

Department of Retirement Systems

Year in Review

Tracy Guerin, Director

LEOFF 2 Retirement Board

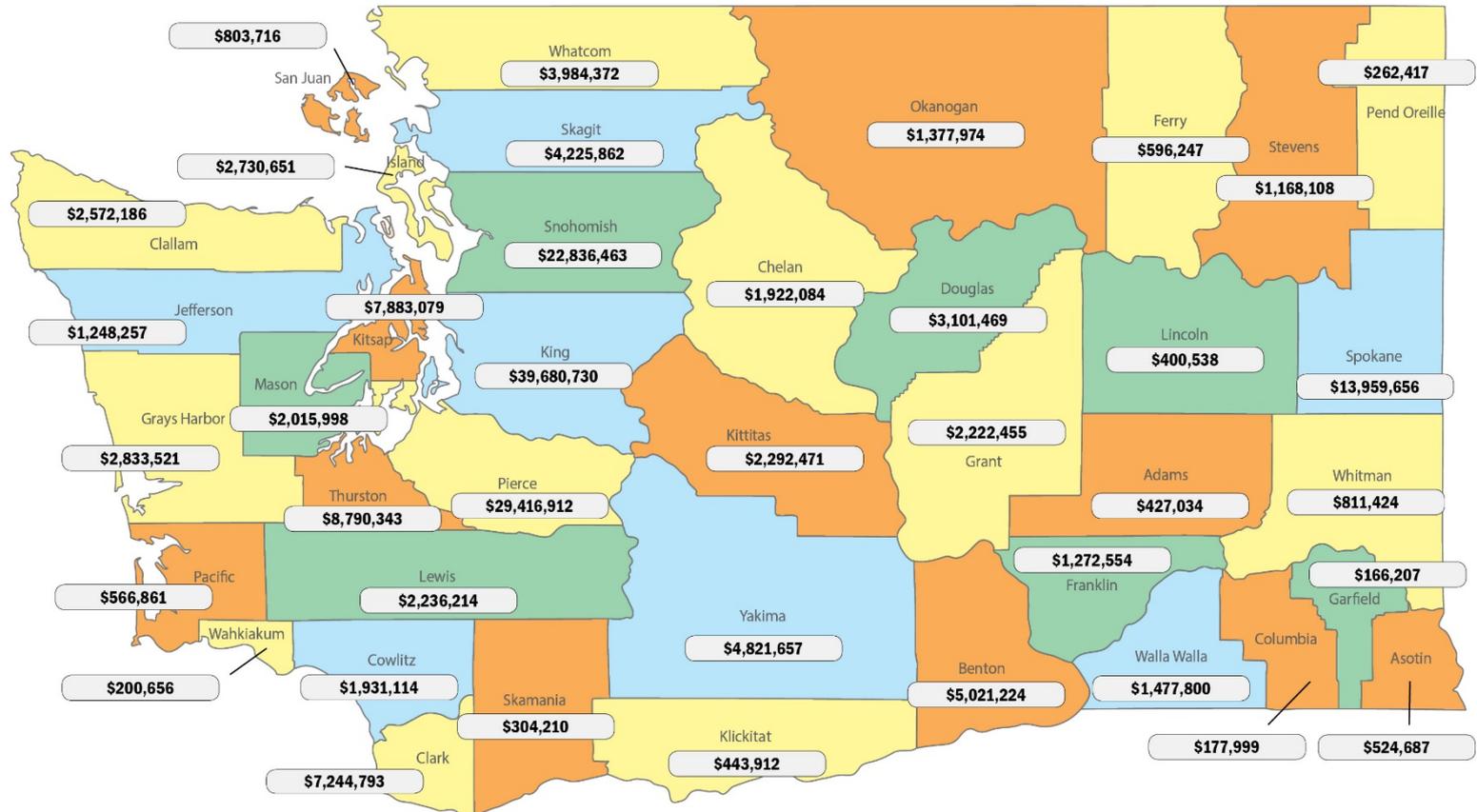
November 15, 2017



Pensions at a Glance – FY 2017

- ❑ 758,791 Plan Members
 - Active – 318,224
 - Annuitants – 178,586
 - Inactive – 261,981
- ❑ 1,345 Employers
 - State & Higher Ed
 - Counties, most cities
 - Local districts
- ❑ \$105.6B held in Retirement Trust Funds
- ❑ \$3.6B in Contributions
 - Members – \$1.4B
 - Employers – \$2.2B
- ❑ \$3.98B in Benefits Paid
 - About 88% paid in-state
- ❑ \$214M in LEOFF 2 Benefits Paid
 - About 86% paid in-state

