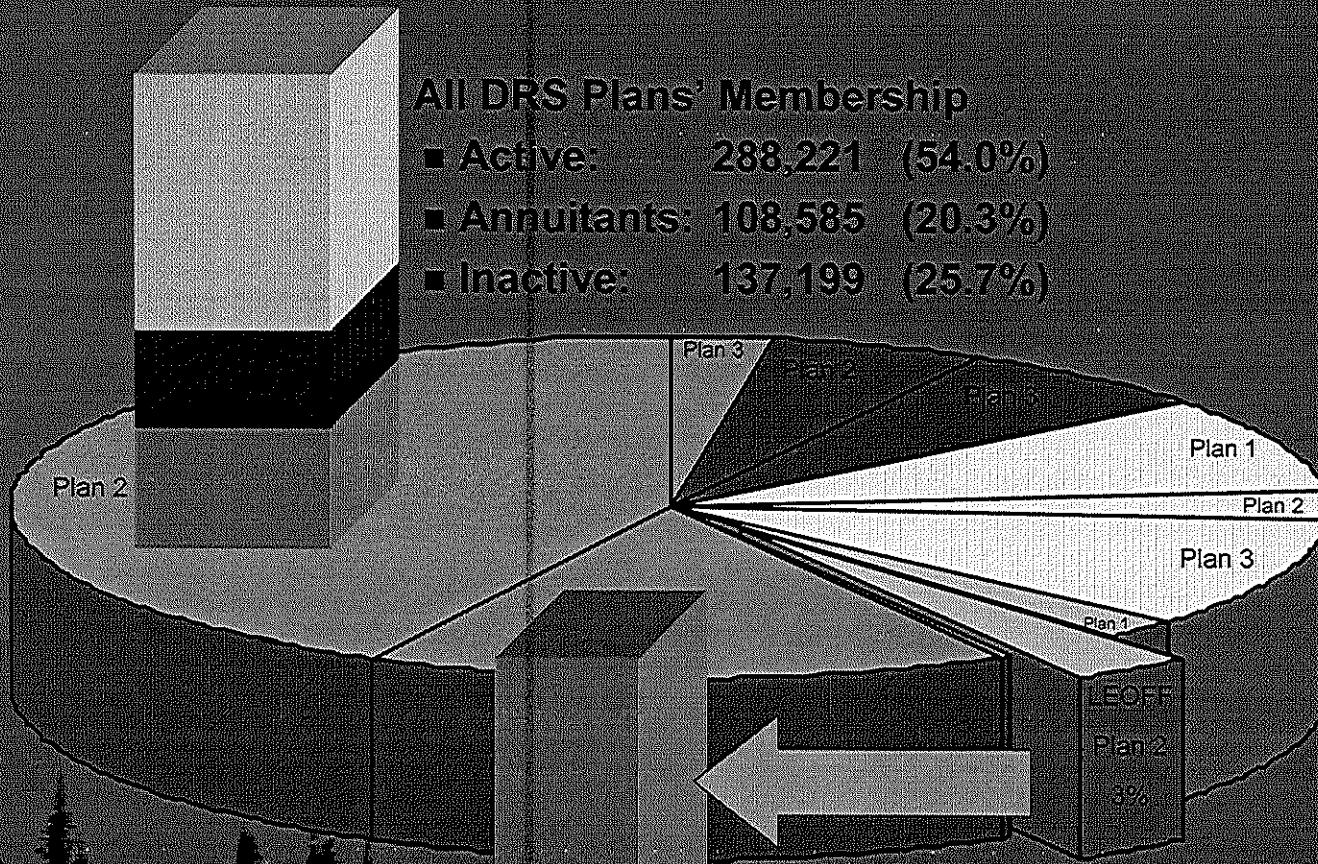
- ❖ 288,000 active retirement system members
- ❖ 109,000 annuitants (retirees and beneficiaries)
- ❖ 137,000 inactive members
- ❖ 1,266 employers
 - 364 employers report LEOFF members
- ❖ Funded by employer administrative fee
 - 0.22 percent of reportable compensation
 - No general fund support

Membership by System and Plan

All DRS Plans' Membership

■ Active:	288,221	(54.0%)
■ Annuitants:	108,585	(20.3%)
■ Inactive:	137,199	(25.7%)

