



WSIPP Study Follow-up

**WACOPS Winter General Membership Meeting
January 15, 2014**

WSIPP Report

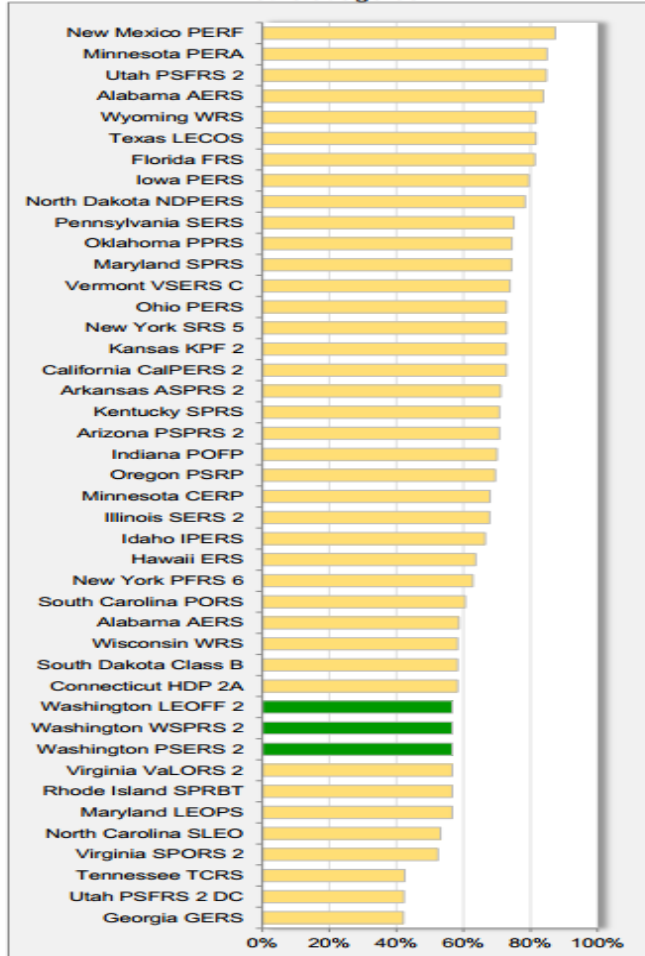
- Legislative directive
- Focus of report
 - Benefit levels
 - Portability
 - Excess compensation/Overtime
- Report presented at December 2012 Board meeting

WSIPP Report – Benefit Levels

- WSIPP surveyed all 50 states to analyze pension plan features and benefit levels
 - Tried to provide an “apples-to-apples” comparison
 - Used “income replacement” to calculate pension benefits

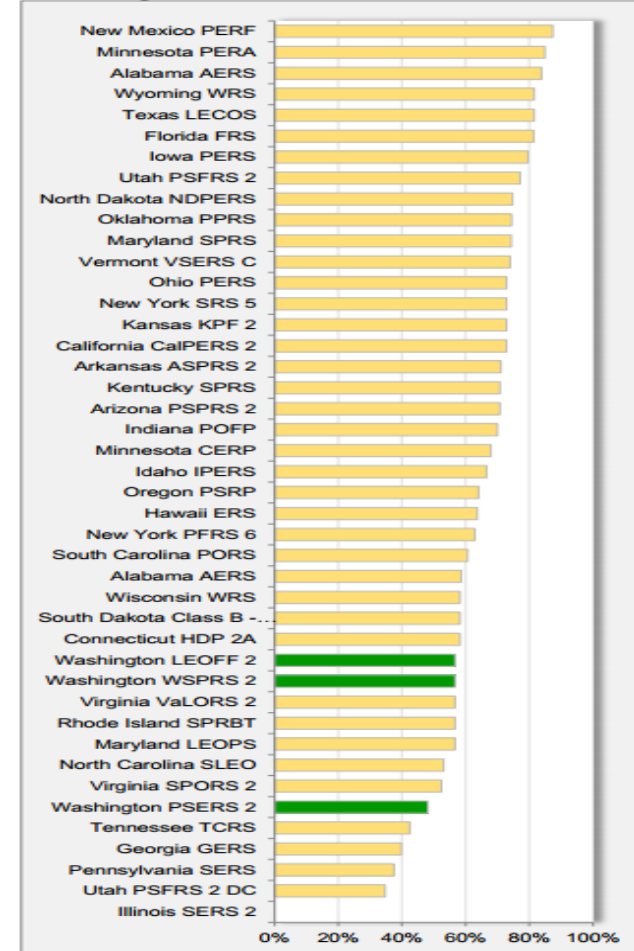
WSIPP Report – Results

Retire at age 65



WSIPP analysis of state benefits (see Appendix C)

