

Contribution Rates

Member and Employer Rate Summary				
	Plan 1		Plan 2/3	
	2012	2011	2012	2011
PERS				
Member*	6.00%	6.00%	4.83%	4.92%
Employer (Normal Cost)	4.94%	5.03%	4.94%	5.03%
Employer (Plan 1 UAAL)	4.21%	4.00%	4.21%	4.00%
Total Employer	9.15%	9.03%	9.15%	9.03%
TRS				
Member*	6.00%	6.00%	4.95%	4.96%
Employer (Normal Cost)	5.72%	5.73%	5.72%	5.73%
Employer (Plan 1 UAAL)	4.96%	4.48%	4.96%	4.48%
Total Employer	10.68%	10.21%	10.68%	10.21%
SERS				
Member*	N/A	N/A	4.59%	4.64%
Employer (Normal Cost)	N/A	N/A	5.59%	5.64%
Employer (PERS Plan 1 UAAL)	N/A	N/A	4.21%	4.00%
Total Employer	N/A	N/A	9.80%	9.64%
PSERS				
Member	N/A	N/A	6.07%	6.22%
Employer (Normal Cost)	N/A	N/A	6.07%	6.22%
Employer (PERS Plan 1 UAAL)	N/A	N/A	4.21%	4.00%
Total Employer	N/A	N/A	10.28%	10.22%
LEOFF				
Member	0.00%	0.00%	7.74%	7.57%
Employer	0.00%	0.00%	4.64%	4.54%
State (Normal Cost)	0.00%	0.00%	3.10%	3.03%
State (Plan 1 UAAL)	0.00%	0.00%	0.00%	0.00%
Total State	0.00%	0.00%	3.10%	3.03%
WSPRS				
Member	6.44%	6.31%	6.44%	6.31%
Employer (State)	7.76%	7.63%	7.76%	7.63%

Note: Employer rates exclude administrative expense rate.

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

Development of 2012 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	10.94%	9.77%	11.72%	10.67%	10.18%	12.14%	0.00%	15.48%	14.20%
b. Member Normal Cost*	6.00%	4.83%	6.00%	4.95%	4.59%	6.07%	0.00%	7.74%	6.44%
c. Employer Contribution (a-b)	4.94%	4.94%	5.72%	5.72%	5.59%	6.07%	0.00%	7.74%	7.76%
d. Cost to Amortize UAAL	4.21%	4.21%	4.96%	4.96%	4.21%	4.21%	0.00%	0.00%	N/A
e. Total Employer Rate (c+d)**	9.15%	9.15%	10.68%	10.68%	9.80%	10.28%	0.00%	4.64%	7.76%

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 7.74% to 4.64%.

TRS Plan 2 Maximum Member Contribution Rates				
Valuation Year	Prior Max	Supplemental	Source	New Max
2012	8.64%	0.00%	N/A	8.64%
2011	8.64%	0.00%	N/A	8.64%
2010	8.63%	0.01%	C 5 L 11	8.64%
2009	8.63%	0.00%	N/A	8.63%
2008	8.63%	0.00%	N/A	8.63%
2007	8.55%	0.08%	C 101 L 08	8.63%
2006	7.76%	0.79%	C 50 L 07	8.55%
2005	7.75%	0.01%	C 33 L 06	7.76%
2004	7.75%	0.00%	N/A	7.75%
2003	7.75%	0.00%	N/A	7.75%
2002	7.75%	0.00%	N/A	7.75%
2001	7.75%	0.00%	N/A	7.75%
2000	7.75%	0.00%	N/A	7.75%
1999	6.59%	1.16%	C 247 L 00	7.75%
1998	6.59%	0.00%	N/A	6.59%
1997	N/A	N/A	N/A	6.59%

Note: Maximum member contribution rates change each year by 50% of the total supplemental contribution rates shown in the previous valuation.

WSPRS Plan 1/2 Maximum Member Contribution Rates				
Valuation Year	Prior Max	Supplemental	Source	New Max
2012	7.19%	0.00%	N/A	7.19%
2011	7.19%	0.00%	N/A	7.19%
2010	7.19%	0.00%	N/A	7.19%
2009	7.18%	0.01%	C 261 L 10	7.19%
2008	6.95%	0.23%	C 522 L 09	7.18%
2007	6.95%	0.00%	N/A	6.95%
2006*	N/A	N/A	N/A	6.95%

Note: Maximum member contribution rates change each year by 50% of the total supplemental contribution rates shown in the previous valuation.

* The original maximum contribution rate of 7% was decreased by 0.05% for C 87 L 07.

The tables on the following pages 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 varies by plan. Please see the **Glossary** for a more detailed explanation of EAN.