- PERS
- SERS
- TRS
- LEOFF
- WSPRS
- JRS/Judicial



LEOFF Plan 2 Membership

■ Active:	14,308	(88.4%)
■ Annuitants:	1,790	(11.6%)

Stakeholders

❖ Members

- Active contributing members
- Inactive vested and non-vested members
- Retirees and beneficiaries

❖ Employers

- Employer Advisory Committee

Employee Retirement Benefits Board

ERISA Advisory Committee

Representing active and retired members

Stakeholders

- ❖ State Treasurer
- ❖ State Actuary
- ❖ State Investment Board
- ❖ Office of Financial Management
- ❖ Legislature

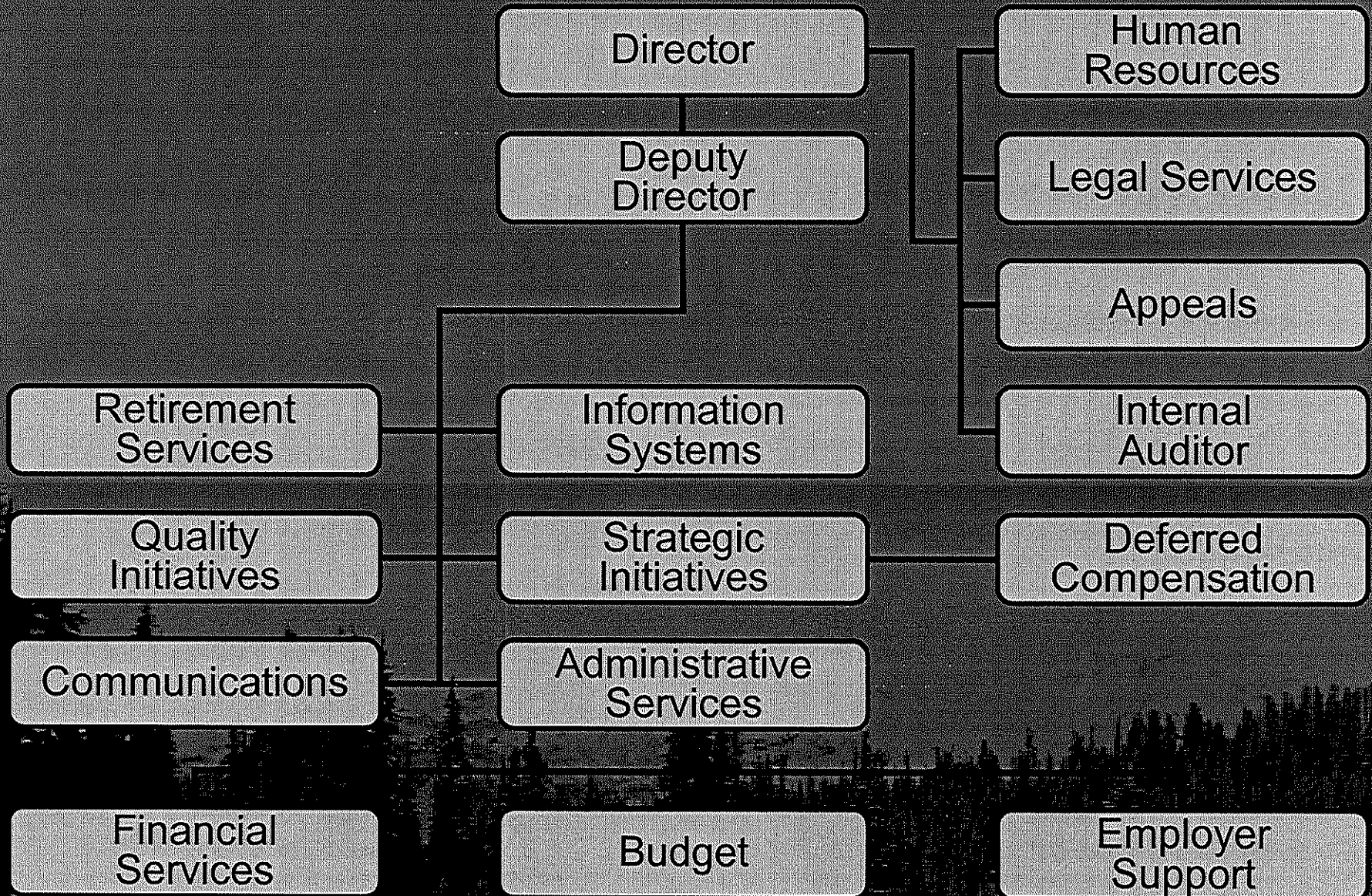
- Select Committee on Pension Policy

- Legislative Fiscal Committees

- Pension Funding Council

- Pension Research and Keep

