



September 21, 2016

## LEOFF Plan 2 Comparison Report

### EDUCATIONAL BRIEFING

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### OVERVIEW

The Board asked for a comparison of LEOFF Plan 2 to other open plans across the country. A total of 160 public pension plans were surveyed. This comparison is based on the following 5 measurements:

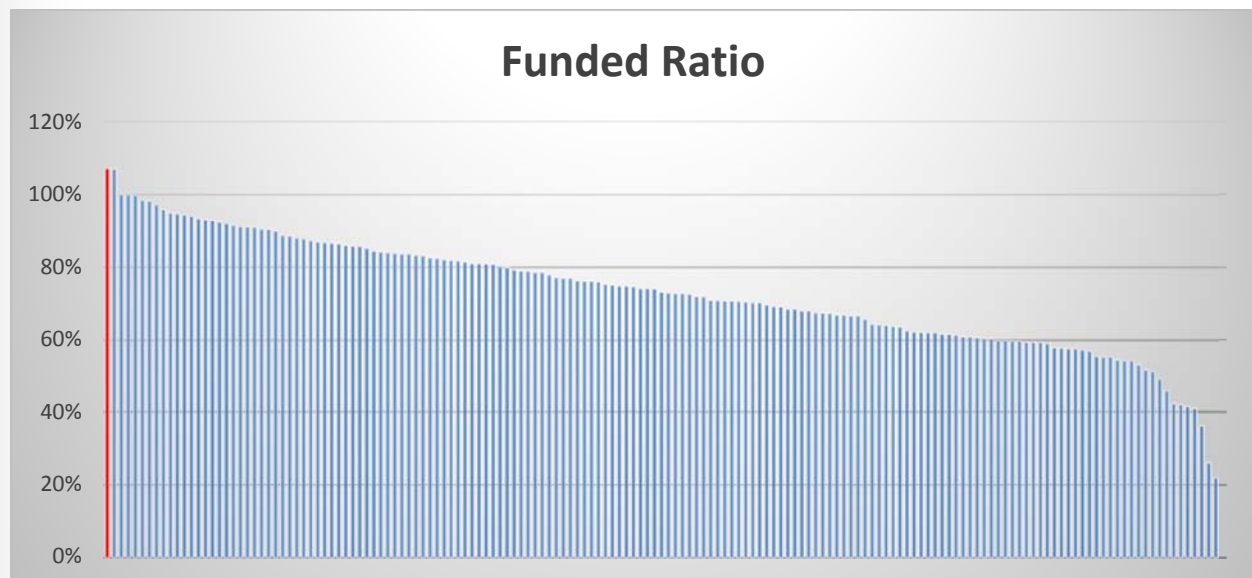
- Funded status
- Assumed Rate of Return on Investment
- Total Normal Cost of the Pension Plan
- Average Benefit in Retirement
- Average Salary

LEOFF Plan 2 will be highlighted in red in all of the corresponding charts.