Retire at age 55



WSIPP analysis of state benefits (see Appendix C)

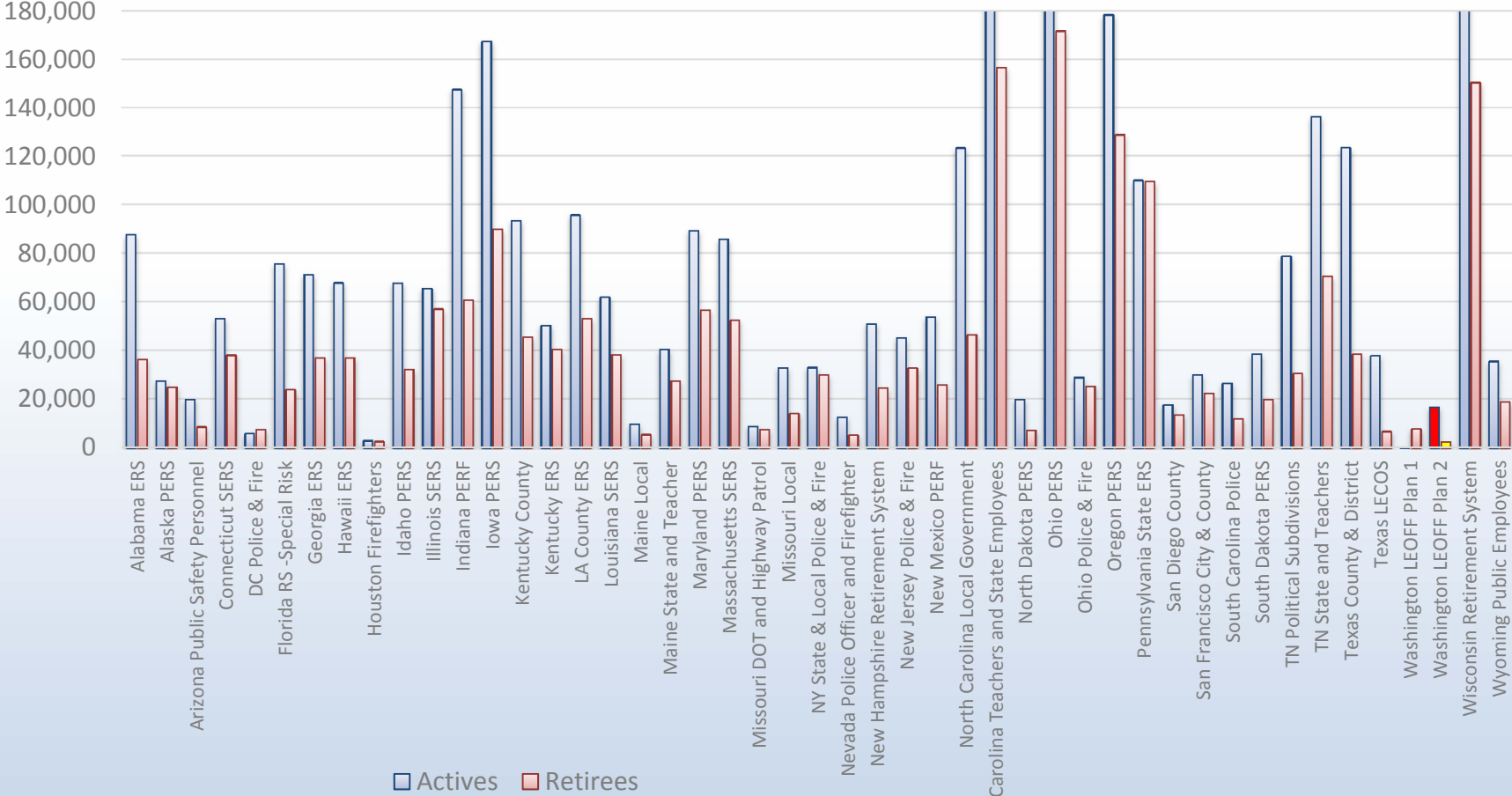
Challenges

- Judging a plan solely off of its income replacement ratio ignores many aspects of what makes a plan successful
- Example: New Mexico
 - Number 1 plan on WSIPP study

