



LEOFF
Plan 2 Retirement Board

Benefit Improvements

Strategic Plan

Goal One: Enhance the benefits for the members.

Objectives

- Add benefits that are affordable for stakeholders
- Identify viable alternative revenue sources for benefit enhancements

Strategic Questions/Discussion Points

- Benefit Pricing Review
- What are your benefit improvement priorities?
- What would it take for a big benefit improvement to happen?
- What are your expectations about the Benefit Improvement Account?

LEOFF Plan 2 Retirement Board Benefit Improvement Pricing

Issue	Summary of Proposal/Options	Total Rate Impact ¹ (2005)	Total Rate Impact (2017-18)
Multiplier	1. Increase multiplier to 2.25% for all service.	4.40%	
	2. Increase multiplier to 2.50% for all service.	8.80%	12.34%
	3. Increase multiplier to 2.75% for all service.	13.20%	
	4. Increase multiplier to 3.00% for all service.	17.58%	
	5. Increase multiplier to 2.25% for all service earned after September 2003.	2.25%	
	6. Increase multiplier to 2.50% for all service earned after September 2003.	4.49%	4.88%
	7. Increase multiplier to 2.75% for all service earned after September 2003.	6.73%	
	8. Increase multiplier to 3.00% for all service earned after September 2003.	8.96%	
	9. Multiplier determined by number of years in career – all service: <ul style="list-style-type: none"> • 2.00% multiplier if less than 20 years • 2.50% multiplier if 20 to 24 years • 2.75% multiplier if 25 to 29 years • 3.00% multiplier if 30 or more years 	12.46%	
	10. Apply different multipliers to tiers/years of service – all service: <ul style="list-style-type: none"> • 2.00% multiplier applied to years 1-9 • 2.25% multiplier applied to years 10-14 • 2.5% multiplier applied to years 15-19 • 2.75% multiplier applied to years 20 – 24 • 3.00% multiplier applied to years 25 and over 	6.34%	
	11. Apply different multipliers to tiers/years of service – for all service earned after effective date: <ul style="list-style-type: none"> • 2.00% multiplier applied to years 1-9 • 2.25% multiplier applied to years 10-14 • 2.50% multiplier applied to years 15-19 • 2.75% multiplier applied to years 20 – 24 • 3.00% multiplier applied to years 25 and over 	5.14%	
12. Increased benefit multiplier from 2.0% to 3.0% for service over 16 years – all service <ul style="list-style-type: none"> • 2.00% multiplier applied to years 1-15 • 3.00% multiplier applied to years 16 and over 		11.06%	
13. Increased benefit multiplier from 2.0% to 3.0% for service over 16 years – prospective only <ul style="list-style-type: none"> • 2.00% multiplier applied to years 1-15 • 3.00% multiplier applied to years 16 and over 		7.31%	
Final Average Salary	1. Change Final Average Salary period from 5 years to 2 year - all service	2.64%	
	2. Change Final Average Salary period from 5 years to 3 year - all service	1.74%	
	3. Change Final Average Salary period from 5 years to 2 year – for all service earned after effective date	1.28%	
	4. Change Final Average Salary period from 5 years to 3 year – for all service earned after effective date	0.84%	

¹ Total Rate Impact is the combined rate required to be paid by members (50%), employers (30%), and the State (20%).

Issue	Summary of Proposal/Options	Total Rate Impact ¹ (2005)	Total Rate Impact (2017-18)
Retirement Age	1. Normal retirement at Age 50 with 20 years – all service unreduced	0.82%	
	2. Normal retirement at Age 50 with 5 years – all service unreduced	1.10%	
	3. Normal retirement with 25 years of service – all service unreduced	1.20%	
	4. Normal retirement with 20 years of service – all service unreduced	2.80%	
	5. Normal retirement at Age 50 with 20 years – all service after effective date unreduced	0.36%	
	6. Normal retirement at Age 50 with 5 years – all service after effective date unreduced	0.60%	
	7. Normal retirement with 25 years of service – all service after effective date unreduced	0.44%	
	8. Normal retirement with 20 years of service – all service after effective date unreduced	1.26%	
Survivor Benefits	1. No cost joint and 100% survivor benefit for all retirees (retro)	6.54%	TBD 11/28/2018
	2. No cost joint and 100% survivor benefit for retirees after effective date (prospective)	4.36%	5.18%
	3. No cost joint and 50% survivor benefit for all retirees (retro)	3.28%	
	4. No cost joint and 50% survivor benefit for retirees after effective date (prospective)	2.76%	
	5. No cost joint and 66.67% survivor benefit for all retirees (retro)	1.84%	
	6. No cost joint and 66.67% survivor benefit for retirees after effective date (prospective)	1.38%	
Retiree Health Care	1. Active members would pay for retiree health care	3.00% – 16.00%	