### COMPARISONS

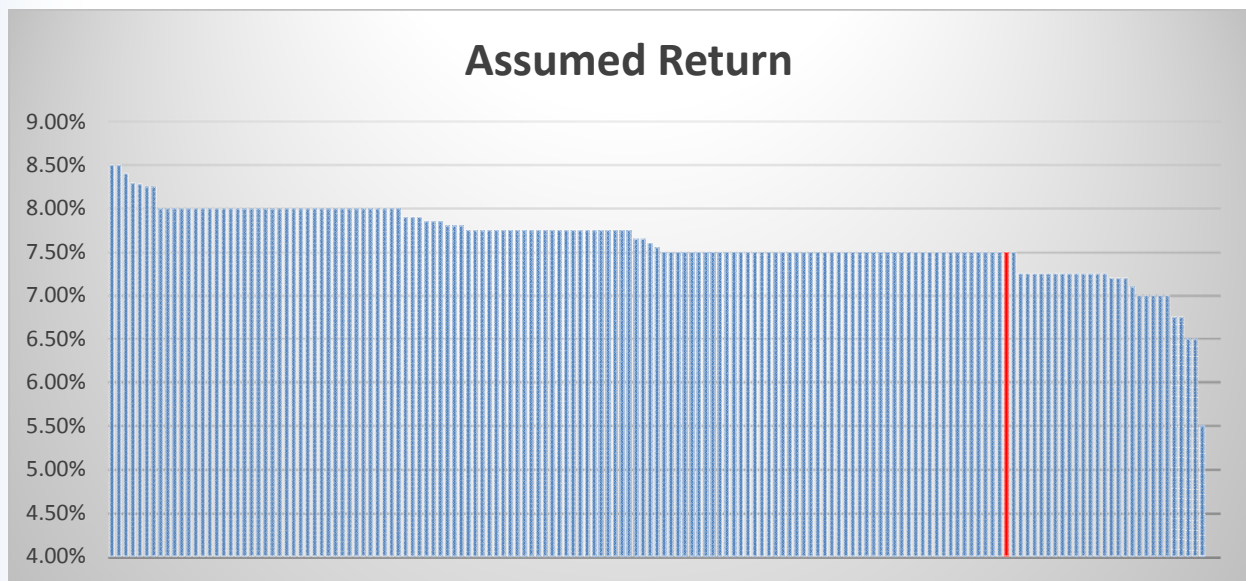
#### Funded Status – T-1<sup>st</sup>/160 plans

LEOFF Plan 2 is ranked as the highest funded public pension plan in the country, with a funded ratio of 107%. One other plan, the DC fire and police plan, also shares that title with a funded ratio of 107%. The average funded status nationwide is 73%.



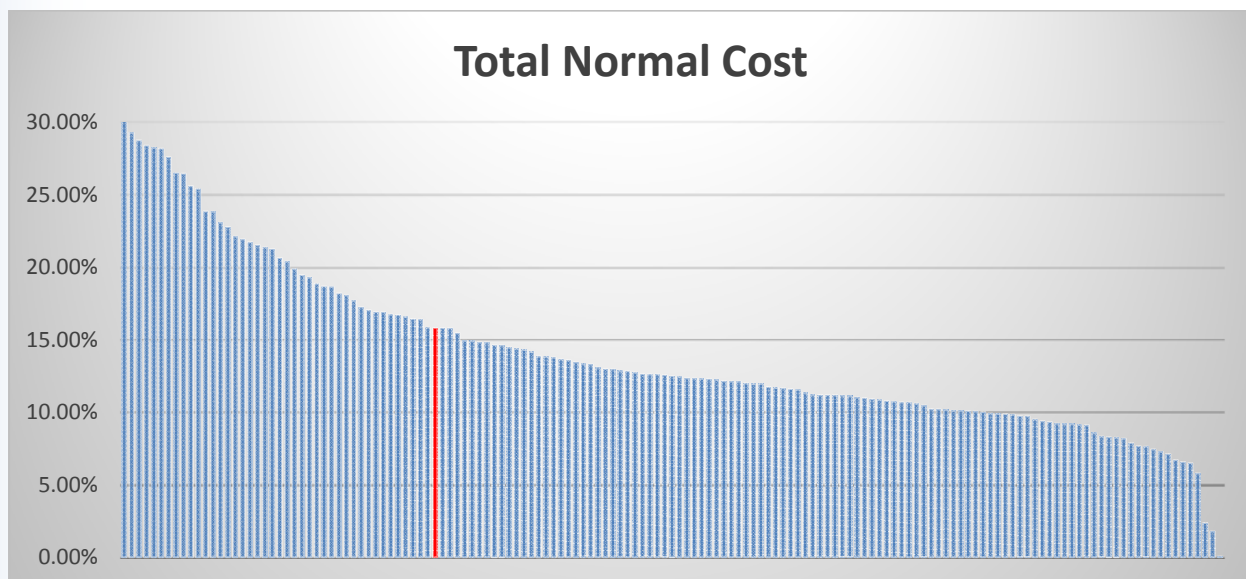
### Assumed Rate of Return

LEOFF Plan 2 assumes a 7.5% rate of return on investments, putting it slightly below the national average of 7.61%.