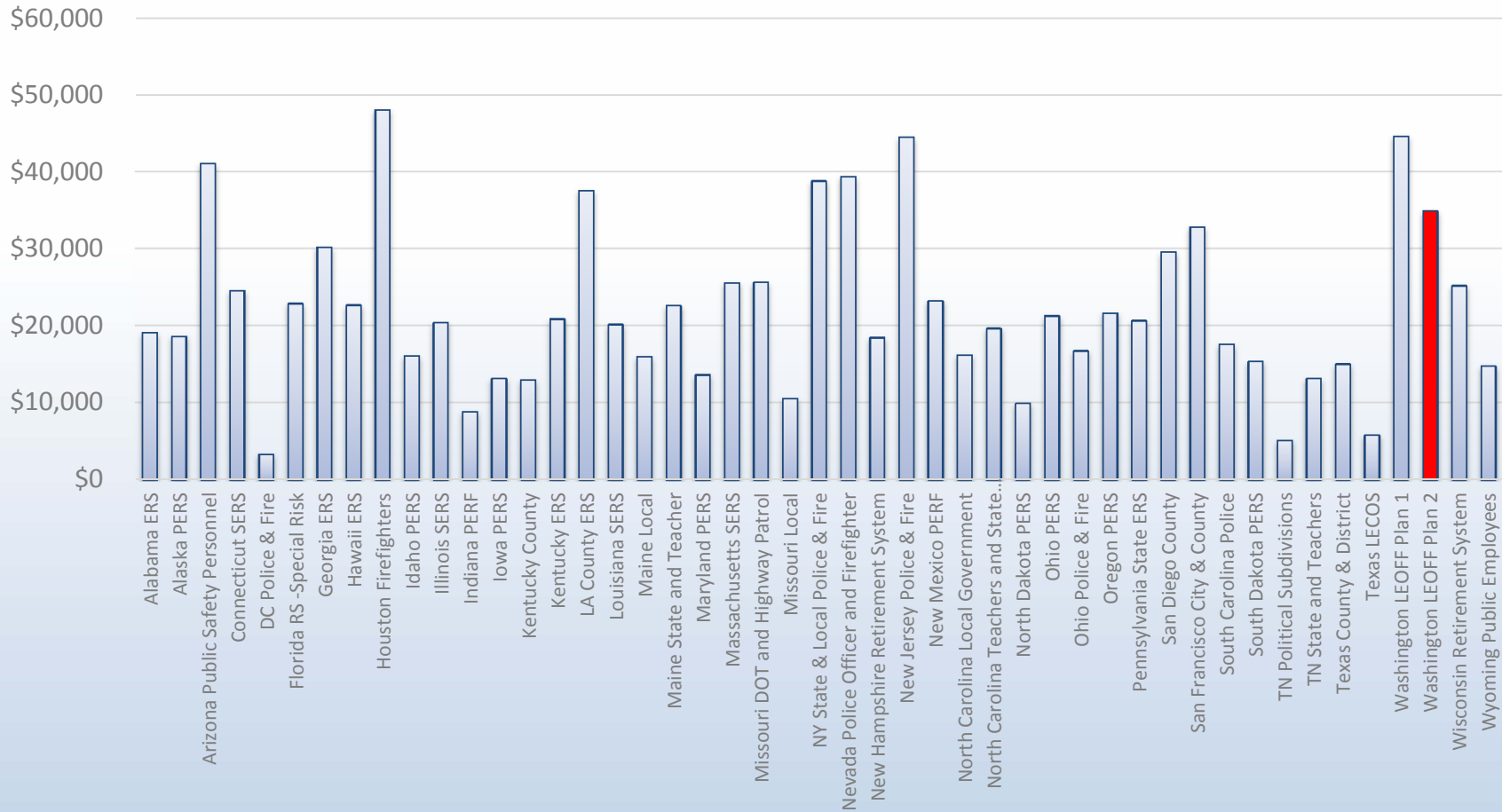
Expanded Analysis

- Includes other measures to compare plans
- Comprehensive comparison
 - Adequacy
 - Sustainability