LEOFF 2 Benefits - FY 2017



DRS at a Glance – FY 2017

❑ Operations

- 244 Team Members
- Located in one facility
- \$34M annual budget
- Consistently ranked low-cost, high service by independent benchmarking

❑ Volume

- Phone calls – 96,952
- Walk-ins – 6,500
- Emails – 20,700
- Estimates – 19,143
- Calculations – 11,340
- Recalculations – 10,153
- Website visits – 1.3M

DRS at a Glance – FY 2017

□ Education and Outreach

	Sessions	Attendees
Seminars	23	4023
Benefit Summits	20	1344
Pension Workshops	367	9957
Benefit Fairs	171	8935
Webinars	136	5410

Strategic Initiatives 2016-17

KEY GOAL	July 2015-June 2016	July 2016-June 2017	July 2017-June 2018
Elated Customers	Recalc Black Belt Project (Seth)	Autocalc Pilot (Seth)	
	Online Service Enhancements (Rose)	EFT Withdrawals (Mike)	
		Online Withdrawal (Shawn)	
	Recordkeeper Enhancements (Shawn)		
	DCP Auto-Enroll for New Hires (Shawn)		
Engaged Team Members	Facility Planning (Mike)		
	"DRS U" (Chris)		
		Enterprise Change Mgmt (Shawn)	
Vigilant Resource Steward or Best Practice Leader			
	System Modernization Planning – Phase 2 (Rose)		
Reliable Partner	Employer Reporting Application (Shawn)		
	Hosting Environment (Rose)		
		Implement 2016 Legislative Projects (mix)	

Strategic Highlights

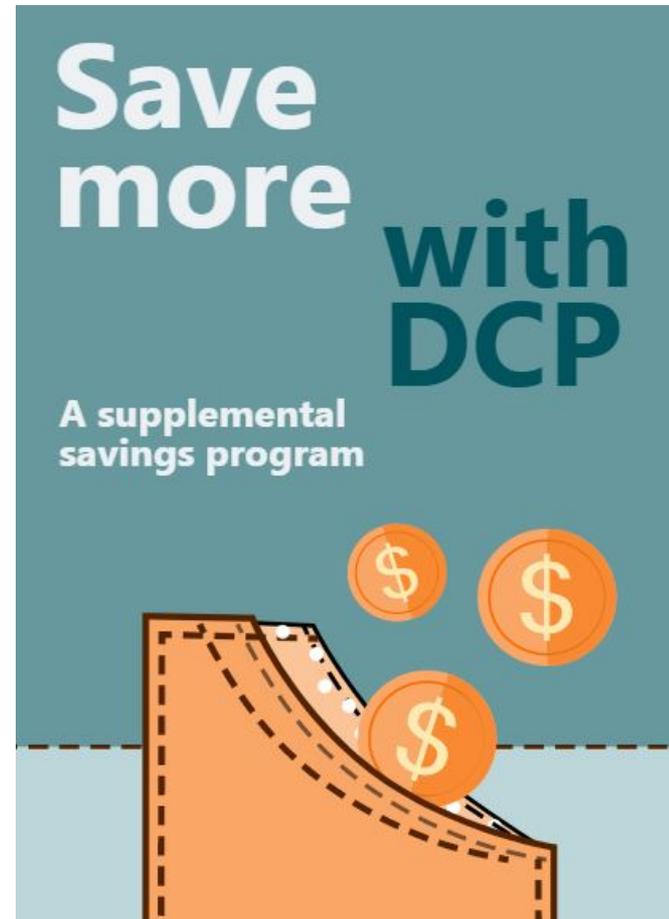
- ❑ Legislation Implemented
 - DCP Automatic Enrollment w/ Opt-Out
 - Annuity purchase window for certain LEOFF/WSPRS retirees
 - WSPRS voluntary overtime
 - PERS service credit into PSERS
 - LEOFF 2 Non-LEOFF Employer Compensation
- ❑ Clarifying Rules
 - Separation from service/employment
 - Eligibility requirements in PSERS