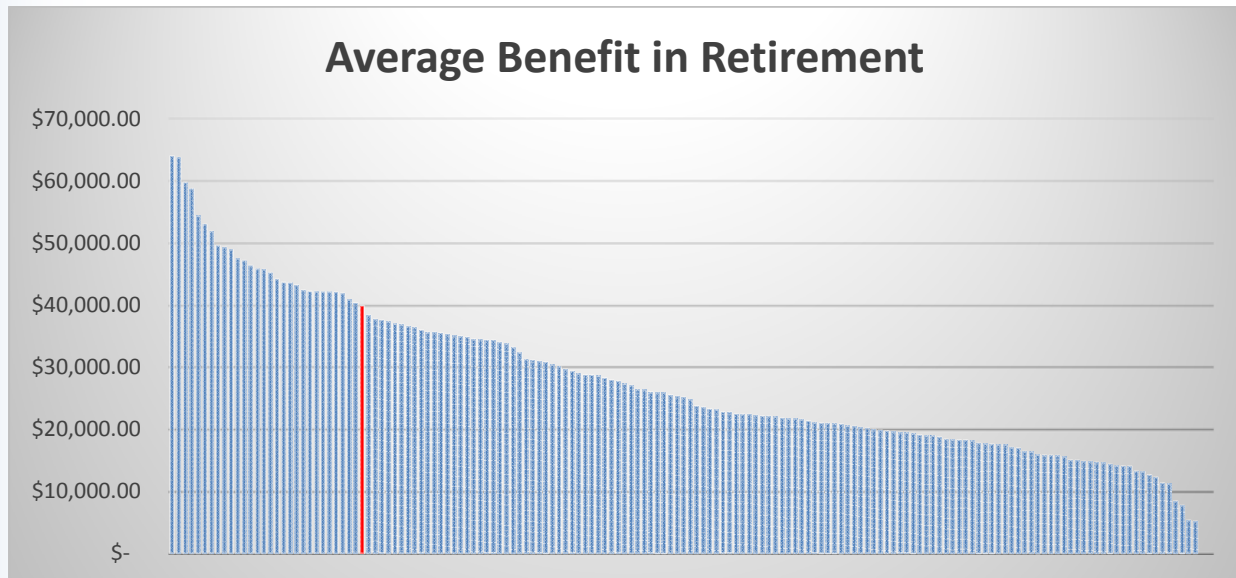
### Total Normal Cost – 43<sup>rd</sup>/160 plans

The total normal cost of LEOFF Plan 2 currently sits at 15.82% of pay, putting it slightly above the average public plan which is 14.07% of pay.



