

Contribution Rates

Member and Employer Rate Summary				
	Plan 1		Plan 2/3	
	2015	2014	2015	2014
PERS				
Member*	6.00%	6.00%	7.92%	7.26%
Employer (Normal Cost)	8.03%	7.37%	8.03%	7.37%
Employer (Plan 1 UAAL)	5.22%	5.11%	5.22%	5.11%
Total Employer	13.25%	12.48%	13.25%	12.48%
TRS				
Member*	6.00%	6.00%	7.48%	6.92%
Employer (Normal Cost)	8.25%	7.69%	8.25%	7.69%
Employer (Plan 1 UAAL)	7.60%	7.09%	7.60%	7.09%
Total Employer	15.85%	14.78%	15.85%	14.78%
SERS				
Member*	N/A	N/A	7.80%	6.96%
Employer (Normal Cost)	N/A	N/A	8.80%	7.96%
Employer (PERS Plan 1 UAAL)	N/A	N/A	5.22%	5.11%
Total Employer	N/A	N/A	14.02%	13.07%
PSERS				
Member	N/A	N/A	6.98%	6.81%
Employer (Normal Cost)	N/A	N/A	6.98%	6.81%
Employer (PERS Plan 1 UAAL)	N/A	N/A	5.22%	5.11%
Total Employer	N/A	N/A	12.20%	11.92%
LEOFF				
Member	0.00%	0.00%	7.88%	7.91%
Employer	0.00%	0.00%	4.73%	4.74%
State (Normal Cost)	0.00%	0.00%	3.15%	3.17%
State (Plan 1 UAAL)	0.00%	0.00%	0.00%	0.00%
Total State	0.00%	0.00%	3.15%	3.17%
WSPRS				
Member	7.34%	7.34%	7.34%	7.34%
Employer (State)	14.90%	10.82%	14.90%	10.82%

Note: Employer rates exclude administrative expense rate.
 *Plan 3 members do not contribute to the defined benefit plan.

Development of 2015 Employer/State Rates

	PERS		TRS		SERS	PSERS	LEOFF		WSPRS
	Plan 1	Plan 2/3	Plan 1	Plan 2/3	Plan 2/3	Plan 2	Plan 1	Plan 2	
a. Total Normal Cost	14.03%	15.95%	14.25%	15.73%	16.60%	13.96%	0.00%	15.76%	22.24%
b. Member Normal Cost*	6.00%	7.92%	6.00%	7.48%	7.80%	6.98%	0.00%	7.88%	7.34%
c. Employer Contribution (a-b)	8.03%	8.03%	8.25%	8.25%	8.80%	6.98%	0.00%	7.88%	14.90%
d. Cost to Amortize UAAL	5.22%	5.22%	7.60%	7.60%	5.22%	5.22%	0.00%	0.00%	N/A
e. Total Employer Rate (c+d)**	13.25%	13.25%	15.85%	15.85%	14.02%	12.20%	0.00%	4.73%	14.90%

Note: Employer rates exclude administrative expense rate.

*Plan 3 members do not contribute to the defined benefit plan.

**The state pays 20% of the total normal cost for LEOFF 2. This reduces the total employer contribution rate from 7.88% to 4.73%.

TRS Plan 2 Maximum Member Contribution Rates

Valuation Year	Prior Max	Supplemental	Source	Description	New Max
2010 - 2015	8.63%	0.01%	C 5 L 11	AFC protection against reduced salaries	8.64%
2007 - 2009	8.55%	0.08%	C 101 L 08	Out-of-state service credit purchases	8.63%
2006	7.76%	0.79%	C 491 L 07	Improved Subsidized ERFs for certain Plan 2/3 members	8.55%
2005	7.75%	0.01%	C 33 L 06	Lowered vesting requirements for certain Plan 3 members	7.76%
1999 - 2004	6.59%	1.16%	C 247 L 00	Subsidized ERFs for Plan 2/3 members	7.75%
1997 - 1998	N/A	N/A	N/A		6.59%

Note: Maximum member contribution rates change each year by 50% of benefit improvements, except as stated in RCW 41.45.070.

