

Actuarial Methods and Assumptions

To calculate the contribution rates necessary to pre-fund the plan's benefits, an actuary uses an actuarial cost method, asset valuation method, economic assumptions, and demographic assumptions. This section, together with the web pages linked below, list the actuarial methods and assumptions used for this valuation.

Actuarial Methods

Please see the [Actuarial Methods](#) web page for descriptions of the actuarial cost methods and asset valuation method we use for this valuation.

Actuarial Assumptions

Assumptions that change regularly, along with new assumption and method changes since the last actuarial valuation report, are listed within this section. Otherwise, please see the [Actuarial Assumptions](#) web page for descriptions of all remaining assumptions.

Economic Assumptions

We adjust the general salary growth assumption for TRS each year to model the salary bonus payable to members who attain national board certification. These bonuses are includable in compensation for pension purposes.

TRS General Salary Increase by Year		
Year	TRS 1	TRS 2/3
2014	3.85%	3.85%
2015	3.77%	3.77%
2016	3.75%	3.75%
2017	3.75%	3.75%
2018	3.85%	3.85%
2019	3.84%	3.84%
2020	3.83%	3.83%
2021	3.83%	3.82%
2022	3.82%	3.82%
2023	3.81%	3.81%
2024	3.80%	3.80%
2025	3.79%	3.79%
2026	3.78%	3.78%
2027	3.77%	3.77%
2028	3.77%	3.77%
2029	3.75%	3.75%
2030+	3.75%	3.75%

Note: Includes inflation.

Demographic Assumptions

Employee Contribution Rates for Savings Fund Accrual	
System/Plans	Contribution Rate*
PERS 2	4.94%
TRS 2	6.19%
SERS 2	5.27%
PSERS 2	6.89%
LEOFF 2	8.41%
WSPRS 1/2	7.19%

This assumption helps us estimate the value of accumulated employee contributions with interest if a member elects a refund of contributions instead of a deferred retirement allowance upon termination.

**PERS 1 and TRS 1 employee rates are set in statute at 6%. No LEOFF 1 rates are required as long as the plan remains fully funded. Plan 3 members do not contribute to the defined benefit plan.*

Changes in Methods and Assumptions since the Last Valuation

- We corrected how our valuation software calculates a member's entry age under the Entry Age Normal actuarial cost method. Prior to the correction the funding age was rounded resulting in an entry age one year higher in some cases.
- For purposes of calculating Plan 2/3 Entry Age Normal Cost (EANC) contribution rates, we now use the current blend of Plan 2 and Plan 3 salaries, rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members.
- We updated the demographic assumptions, consistent with the changes from the [2007-2012 Experience Study Report](#), used when we value the PERS 1 and TRS 1 Basic Minimum COLA calculated outside of our valuation software.
- We changed the way we apply salary limits, as described in the [2007-2012 Experience Study Report](#).