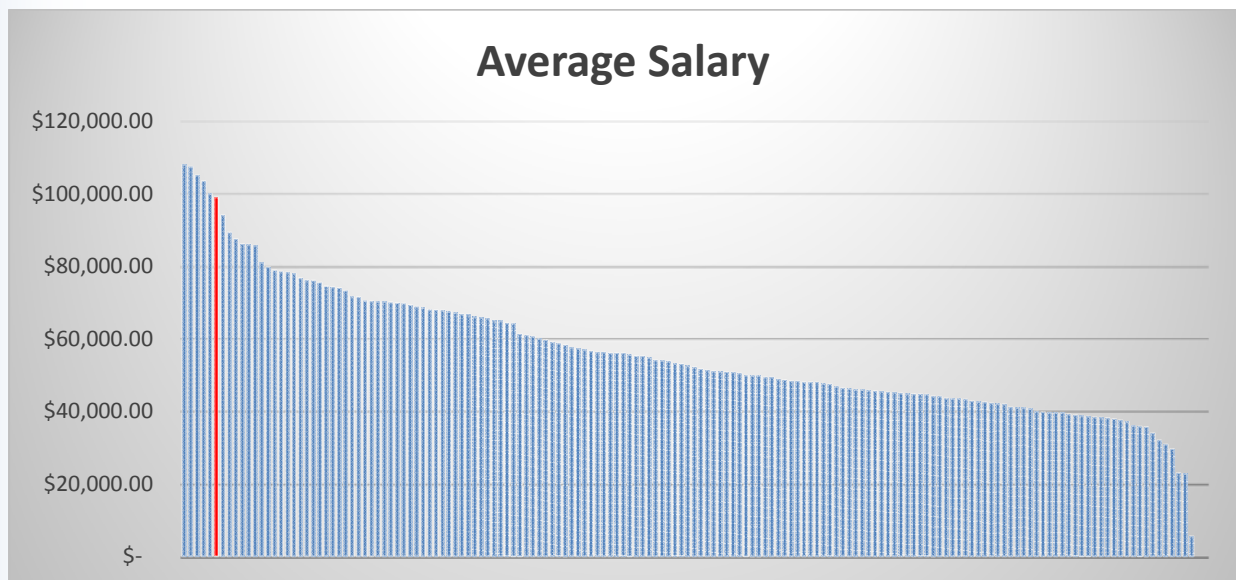
### Average Benefit in Retirement – 29th/160 plans

The LEOFF Plan 2 average yearly benefit in retirement is \$40,320, well above the national average of \$27,829.



### Average Salary – 6<sup>th</sup>/160 plans

The average salary in LEOFF Plan 2 is \$99,048, while the national average is at \$56,354. Of the top 8 highest salaried plans, 7 of them are police and fire plans.