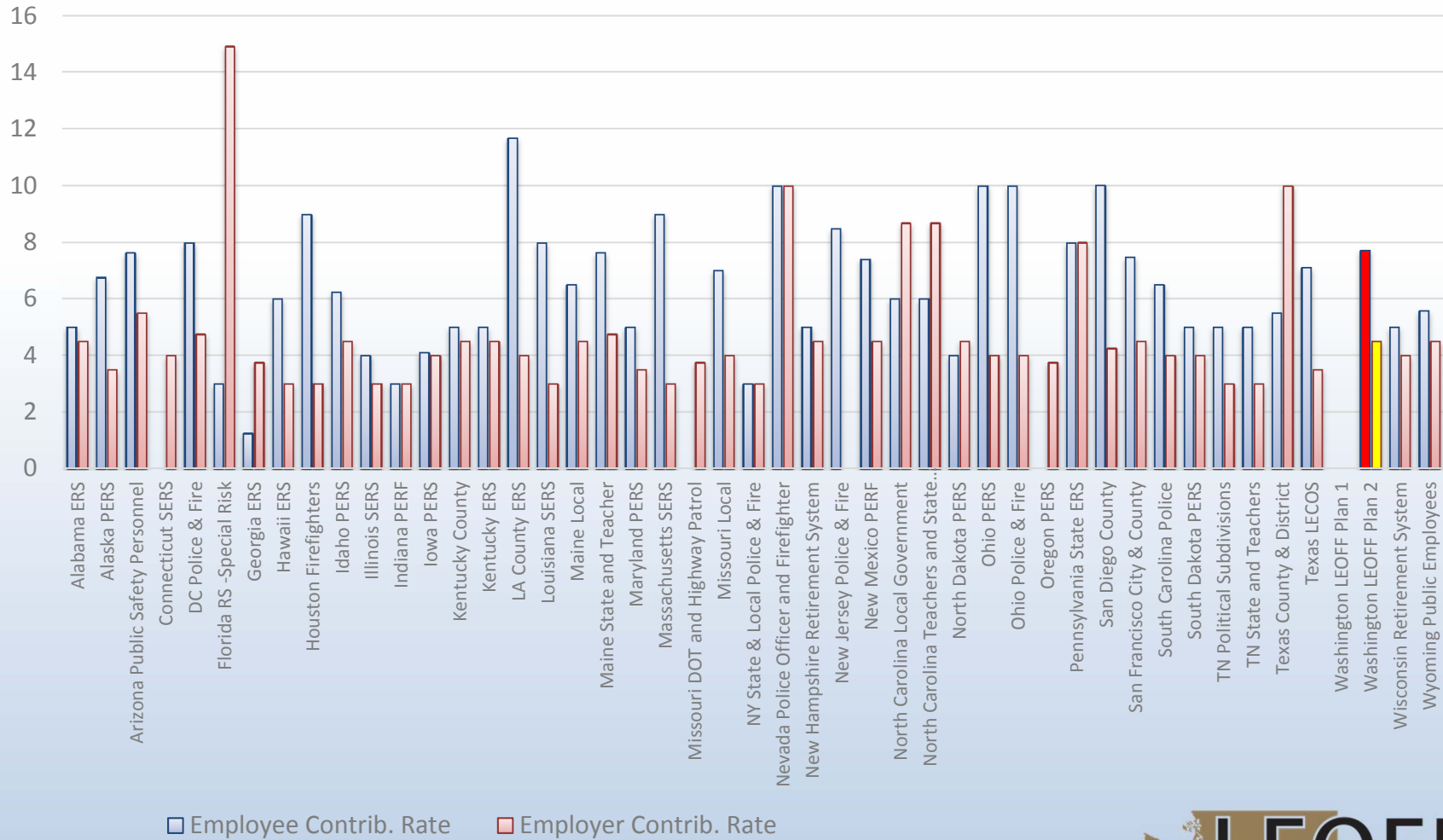
Membership by Plan



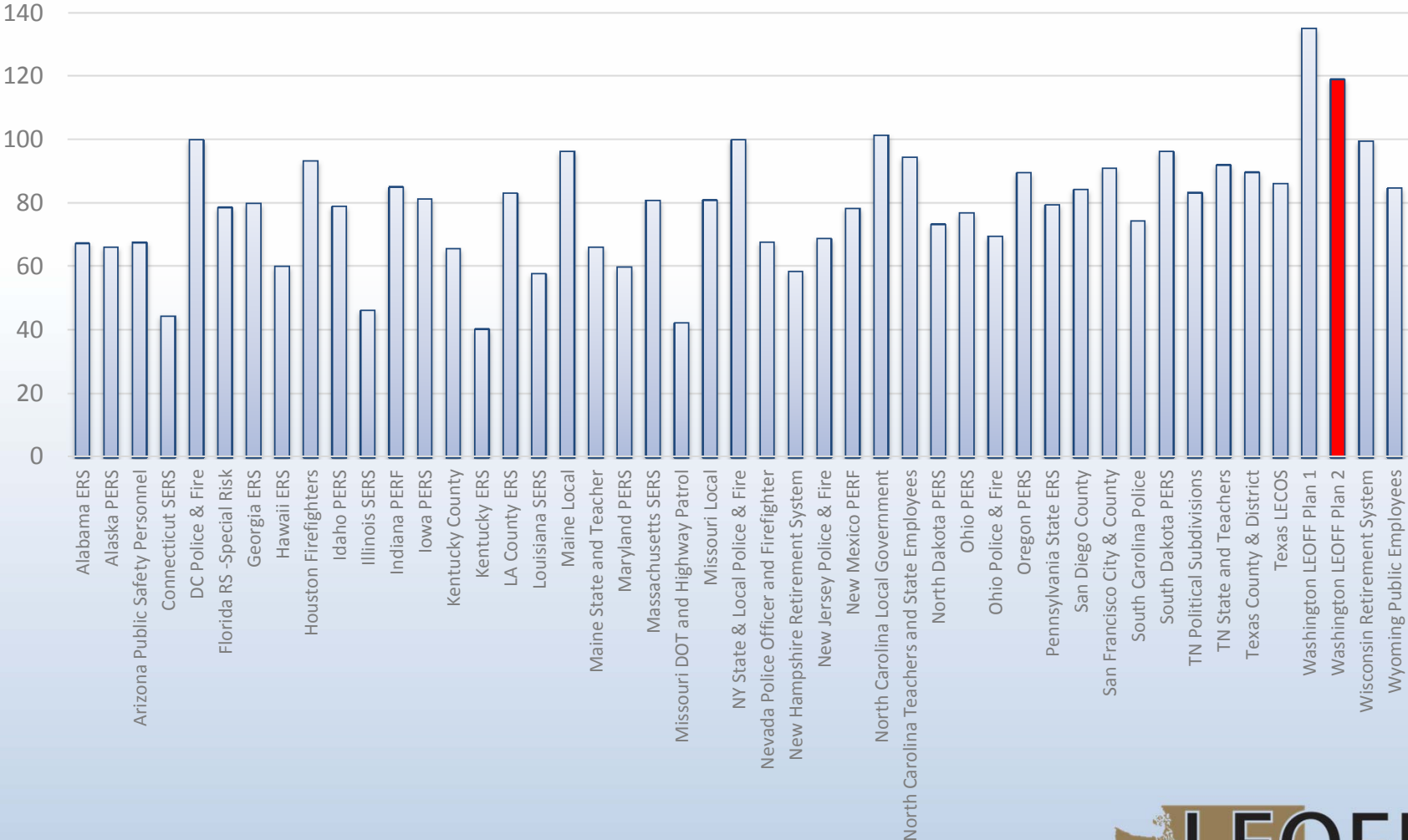
Average Yearly Benefit



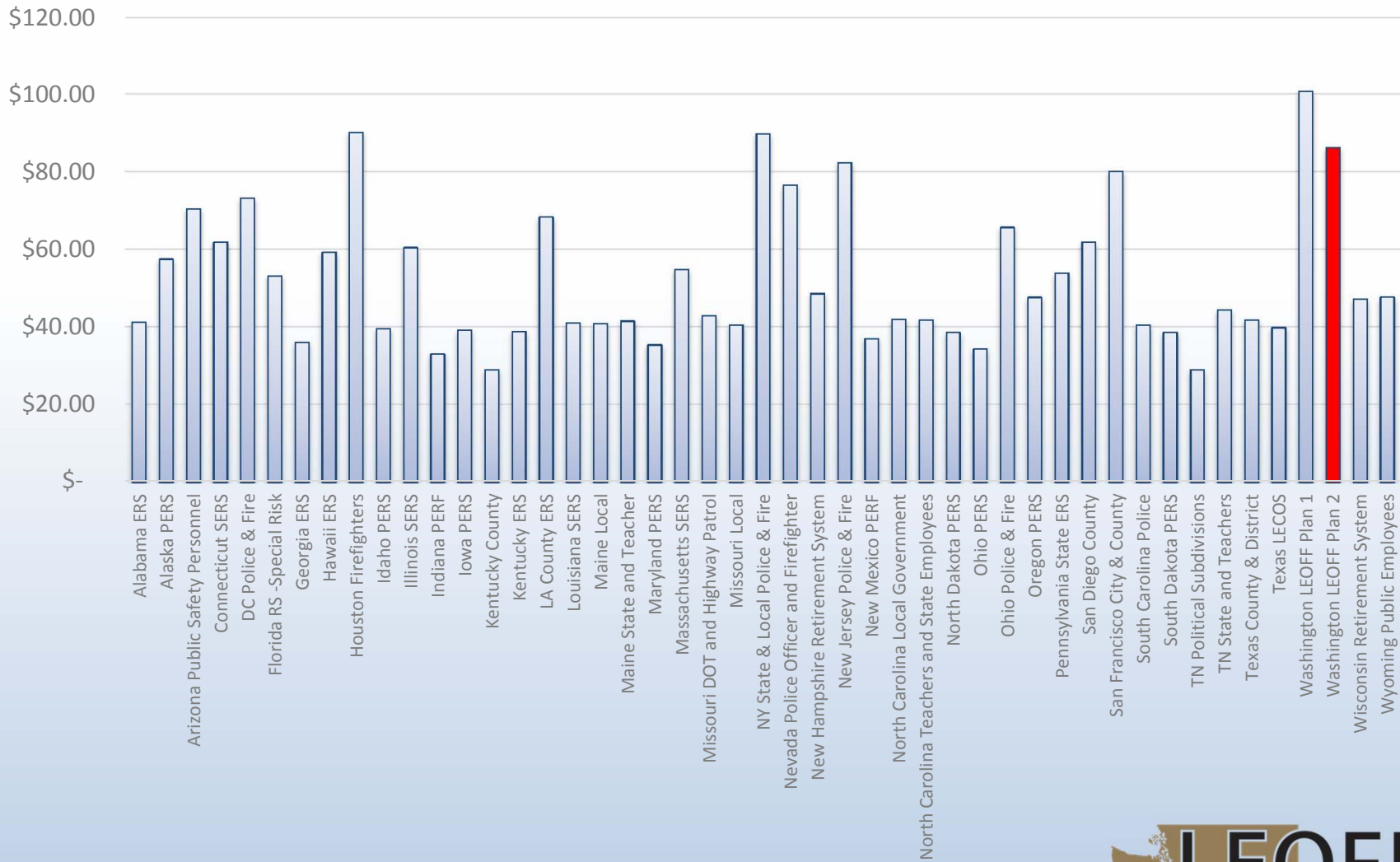