Strategic Highlights

- ❑ Petitions and Appeals
 - Concerned about the length of time to resolve petitions and appeals
 - Increased emphasis on reducing backlog and issuing timely petition decisions

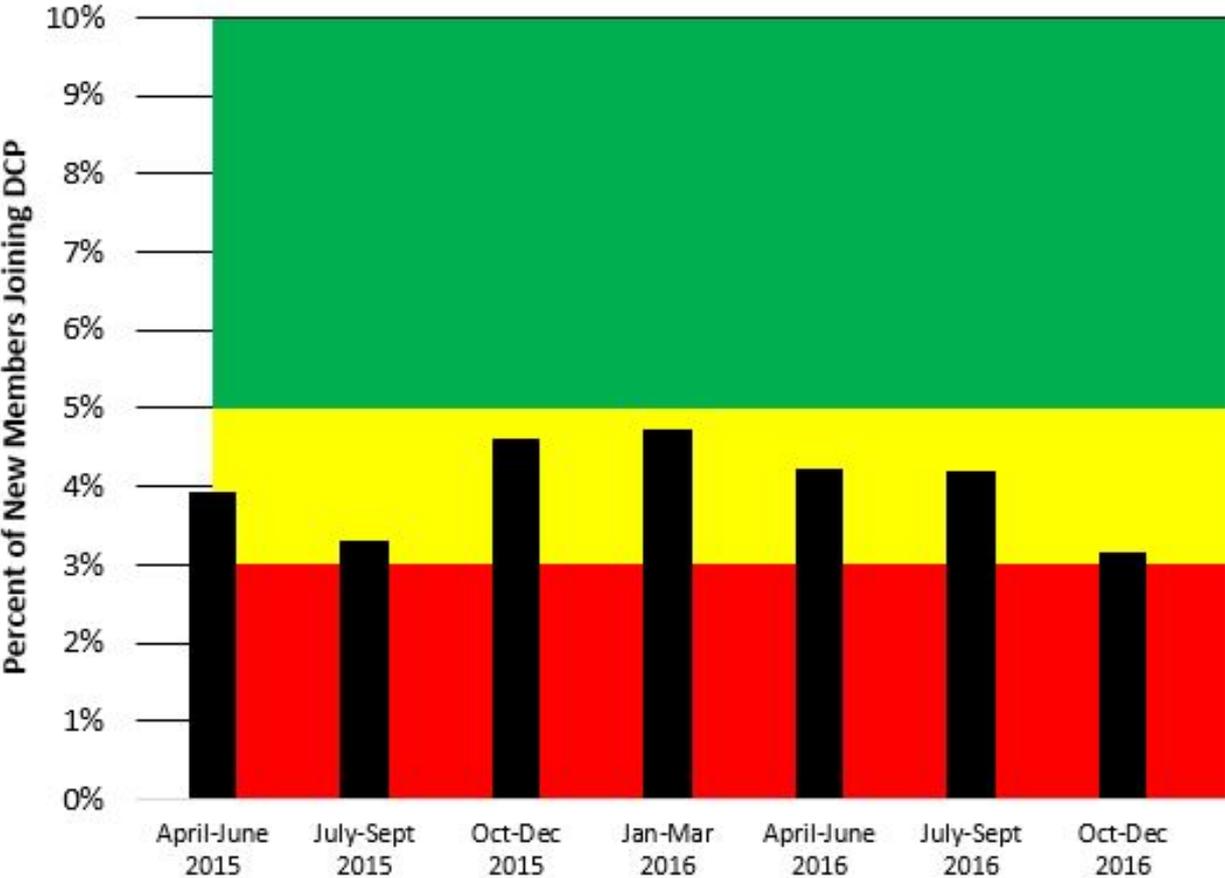
DCP Automatic Enrollment

- ❑ Since January 1, all newly hired state and higher education employees are automatically enrolled in the state's Deferred Compensation Program