## SUPPORTING INFORMATION

Appendix A: Full Spreadsheet with additional measurements



# **LEOFF Plan 2 Comparison Report**

EDUCATIONAL BRIEFING

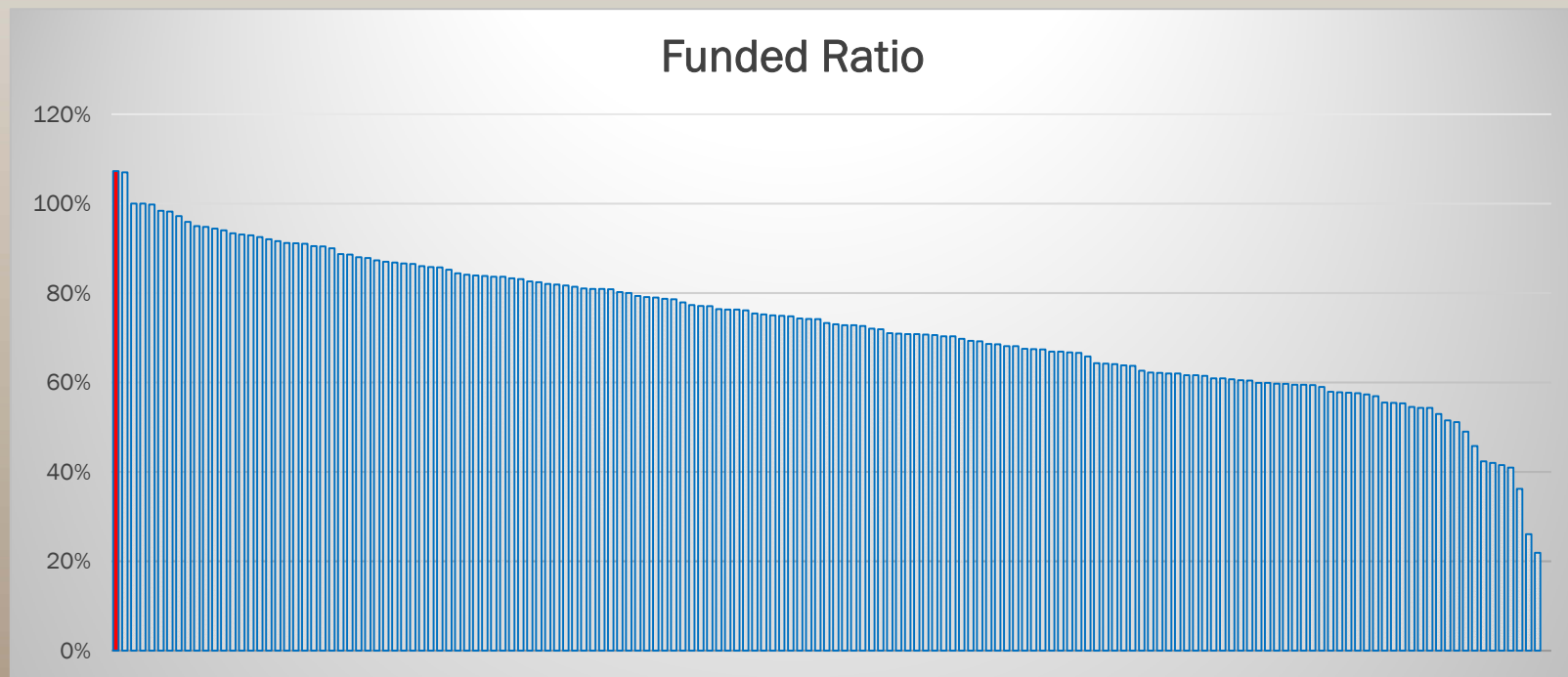
September 21, 2016

# OVERVIEW

- ▶ Board asked for a comparison of LEOFF Plan 2 to other open plans across the country
- ▶ Total of 160 public pension plans were surveyed
- ▶ This comparison is based on the following 5 measurements:
  - Funded status
