

## Effect of Plan, Assumption, and Method Changes

In addition to experience gains or losses, changes in plan provisions or actuarial assumptions or methods can also impact contribution rates.

### Plan Changes

- ◆ None

### Assumption Changes

- ◆ None

### Method Changes

- ◆ We now spread the Entry Age Normal (EAN) cost as a level percentage of pay over a member's career, rather than over the period from entry to the last decrement age where each benefit is available.
- ◆ For the entry age used in the EAN calculation, the member's career begins with their age at entry into the current plan, rather than the

age they entered service in any state plan.

### Other Changes

- ◆ We added the so-called "One Percent Rule" for PERS Plan 1 (RCW 41.40.190) and TRS Plan 1 (RCW 41.32.497) to our valuation model because the existing benefit has now become a material liability.

- ◆ We made a number of minor corrections based on the results of the 2011 Actuarial Audit Report.

### Effect of Changes on the Current Valuation

The following table shows the effect of the above changes on the current actuarial valuation results.

Effect of Plan, Assumption, and Method Changes									
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	SERS 2/3	PSERS 2	LEOFF 1	LEOFF 2*	WSPRS
<b>Before Changes</b>									
PVFB	\$12,445	\$28,781	\$9,055	\$10,228	\$3,890	\$488	\$4,140	\$9,214	\$1,020
PUC Liability	12,319	20,339	9,015	6,787	2,819	135	4,129	6,070	860
Actuarial Value of Assets	8,521	22,653	7,145	7,758	3,100	180	5,562	7,222	982
Unfunded Liability	3,798	(2,314)	1,870	(971)	(281)	(45)	(1,433)	(1,152)	(122)
<b>Employer Contribution Rate</b>	<b>9.06%</b>	<b>9.06%</b>	<b>10.33%</b>	<b>10.33%</b>	<b>9.51%</b>	<b>10.07%</b>	<b>0.00%</b>	<b>4.62%</b>	<b>7.76%</b>
<b>After Changes</b>									
PVFB	\$12,514	\$28,796	\$9,111	\$10,240	\$3,893	\$488	\$4,132	\$9,202	\$1,019
PUC Liability	12,368	20,347	9,058	6,799	2,820	\$135	4,121	6,071	859
Actuarial Value of Assets	8,521	22,653	7,145	7,758	3,100	\$180	5,562	7,222	982
Unfunded Liability	3,847	(2,306)	1,914	(959)	(280)	(\$45)	(1,440)	(1,151)	(123)
<b>Employer Contribution Rate</b>	<b>9.15%</b>	<b>9.15%</b>	<b>10.68%</b>	<b>10.68%</b>	<b>9.80%</b>	<b>10.28%</b>	<b>0.00%</b>	<b>4.64%</b>	<b>7.76%</b>
<b>Increase / (Decrease) in Rate</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.35%</b>	<b>0.35%</b>	<b>0.29%</b>	<b>0.21%</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.00%</b>

Before and after changes include actuarial gains and losses for the year ending 6/30/2012.

Both before and after contribution rates include rate minimums and maximums.

\*The LEOFF Plan 2 contribution rate is the employer's portion only (30% of the Plan 2 Normal Cost)