

# LEOFF 1/LEOFF 2 Funding Policy Coordination

## Initial Consideration

LEOFF Plan 2 Retirement Board

September 22, 2010

---

---

---

---

---

---

---

---

## Overview

- What is the issue?
- Why is it important?
- What is the Board's role?

2

---

---

---

---

---

---

---

---

## What is the issue?

- LEOFF Plan 1 is projected to come out of fully funded status in the near future

3

---

---

---

---

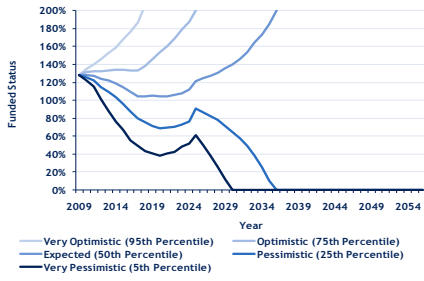
---

---

---

---

Projected LEOFF 1 Funded Status  
Current Law



Source: Please see the "2010 Risk Assessment" on OSA's website for the data, methods, and assumptions used to develop the results shown on this chart. 4

---

---

---

---

---

---

---

---

---

---

---

---

Why is it important?

- LEOFF Plan 2 employers are likely to incur increased cost when LEOFF Plan 1 comes out of fully funded status

5

---

---

---

---

---

---

---

---

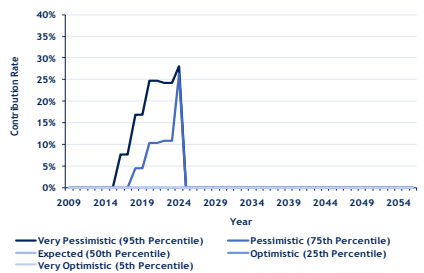
---

---

---

---

Projected LEOFF 1 UAAL Employer Contribution Rate  
Current Law



Source: Please see the "2010 Risk Assessment" on OSA's website for the data, methods, and assumptions used to develop the results shown on this chart. 6

---

---

---

---

---

---

---

---

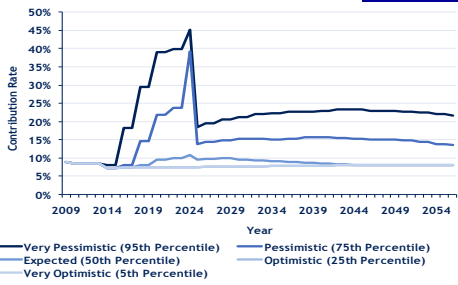
---

---

---

---

Projected LEOFF Total Employer + State Contribution Rate  
Current Law



Source: Please see the "2010 Risk Assessment" on OSA's website for the data, methods, and assumptions used to develop the results shown on this chart. 7

---

---

---

---

---

---

---

---

---

---

---

---

What is the Board's role?

- Funding policies for LEOFF Plan 1 need to be developed
- To what extent should the LEOFF Plan 2 Board be involved in determining those policies

8

---

---

---

---

---

---

---

---

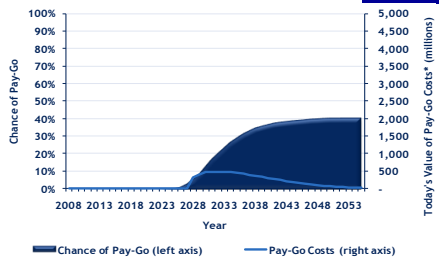
---

---

---

---

Projected LEOFF 1 Pay-Go Chance and Amount  
Current Law



\*Pay-Go Costs on top of Normal Pension Costs.

Source: Please see the "2010 Risk Assessment" on OSA's website for the data, methods, and assumptions used to develop the results shown on this chart. 9

---

---

---

---

---

---

---

---

---

---

---

---

LEOFF 1/LEOFF 2  
Funding Policy Coordination

QUESTIONS?

10

---

---

---

---

---

---

---

---