DRS Organizational Structure



Retirement Services Division

- ❖ Provides all customer (member) services
 - New enrollments
 - Benefit estimates
 - Disability and death benefits
 - Retirements
 - Retirement planning seminars and workshops

Offers a variety of service delivery methods

Telephone

E-mail

Web

Print

Video

Retirement Services Division

❖ Averages more than 45,000 transactions per month

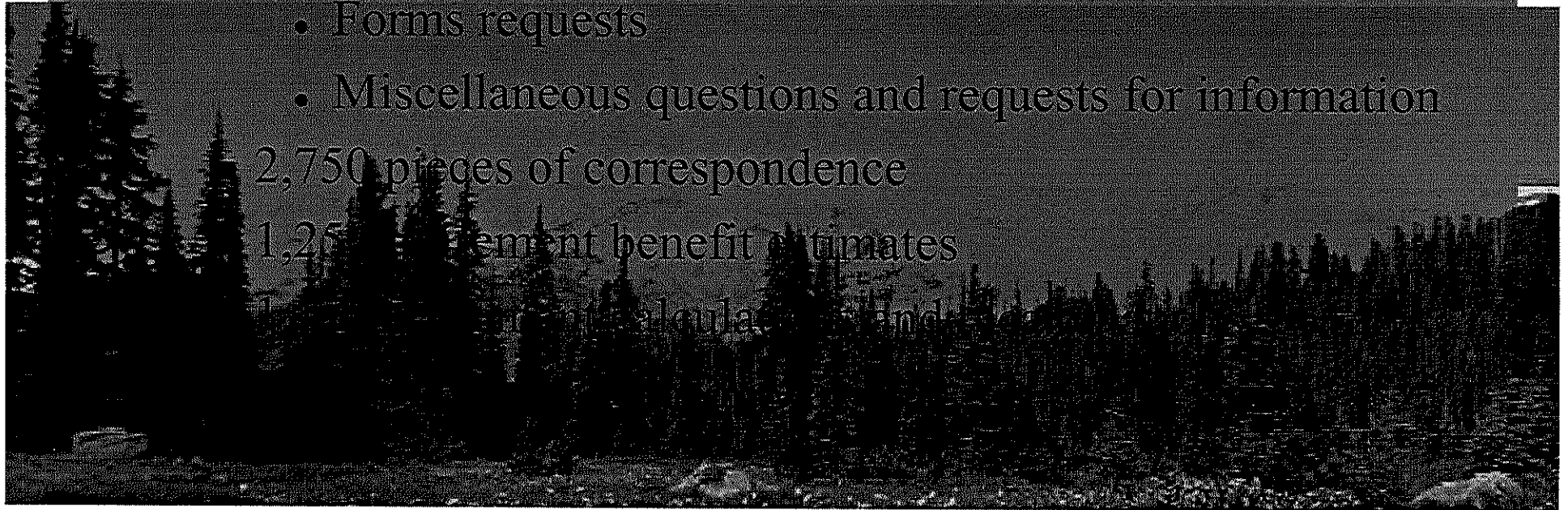
■ 39,000 telephone contacts, including:

- Membership and retirement questions
- Account balance and service credit inquiries
- Death and disability issues
- Address changes
- Forms requests
- Miscellaneous questions and requests for information