  - Assumed Rate of Return on Investment
  - Total Normal Cost of the Pension Plan
  - Average Benefit in Retirement
  - Average Salary
- ▶ LEOFF Plan 2 will be highlighted in red in all of the corresponding charts

# FUNDED STATUS

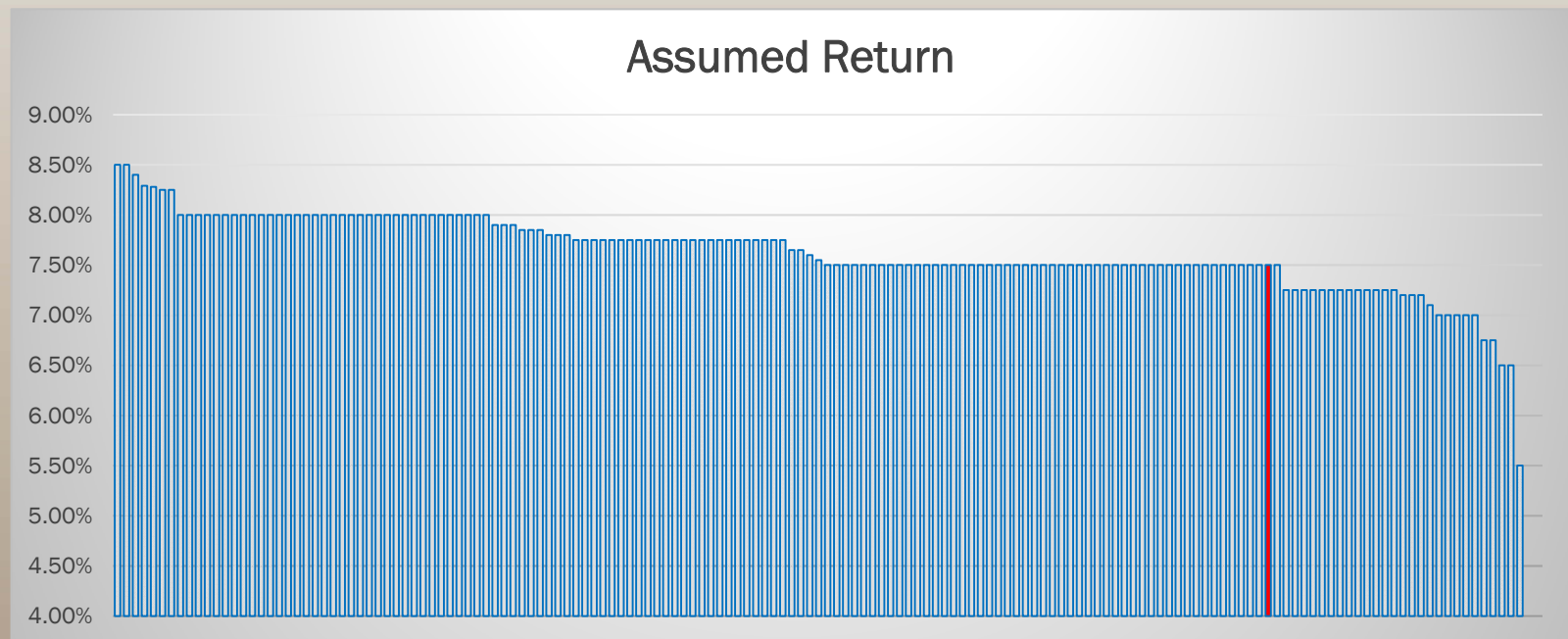
- ▶ Highest funded public pension plan in the country, with a funded ratio of 107%
- ▶ The DC fire and police plan also at 107%
- ▶ The average funded status nationwide is 73%