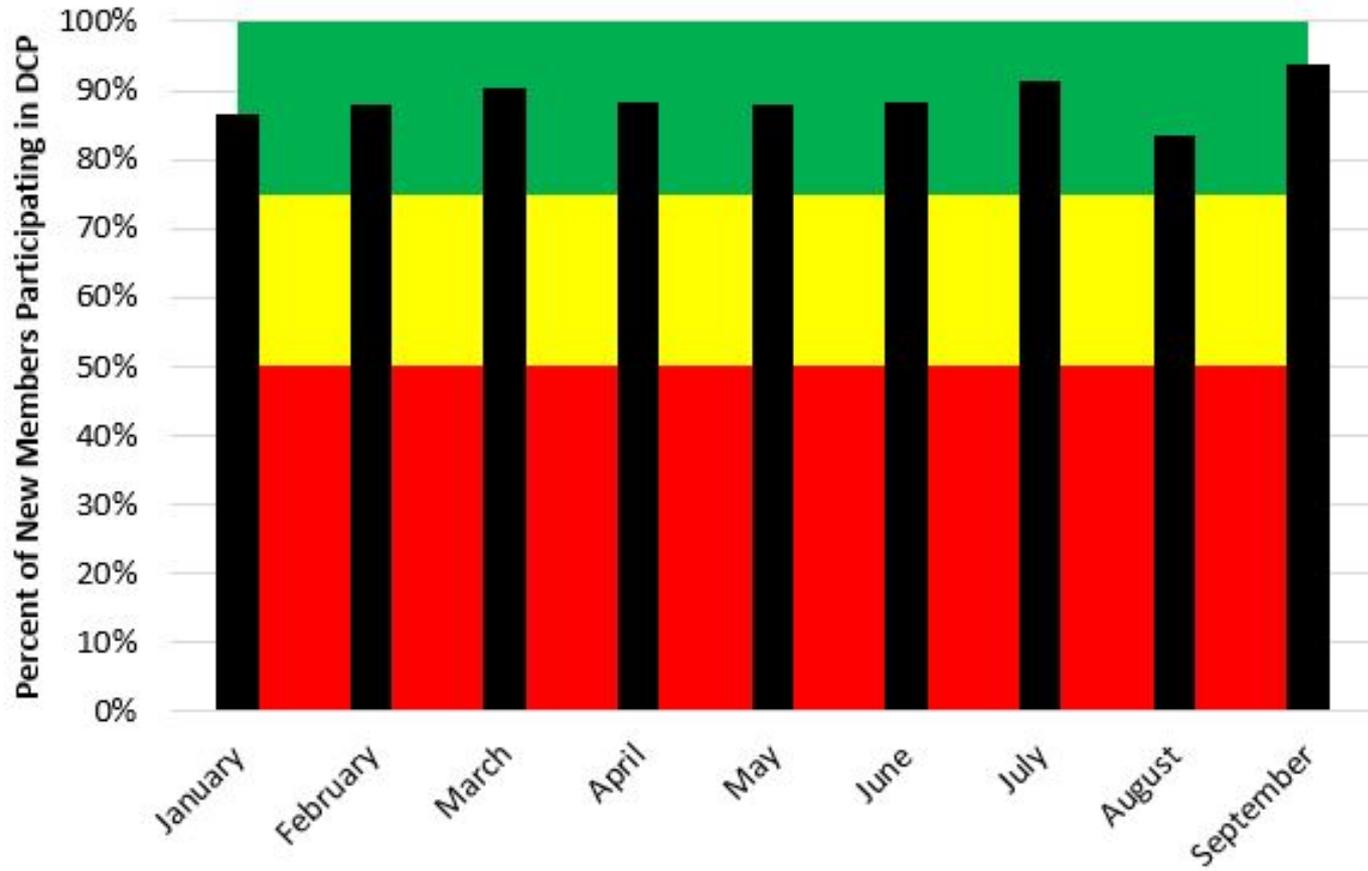
DCP – Pre-2017 Enrollment

OP4a-New State Employees Joining DCP

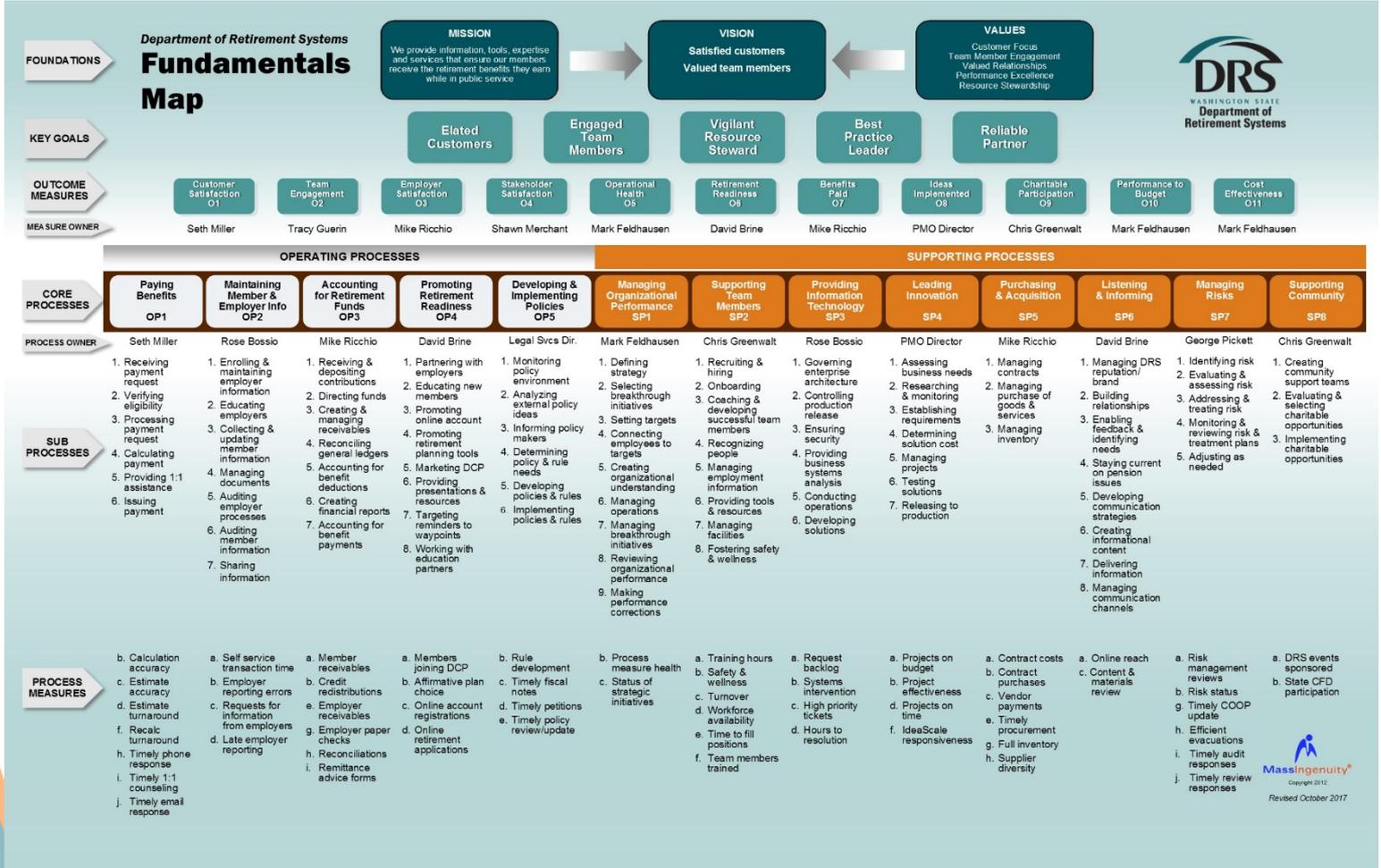


DCP Automatic Enrollment

OP4a-New State Employees Joining DCP



DRS Performance Management



2017-19 Strategic Initiatives

KEY GOAL	July 2017-June 2018	July 2018-June 2019	July 2019-June 2020
Elated Customers			
Engaged Team Members	Facility Planning (George/Chris)	Facility Renovation – the next phase (George/Chris) Enterprise Change Mgmt (PMD AD)	
Vigilant Resource Steward or Best Practice Leader	System Modernization Planning (LT) Dolan Implementation (Legal Services Director)	Legacy System Modernization – the next phase (LT)	
Reliable Partner	ERA Build and Roll Out (PMD AD) Hosting Environment (Rose) Implement 2017 Legislative Projects (mix)		

In Progress – 2017 Legislation

- ❑ Eligibility of EMTs in LEOFF 2
 - Public corporations providing emergency medical services now considered LEOFF 2 employers
 - Definition of EMTs has been narrowed
 - Open window for EMTs to establish credit in LEOFF 2 for prior service
 - DRS reaching out to affected public hospital districts and employees to advise of the new provisions
- ❑ Interruptive military service credit – LEOFF 2
 - Directs LEOFF 2 Board to conduct a study

Legacy System Modernization

- ❑ Employer Reporting Application (ERA)
 - Replacing 23-year-old system to provide a one-stop portal for real-time reporting
 - New tools for checking member eligibility and validating information before submittal
 - Anticipate first early adopters to begin using system in 2018
 - Full rollout to all 1300+ employers will begin 3-6 months after early adopters

Legacy System Modernization

□ Next steps

- DRS is creating a plan for transitioning from ERA to modernizing other legacy systems
- A “roadmap” will identify specific technology solutions for replacing or addressing gaps in our systems
- The roadmap will document how systems relate to one another – and establish a phased implementation with target dates