2,750 pieces of correspondence

1,250 retirement benefit estimates

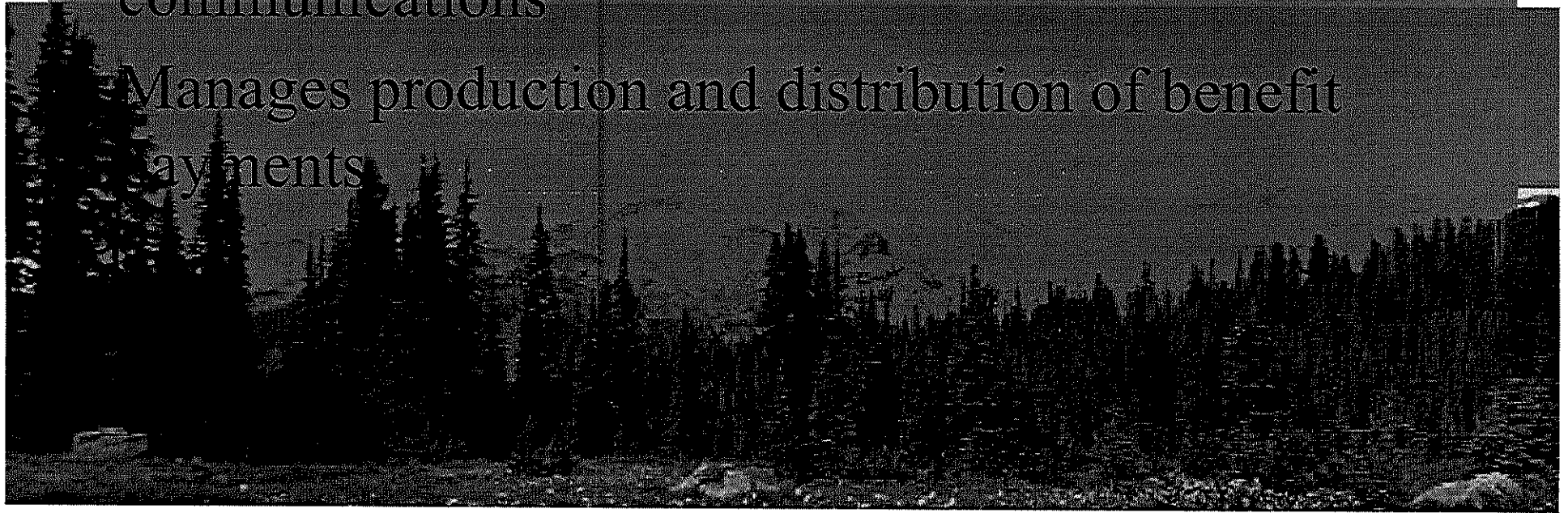
1,000 retirement benefit calculations



Information Systems Division

- ❖ Designs, builds and maintains agency's mainframe information systems
- ❖ Installs and maintains all desktop hardware and software
- ❖ Manages and maintains telephone and electronic communications

Manages production and distribution of benefit payments



Information Systems Division

- ❖ Integrated mainframe computer systems
 - Member Information System
 - Employer Information System
 - Benefits System
 - Disbursement Information System
 - Receivables Management System



Administrative Services Division

❖ Manages all financial activities

- Trust fund accounting
- Member and employer receipts and receivables
- Vendor payments and payables
- Payroll
- Purchasing