Development of Normal Cost Rates

(Dollars in Millions)	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	\$188,840	\$88,443	\$22,938	\$6,521	\$65,777	\$5,680
b. Present Value of Fully Projected Benefits	\$28,796	\$10,240	\$3,893	\$488	\$9,202	\$1,019
c. Valuation Assets	22,653	7,758	3,100	180	7,222	982
d. Unfunded Fully Projected Benefits (b - c)	6,144	2,482	792	308	1,980	37
e. Past Liability Balance	58	225	76	0	0	10
f. Adjusted Unfunded (d - e)	\$6,086	\$2,257	\$717	\$308	\$1,980	\$27
Present Value of Projected Salaries to Current Members (PVS)						
g. Plan 1 PVS	N/A	N/A	N/A	N/A	N/A	\$411
h. Plan 2 PVS	56,029	6,540	4,430	2,532	16,768	349
i. Plan 3 PVS	13,969	34,524	6,759	N/A	N/A	N/A
j. Weighted PVS (2g + 2h + i)	\$126,026	\$47,604	\$15,619	\$5,064	\$33,535	\$1,520
k. Employee Normal Cost (f / j)	4.83%	4.74%	4.59%	6.07%	5.90%	1.78%
l. Employee Minimum Contribution Rate	3.96%	4.95%	4.22%	5.51%	7.74%	6.44%
m. Prior Year Employee Maximum Contribution Rate ¹	N/A	8.64%	N/A	N/A	N/A	7.19%
n. Employee Contribution Rate with Max/Min	4.83%	4.95%	4.59%	6.07%	7.74%	6.44%
o. Change In Plan Provisions (Laws of 2013)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
p. Employee Contribution Rate (n + o) ²	4.83%	4.95%	4.59%	6.07%	7.74%	6.44%
2. Calculation of Employer Normal Cost Rate						
a. Present Value of Fully Projected Benefits	\$28,796	\$10,240	\$3,893	\$488	\$9,202	\$1,019
b. Valuation Assets	22,653	7,758	3,100	180	7,222	982
c. Unfunded Benefits (a - b)	6,144	2,482	792	308	1,980	37
d. Present Value of Employee Contributions	2,706	310	203	154	990	14
e. Past Liability Balance	58	225	76	0	0	10
f. Employer Responsibility (c - d - e)	\$3,380	\$1,947	\$513	\$154	\$990	\$14
Present Value of Projected Salaries to Current Members (PVS)						
g. Plan 1 PVS	N/A	N/A	N/A	N/A	N/A	411
h. Plan 2 PVS	56,029	6,540	4,430	2,532	16,768	349
i. Plan 3 PVS	13,969	34,524	6,759	N/A	N/A	N/A
j. Total PVS (g + h + i)	\$69,997	\$41,064	\$11,189	\$2,532	\$16,768	\$760
k. Employer Normal Cost (f / j)	4.83%	4.74%	4.59%	6.07%	5.90%	1.78%
l. Employer Minimum Contribution Rate	3.96%	4.95%	4.22%	5.51%	7.74%	6.44%
m. Employer Contribution Rate with Minimum	4.83%	4.95%	4.59%	6.07%	7.74%	6.44%
n. Excess Employer Rate ¹	N/A	0.00%	N/A	N/A	N/A	0.00%
o. Rate to Amortize Past Liability Balance ³	0.11%	0.77%	1.00%	N/A	N/A	1.32%
p. Change In Plan Provisions (Laws of 2013)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
q. Employer Contribution Rate (m + n + o + p)	4.94%	5.72%	5.59%	6.07%	7.74%	7.76%
3. Normal Cost Rates Adopted for 2013-15⁴						
a. Employee Contribution Rate ⁵	4.92%	4.96%	4.64%	6.36%	8.41%	6.59%
b. Employer Contribution Rate ⁵	5.03%	5.73%	5.64%	6.36%	5.05%	7.91%
c. State Contribution Rate ⁵	N/A	N/A	N/A	N/A	3.36%	N/A
d. Total Contribution Rate (a + b + c)	9.95%	10.69%	10.28%	12.72%	16.82%	14.50%

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 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	\$27,952	\$20,249	\$10,001
b. Present Value of Fully Projected Benefits (PVFB)	\$12,514	\$9,111	\$4,132
c. Valuation Assets	\$8,521	\$7,145	\$5,562
d. Actuarial Present Value of Future Normal Costs	\$137	\$72	\$0
e. Balance of Plan 1 Benefit Improvements After 2009	\$132	\$59	N/A
f. UAAL (b - c - d - e)	\$3,725	\$1,836	(\$1,429)
g. Expected UAAL Contributions to 2013	N/A	N/A	\$0
h. Remaining UAAL (f - g)	\$3,725	\$1,836	(\$1,429)
i. Amortization Date	N/A	N/A	6/30/2024
j. Present Value of Projected Salaries*	\$91,579	\$38,153	\$12,019
k. Contribution Rate Before Adjustments (h / j)	4.07%	4.81%	(11.89%)
l. Minimum Contribution Rate	0.00%	0.00%	N/A
m. Maximum Contribution Rate, 2014-2015	6.00%	9.50%	N/A
n. Preliminary Contribution Rate**	4.07%	4.81%	(11.89%)
o. Plan 1 Benefit Improvements After 2009	0.14%	0.15%	N/A
p. Change In Plan Provisions (Laws of 2013)	0.00%	0.00%	0.00%
q. Contribution Rate to Amortize the UAAL (n + o + p)**	4.21%	4.96%	(11.89%)
Plan 1 UAAL Contribution Rates Adopted by PFC			
Contribution Rate Adopted for 2013-15	4.00%	4.48%	0.00%

Note: Totals may not agree due to rounding.

*Measured under the plan's amortization method.

**No LEOFF 1 UAAL contributions are required when the plan is fully funded under current methods and assumptions.