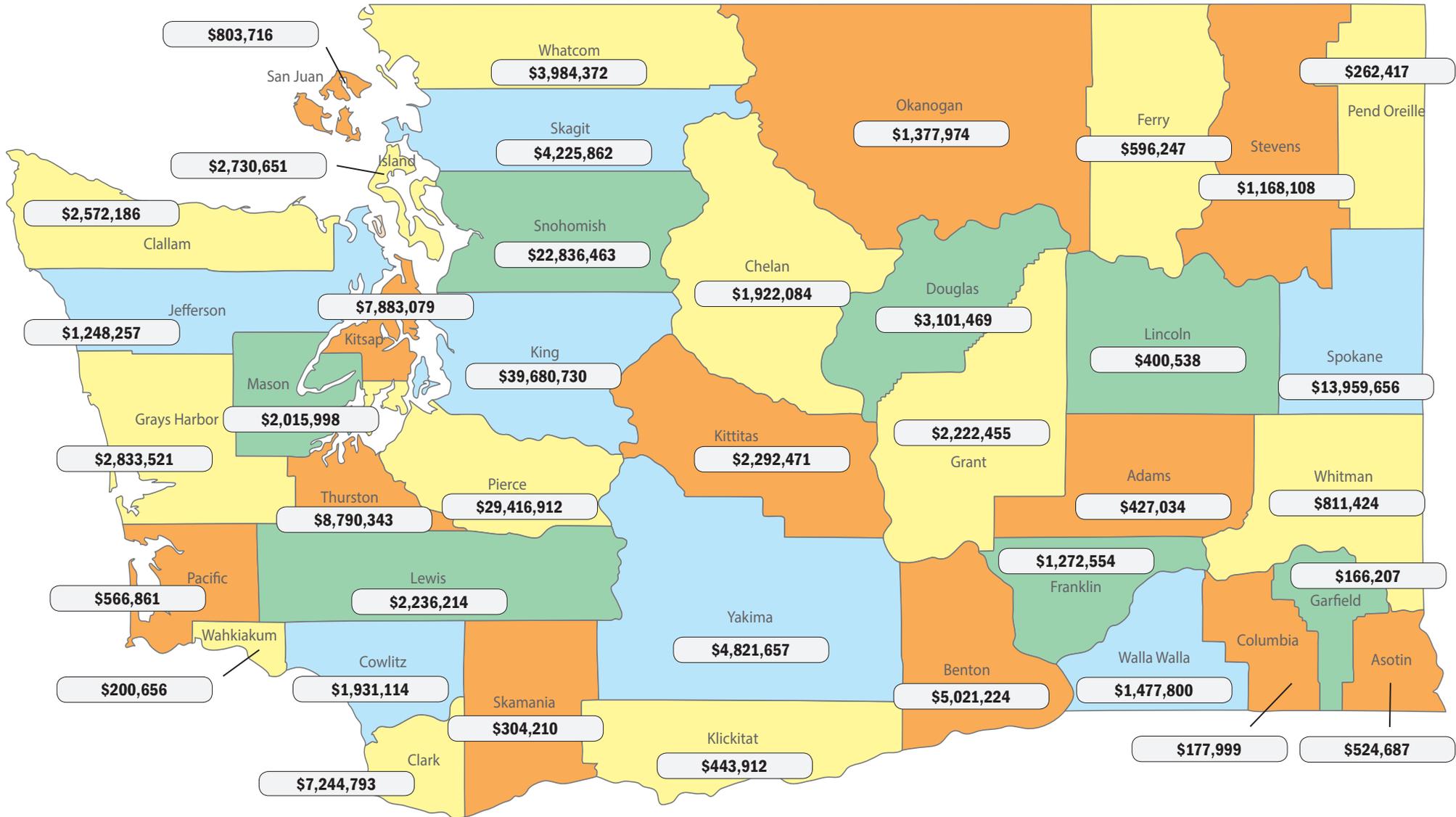
Thank you

- ❑ We work with partners, stakeholders and policymakers to deliver the best possible service to our members
- ❑ LEOFF 2 Board, Select Committee, Investment Board, State Actuary, PFC, OFM, 1300+ employers and more
- ❑ Our unique governance structure positions Washington with one of the best public pension systems in the country

Questions?



Benefit Payments to LEOFF 2 Annuitants in Washington – FY 2017



Source: Washington State Department of Retirement Systems



Benefit Payments to LEOFF 2 Annuitants in Washington – FY 2017

Adams.....	\$427,034	Island	\$2,730,651	Skagit	\$4,225,862
Asotin	\$524,687	Jefferson	\$1,248,257	Skamania	\$304,210
Benton.....	\$5,021,224	King.....	\$39,680,730	Snohomish.....	\$22,836,463
Chelan	\$1,922,084	Kitsap.....	\$7,883,079	Spokane	\$13,959,656
Clallam.....	\$2,572,186	Kittitas	\$2,292,471	Stevens	\$1,168,108
Clark	\$7,244,793	Klickitat.....	\$443,912	Thurston	\$8,790,343
Columbia	\$177,999	Lewis.....	\$2,236,214	Wahkiakum.....	\$200,656
Cowlitz.....	\$1,931,114	Lincoln	\$400,538	Walla Walla.....	\$1,477,800
Douglas.....	\$3,101,469	Mason.....	\$2,015,998	Whatcom.....	\$3,984,372
Ferry	\$596,247	Okanogan	\$1,377,974	Whitman.....	\$811,424
Franklin.....	\$1,272,554	Pacific	\$566,861	Yakima	\$4,821,657
Garfield.....	\$166,207	Pend Oreille.....	\$262,417	Out of State	\$30,039,309
Grant	\$2,222,455	Pierce.....	\$29,416,912	Foreign Country.....	\$230,479
Grays Harbor	\$2,833,521	San Juan.....	\$803,716	TOTAL.....	\$214,223,644