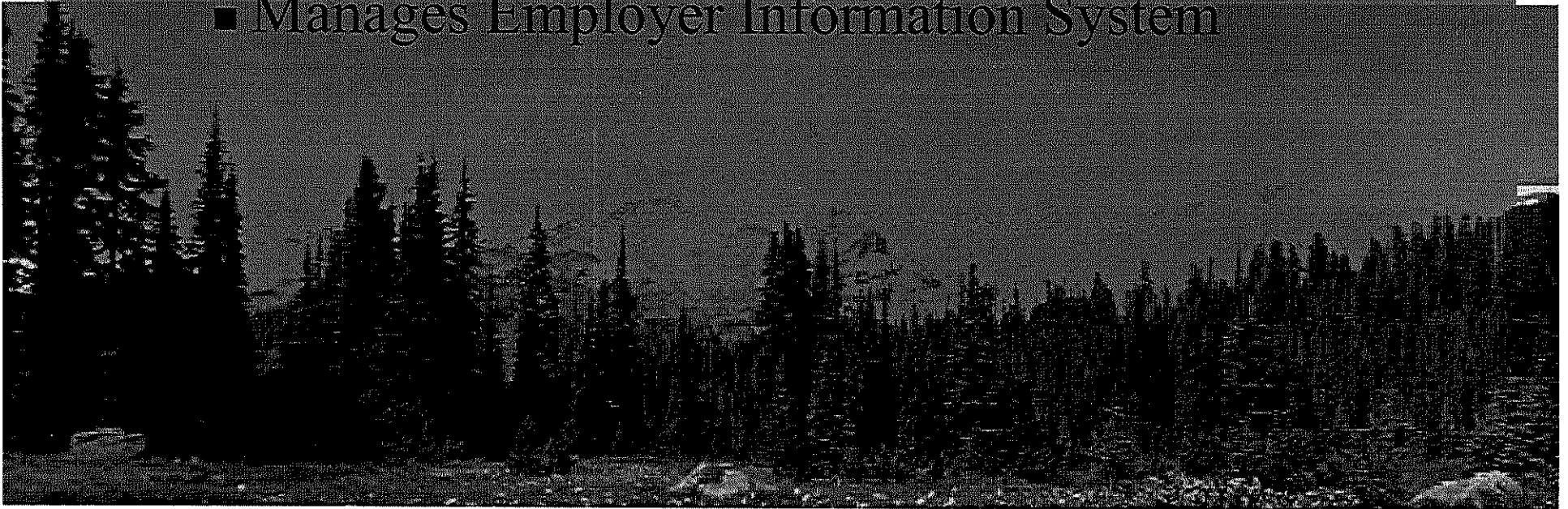
Prepares and monitors agency budget

Provides facilities maintenance and mail processing

Maintains member files and document imaging

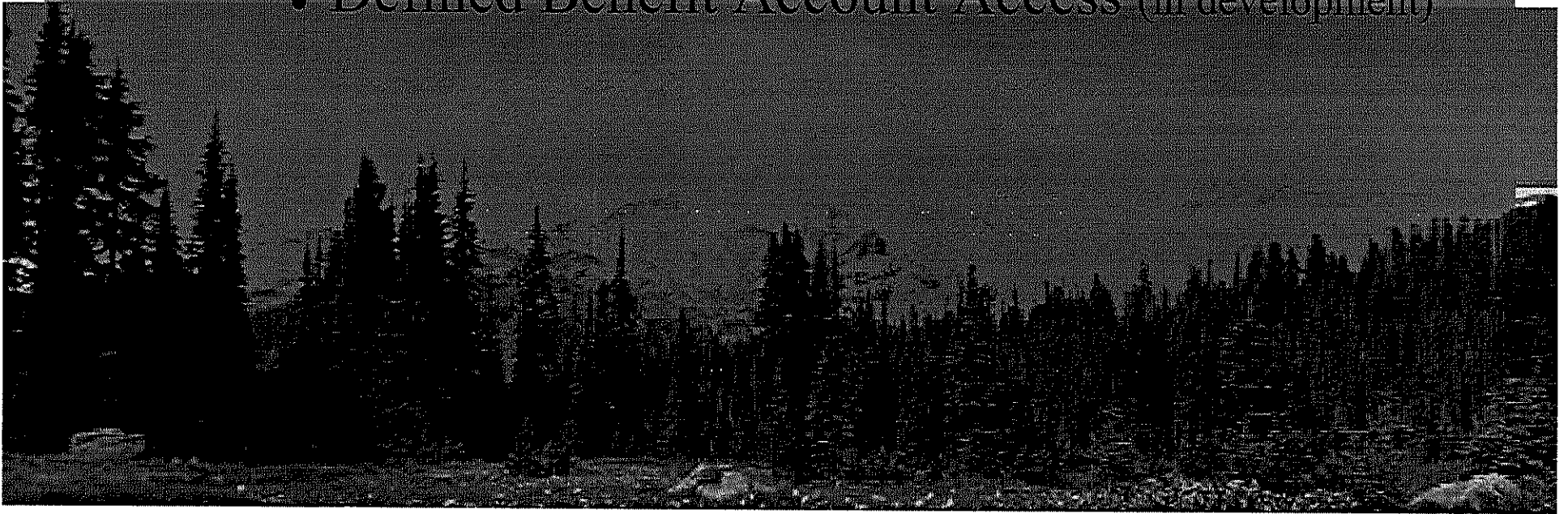
Administrative Services Division

- ❖ Provides Employer Support Services
 - Conducts employer training
 - 183 classes in FY 03
 - Processes monthly transmittals
 - Audits employers to ensure reporting accuracy
 - Manages Employer Information System