WSPRS Plan 1/2 Maximum Member Contribution Rates

Valuation Year	Prior Max	Supplemental	Source	Description	New Max
2014 - 2015	7.19%	0.15%	C 78 L 15	L&I duty-related death benefits paid from pension trust fund on remarriage	7.34%
2009 - 2013	7.18%	0.01%	C 261 L 10	Increased duty-related death benefits	7.19%
2008	6.95%	0.23%	C 522 L 09	Survivor benefits for registered domestic partners	7.18%
2006* - 2007	N/A	N/A	N/A		6.95%

Note: Maximum member contribution rates change each year by 50% of benefit improvements, except as stated in RCW 41.45.070.

*The original maximum contribution rate of 7% was decreased by 0.05% for C 87 L 07 (Raised maximum retirement age, 0.14% decrease) and C 488 L 07 (Provided medical premium reimbursements for certain survivors, 0.09% increase).

II. Actuarial Exhibits

The following tables show the development of the normal cost rates. Consistent with current funding policy, the normal cost rates include minimum contribution rates to provide stable and adequate contribution rates over time. The minimum rates are a percent of the normal cost calculated under the Entry Age Normal (EAN) funding method. The percent is 70 percent for WSPRS Plans 1 and 2, 90 percent for LEOFF Plan 2, and 80 percent for all other plans. Please see the [Glossary](#) for a more detailed explanation of EAN.

Development of Normal Cost Rates						
<i>(Dollars in Millions)</i>						
	PERS 2/3	TRS 2/3	SERS 2/3	PSERS 2	LEOFF 2	WSPRS
1. Calculation of Member Normal Cost Rate						
a. Future Value of Fully Projected Benefits	\$271,927	\$135,350	\$33,999	\$11,230	\$95,769	\$7,427
b. Present Value of Fully Projected Benefits	\$39,236	\$14,509	\$5,411	\$780	\$12,152	\$1,240
c. Valuation Assets	28,292	9,953	3,901	338	9,320	1,067
d. Unfunded Fully Projected Benefits (b - c)	10,944	4,556	1,510	442	2,832	173
e. Past Liability Balance	41	167	41	0	0	9
f. Adjusted Unfunded (d - e)	\$10,903	\$4,389	\$1,469	\$442	\$2,832	\$164
Present Value of Projected Salaries to Current Members (PVS)						
g. Plan 1 PVS	N/A	N/A	N/A	N/A	N/A	\$303
h. Plan 2 PVS	60,446	10,812	5,716	3,165	18,977	481
i. Plan 3 PVS	16,784	37,019	7,391	N/A	N/A	N/A
j. Weighted PVS (2g + 2h + i)	\$137,675	\$58,644	\$18,823	\$6,330	\$37,954	\$1,569
k. Employee Normal Cost (f / j)	7.92%	7.48%	7.80%	6.98%	7.46%	10.46%
l. Employee Minimum Contribution Rate	4.33%	5.13%	4.53%	5.65%	7.88%	6.79%
m. Prior Year Employee Maximum Contribution Rate*	N/A	8.64%	N/A	N/A	N/A	7.34%
n. Employee Contribution Rate with Max/Min	7.92%	7.48%	7.80%	6.98%	7.88%	7.34%
o. Change In Plan Provisions (Laws of 2016)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
p. Employee Contribution Rate (n + o)**	7.92%	7.48%	7.80%	6.98%	7.88%	7.34%
2. Calculation of Employer Normal Cost Rate						
a. Present Value of Fully Projected Benefits	\$39,236	\$14,509	\$5,411	\$780	\$12,152	\$1,240
b. Valuation Assets	28,292	9,953	3,901	338	9,320	1,067
c. Unfunded Benefits (a - b)	10,944	4,556	1,510	442	2,832	173
d. Present Value of Employee Contributions	4,787	809	446	221	1,416	82
e. Past Liability Balance	41	167	41	0	0	9
f. Employer Responsibility (c - d - e)	\$6,116	\$3,580	\$1,023	\$221	\$1,416	\$82
Present Value of Projected Salaries to Current Members (PVS)						
g. Plan 1 PVS	N/A	N/A	N/A	N/A	N/A	303
h. Plan 2 PVS	60,446	10,812	5,716	3,165	18,977	481
i. Plan 3 PVS	16,784	37,019	7,391	N/A	N/A	N/A
j. Total PVS (g + h + i)	\$77,229	\$47,832	\$13,107	\$3,165	\$18,977	\$784
k. Employer Normal Cost (f / j)	7.92%	7.48%	7.80%	6.98%	7.46%	10.46%
l. Employer Minimum Contribution Rate	4.33%	5.13%	4.53%	5.65%	7.88%	6.79%
m. Employer Contribution Rate with Minimum	7.92%	7.48%	7.80%	6.98%	7.88%	10.46%
n. Excess Employer Rate1	N/A	0.00%	N/A	N/A	N/A	3.12%
o. Rate to Amortize Past Liability Balance***	0.11%	0.77%	1.00%	N/A	N/A	1.32%
p. Change In Plan Provisions (Laws of 2016)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
q. Employer Contribution Rate (m + n + o + p)	8.03%	8.25%	8.80%	6.98%	7.88%	14.90%
3. Normal Cost Rates Adopted for 2017-19⁴						
a. Employee Contribution Rate ⁵	7.38%	7.06%	7.27%	6.73%	8.75%	7.34%
b. Employer Contribution Rate ⁵	7.49%	7.83%	8.27%	6.73%	5.25%	12.81%
c. State Contribution Rate ⁵	N/A	N/A	N/A	N/A	3.50%	N/A
d. Total Contribution Rate (a + b + c)	14.87%	14.89%	15.54%	13.46%	17.50%	20.15%