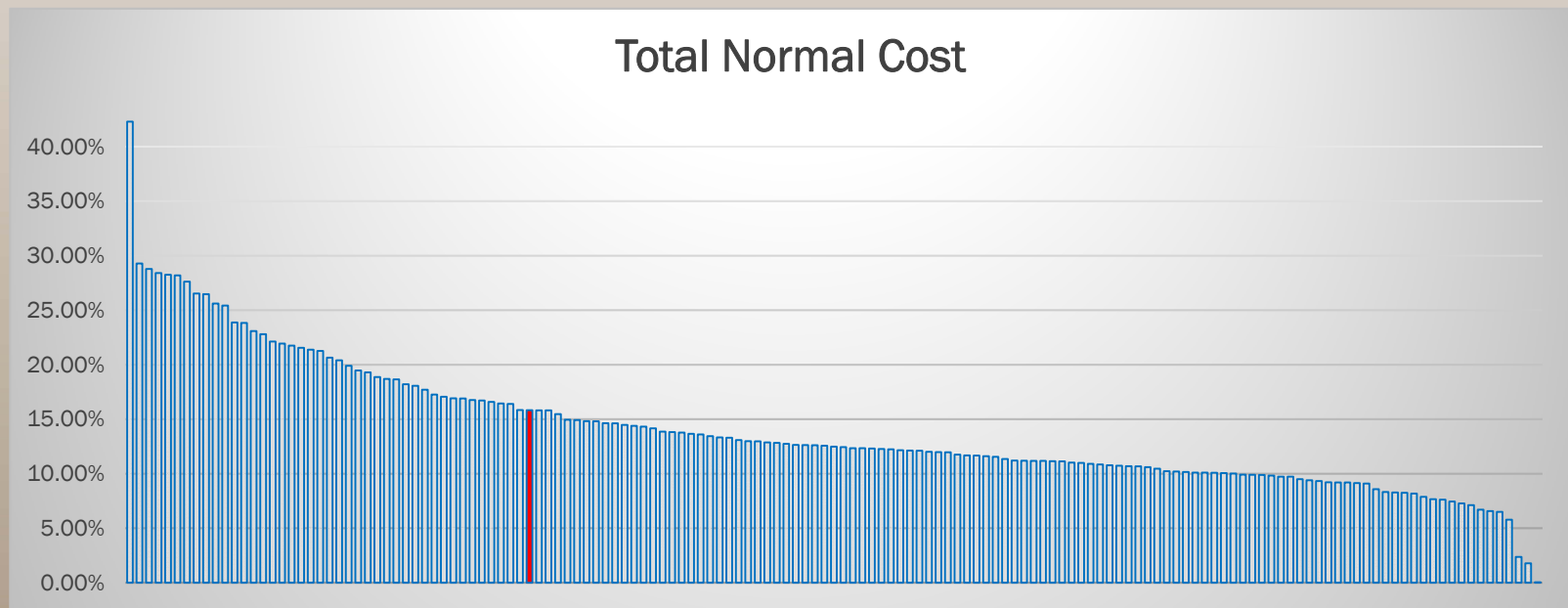
# ASSUMED RATE OF RETURN

- ▶ **LEOFF Plan 2 assumes a 7.5% rate of return on investments**
- ▶ **Slightly below the national average of 7.61%**



# TOTAL NORMAL COST

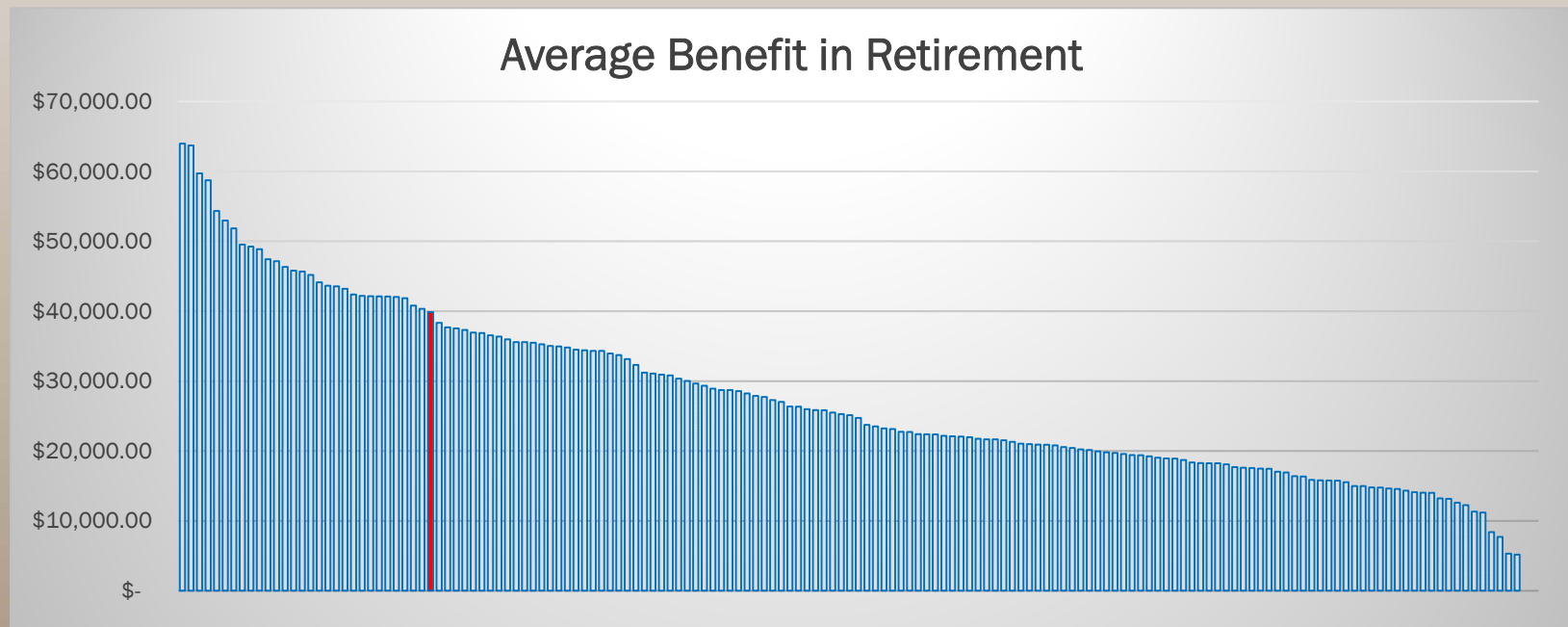
- ▶ LEOFF Plan 2 currently sits at **15.82%** of pay
- ▶ Slightly above the national average of **14.07%** of pay
- ▶ **43<sup>rd</sup>** out of 160 plans