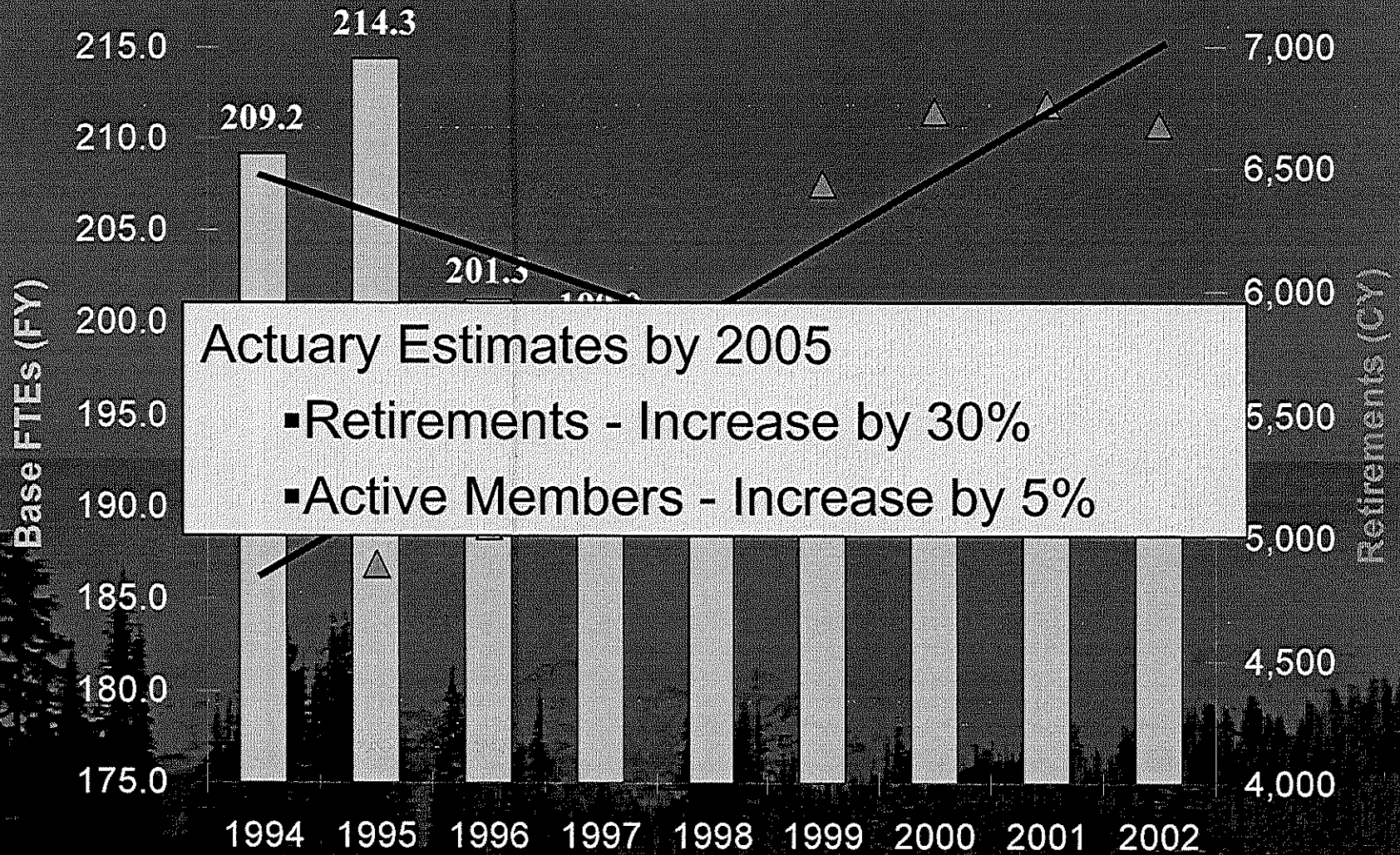


Strategic Initiatives

- ❖ Manages all major agency projects
 - Implements new legislation
 - Develops e-business and Web-based applications
 - Online Retirement Benefit Estimators
 - Online forms, publications and information
 - Defined Benefit Account Access (in development)