Contribution Rates



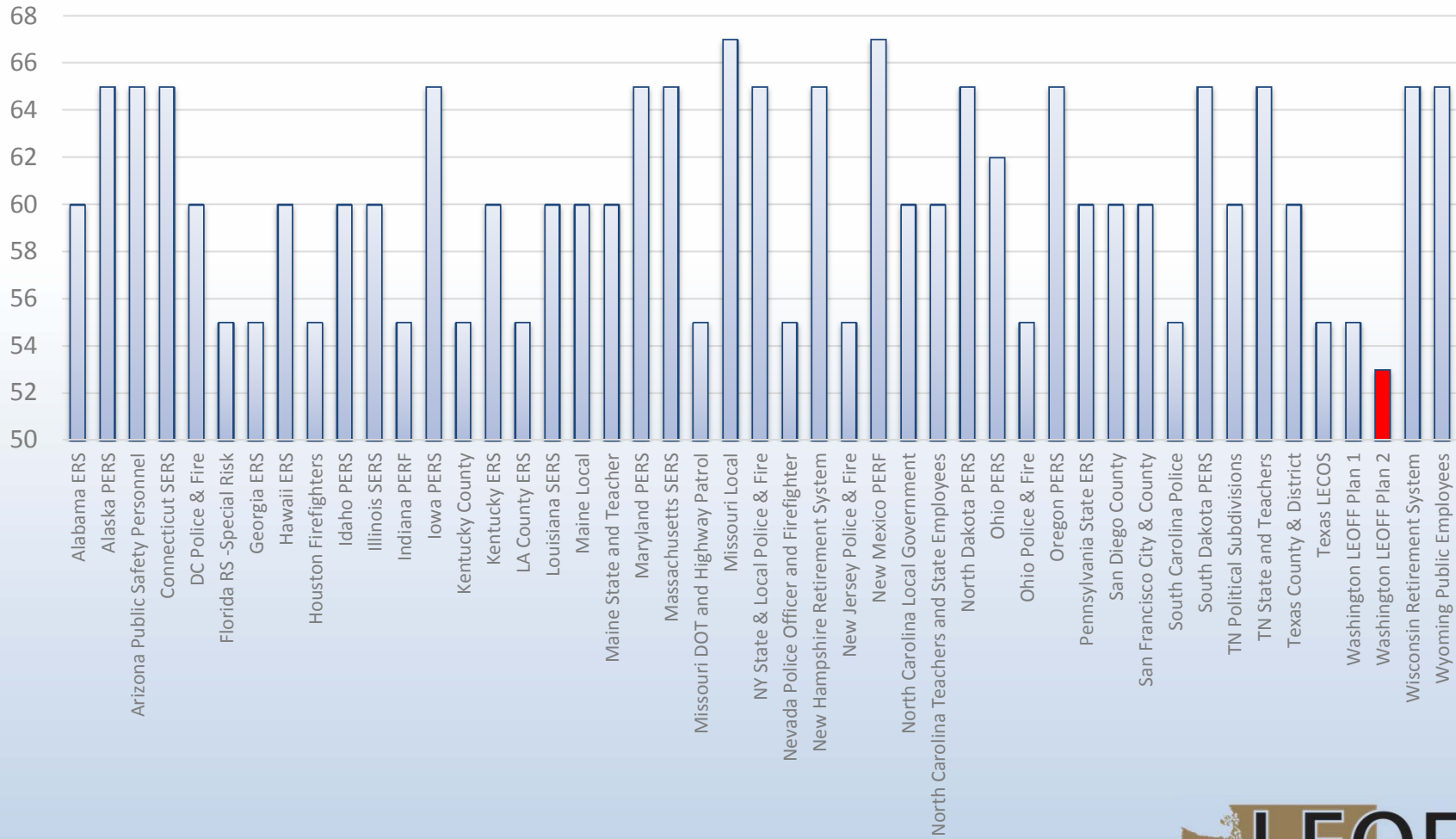
Funded Ratio



Average Salary (in thousands)



Normal Retirement Age



Initial Findings

- Results that are strong for LEOFF Plan 2
 - Average annual benefit
 - 8th out of 47
 - Average salary
 - 4th out of 47
 - Funded status
 - 2nd out of 47 (LEOFF 1 is 1st)
 - Low normal retirement age
 - 1st out of 47

Any Questions?

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