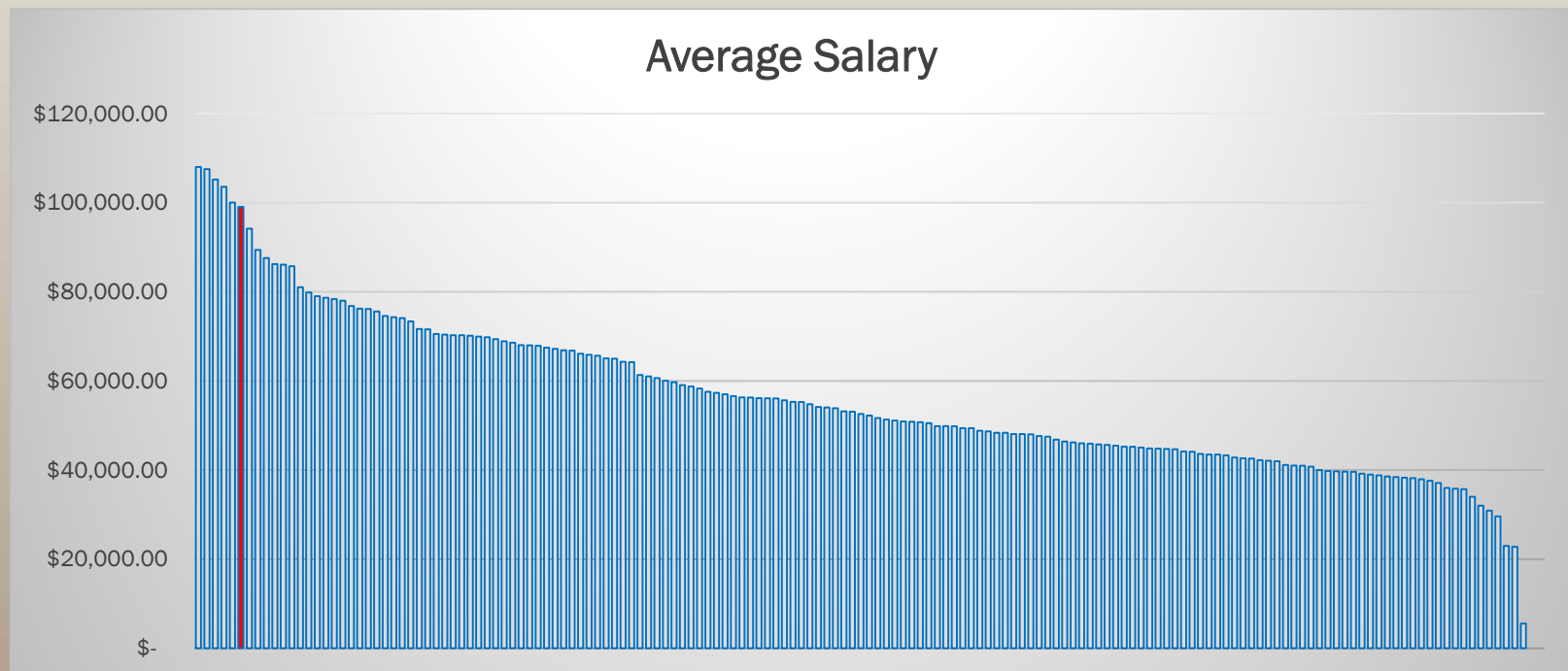
# AVERAGE BENEFIT IN RETIREMENT

- ▶ The LEOFF Plan 2 average yearly benefit in retirement is \$40,320
- ▶ Higher than the national average of \$27,829
- ▶ 29<sup>th</sup> out of 160 plans



# AVERAGE SALARY

- ▶ LEOFF Plan 2 average salary is \$99,048
- ▶ National average is \$56,354
- ▶ 6<sup>th</sup> out of 160 plans



# CONTACT

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