Note: Totals may not agree due to rounding.

¹ WSPRS and TRS 2 employees pay 50% of the total normal cost, not to exceed an adjusted cap. The employer pays the excess.

² Plan 3 members do not contribute to the defined benefit plan.

³ WSPRS liability is attributable to past costs for improved survivor benefits. PERS, TRS, and SERS liability is attributable to past Plan 3 gain-sharing.

⁴ For all plans except LEOFF Plan 2, the adopted rates include the second step of a three-biennial phase-in of the cost associated with the mortality improvement assumption change from the 2013 AVR. LEOFF 2 rates adopted by LEOFF 2 Board; all others adopted by PFC.

⁵ LEOFF 2 rate: 50% Employee, 30% Employer, 20% State.

Amortization of the Plan 1 Unfunded Actuarial Accrued Liability (UAAL)			
<i>(Dollars in Millions)</i>	PERS 1	TRS 1	LEOFF 1
a. Future Value of Fully Projected Benefits	\$29,215	\$20,865	\$10,633
b. Present Value of Fully Projected Benefits (PVFB)	\$12,655	\$9,144	\$4,313
c. Valuation Assets	\$7,315	\$5,870	\$5,404
d. Actuarial Present Value of Future Normal Costs	\$103	\$40	\$0
e. Balance of Plan 1 Benefit Improvements After 2009	\$114	\$51	N/A
f. UAAL (b - c - d - e)	\$5,122	\$3,183	(\$1,090)
g. Expected UAAL Contributions to 2017	N/A	N/A	\$0
h. Remaining UAAL (f - g)	\$5,122	\$3,183	(\$1,090)
i. Amortization Date	N/A	N/A	6/30/2024
j. Present Value of Projected Salaries*	\$100,848	\$42,703	\$11,025
k. Contribution Rate Before Adjustments (h / j)	5.08%	7.45%	(9.89%)
l. Minimum Contribution Rate	3.50%	5.75%	N/A
m. Preliminary Contribution Rate**	5.08%	7.45%	(9.89%)
n. Plan 1 Benefit Improvements After 2009	0.14%	0.15%	N/A
o. Change In Plan Provisions (Laws of 2016)	0.00%	0.00%	0.00%
p. Contribution Rate to Amortize the UAAL (m + n + o)**	5.22%	7.60%	(9.89%)
Plan 1 UAAL Contribution Rates Adopted by PFC			
Contribution Rate Adopted for 2017-19***	5.03%	7.19%	0.00%
<i>Note: Totals may not agree due to rounding.</i>			
<i>*Measured under the plan's amortization method.</i>			
<i>**No LEOFF 1 UAAL contributions are required when the plan is fully funded under current methods and assumptions.</i>			
<i>***Adopted rates include the second step of a three-biennial phase-in of the cost associated with the mortality improvement assumption change from the 2013 AVR. Adopted TRS 1 UAAL contribution rate includes a change to the Growth in Membership assumption from 0.80% to 1.25%.</i>			