DRS Retirements and FTEs



Balanced Scorecard

CUSTOMER PERSPECTIVE

MEASURE: Customer
Satisfaction Survey

PUBLIC VALUE AND BENEFIT PERSPECTIVE

MEASURE: Results of
Quality Initiatives

FINANCIAL PERSPECTIVE

MEASURE: Administrative
Cost Per Member

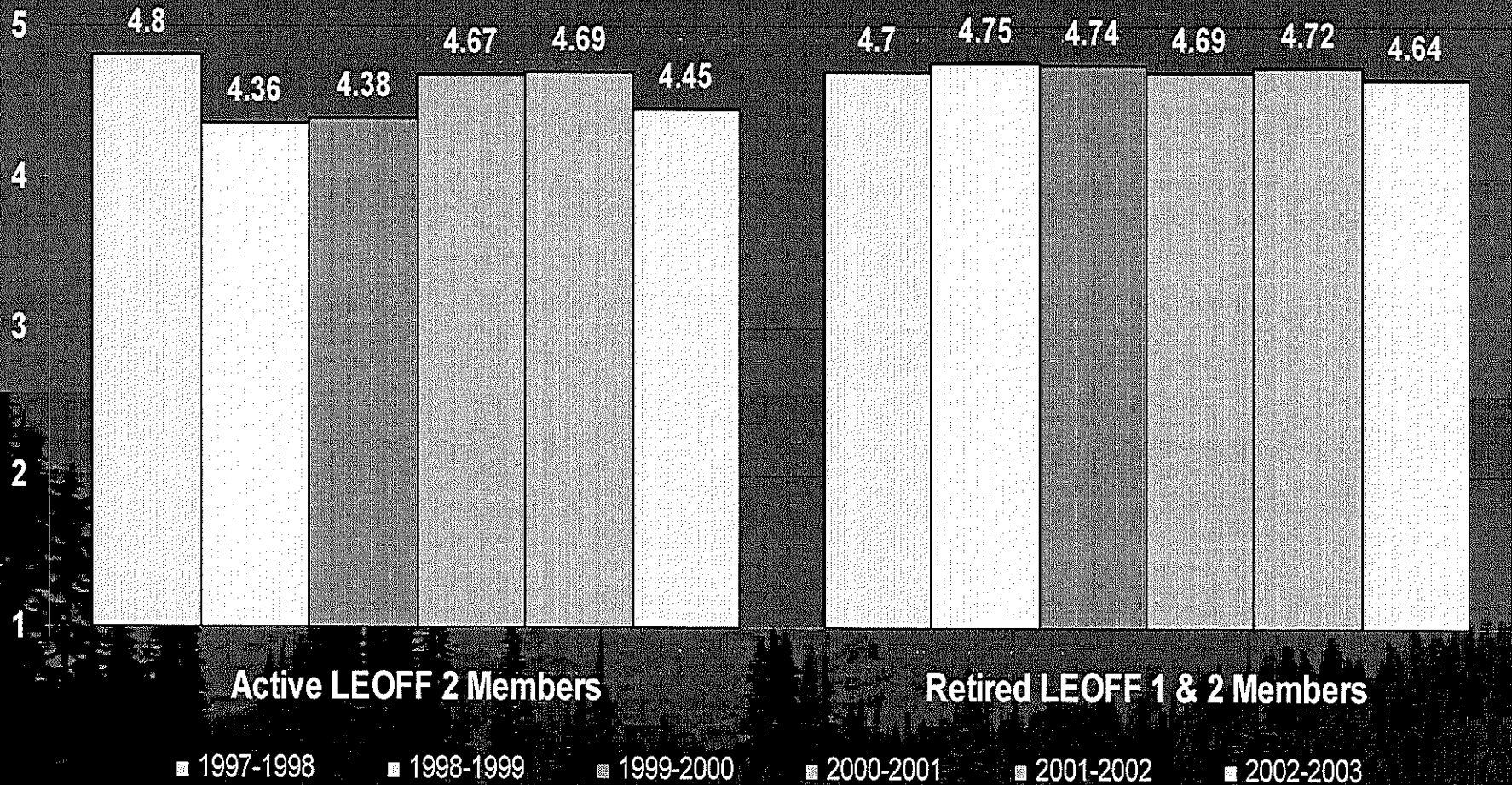
INTERNAL PROCESS PERSPECTIVE

LEARNING AND GROWTH PERSPECTIVE

MEASURE:

High Customer Satisfaction

Customer Satisfaction Survey Results



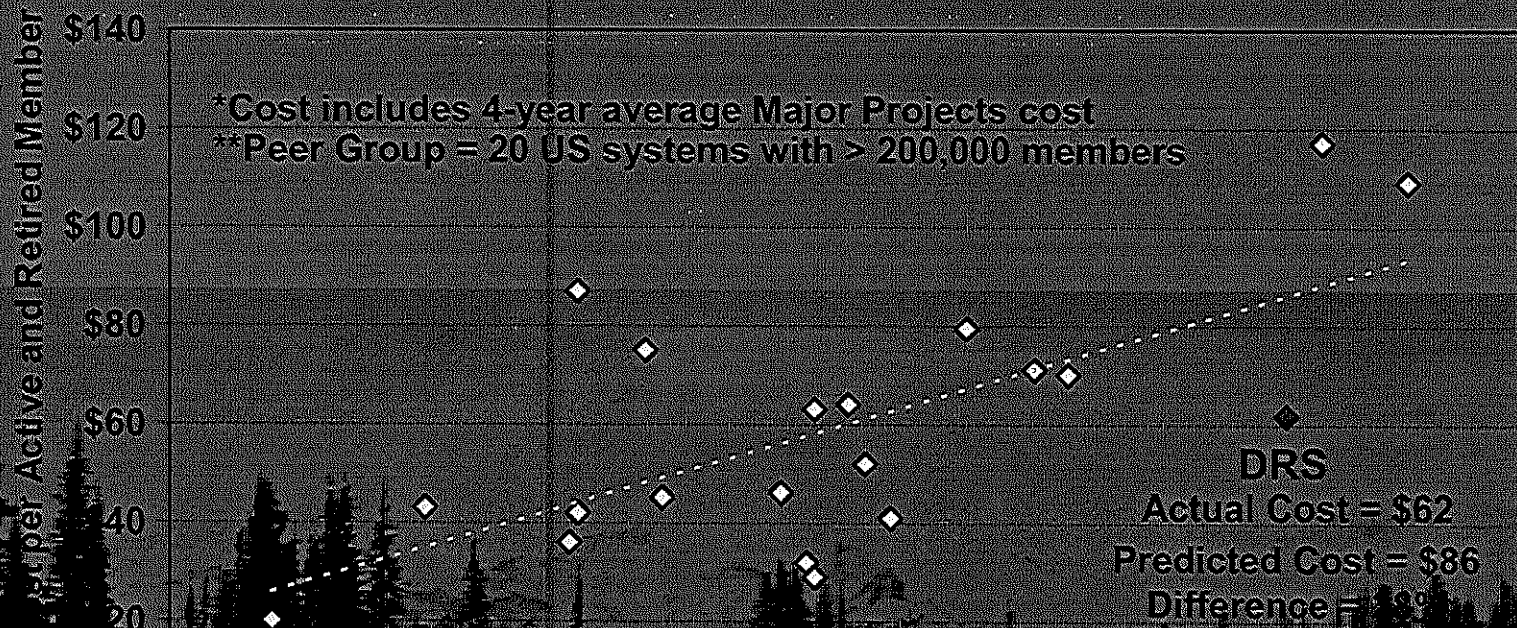
Customer Service Measures

- ❖ Maintain customer service response times
 - Complete retirement estimates within five days
 - FY 03 Results: 3.07 days
 - Respond to routine correspondence within five days
 - FY 03 Results: 95.6 percent responded to within five days
 - Provide knowledgeable staff service to members visiting DRS within four minutes of their arrival
 - FY 03 Results: Average wait time of 2.39 minutes
 - Answer 90 percent of incoming calls within 30 seconds
 - FY 03 Results: Responded to 94.3 percent

Cost-Efficient Operations

"... one of the most cost effective pension administrators in the nation."

Washington State DRS Total Unit Cost* Relative to US Peer Group**
Regression of Total Unit Cost based on Service and Complexity Scores



Summary

- ❖ DRS has 27 years' experience administering public retirement plans
 - ❖ Receives high customer satisfaction ratings
 - ❖ Maintains cost-efficient operations validated by external benchmarking study
 - ❖ Develops innovative service delivery options
- LEOFF Plan 2 benefits from DRS' comprehensive infrastructure

