

# Department of Retirement Systems

# Annual Update

*Tracy Guerin, Director*

LEOFF Plan 2 Retirement Board  
December 15, 2021



## Pensions at a Glance

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### Membership

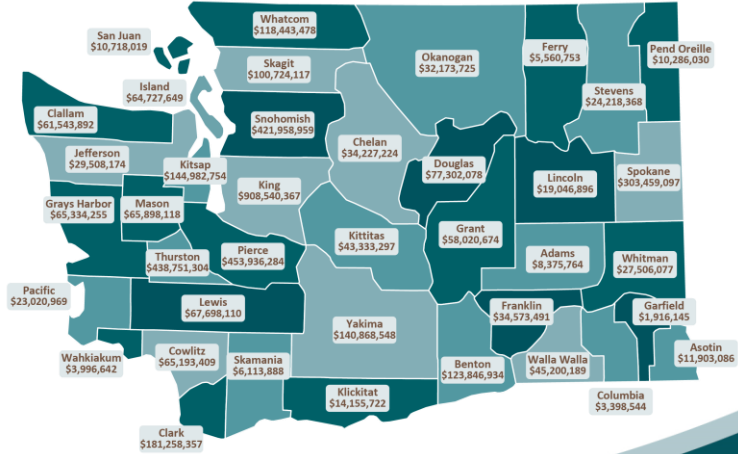
- 851,876 members

### Financial

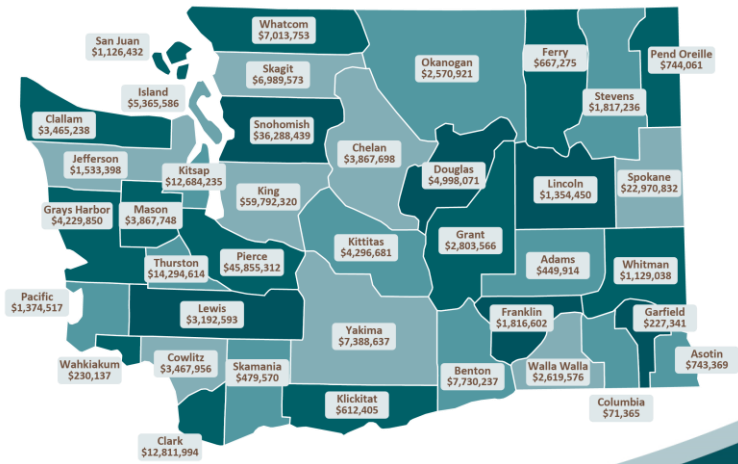
- \$172.4 billion held in retirement trust fund assets
- \$5.2 billion collected annually in contributions
- \$6.4 billion paid annually in benefits and contribution refunds



## Benefits Paid by County – FY 2020



## LEOFF Plan 2 Benefits Paid by County – FY 2020



## Deferred Compensation Program By The Numbers

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### Participants

- 102,453 total participants
- 71,007 participants actively contributing

### Auto Enrollment

- More than 39,000 participants have been auto-enrolled since Jan. 2017
- Average retention rate is 92%

### \$6.3B in Total Assets

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## Catastrophic Disability Reviews

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- Coordination with LEOFF 2 Board staff to clarify process in WAC
- Using the Social Security disability review process as a guide
- Anticipate 2022 focus on financial review of all catastrophically disabled retirees under 65 years old
- In 2023 begin medical reviews on a 3 or 6 year review cycle

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## DRS Operations

### Adapting Service Delivery

- Zoom counseling sessions
- Document drop box installed in the lobby

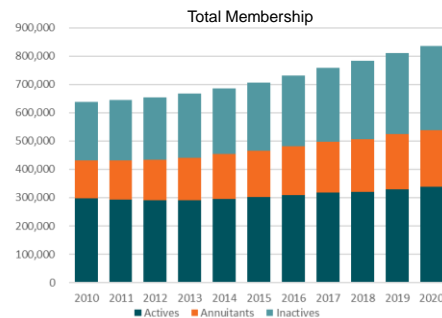
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## DRS: Low Cost

### Peer-compared Cost Effectiveness

- DRS administers the fifth-most complex public pension system in North America
- Compared to our peers, DRS' administrative cost (\$73.55 per member) is lower but our service score has suffered.
- Our FTE per member was **31% below** the Peer Average



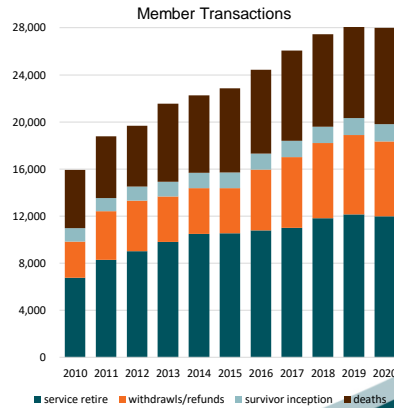
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## DRS: Service Score Decrease

### Low Staffing Impacts

- DRS' total service score, which has historically been at or above the peer median, dropped to 3 points below the peer median
- The largest components of the decline in the total service score were in member services that require FTEs



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## Supplemental Budget Requests

### Retirement Service Workload

- Hire additional Retirement Specialists to address ongoing increases in retirement transactions

### Roth Option for DCP

- Add a Roth option to the state's Deferred Compensation Program

### SB 6417 Implementation

- Additional funds are needed to finish implementation

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Questions?

