

News Highlights:

Rita Figlenski, Okanogan, was elected to a 3-year term as E-6 Representative to the WSSRA Board.

May's Silent Scholarship Auction netted \$249.75 for the OCSRA Scholarship fund.

Marjorie Thompson and Diane Doust, Co-Chairmen of OCSRA's Retirement Committee, reported 25 people attended last year's Retirement Seminar.

Connie Palmer and Carol Payne, Omak, created OCSRA's raffle basket for the WSSR-Foundation scholarship fundraiser at WSSRA Convention.

Nick Schultz, Yakima, is the new Chairman of the E-5, E-6 Coordinating Council.

States Enact Pension Changes To Save Money

The Washington State Actuary Office reported 14 states increased employer/employee pension contributions; 12 states increased retirement age; 15 states changed the way benefits are calculated by lowering percentages of benefits or expanding the salary average to include lower salaried year; and 4 states created new pension plans or tiers.

Source: *WSSRA Legislative Insight, Vol.20, Issue #4, pg 6*

Good News!

No pension funds were raided by the Legislature this year.

WSSRA Legislative Committee Predicts Tough Year Ahead

To keep Plan 1 Pension funds solvent, Washington State legislators will be faced with the adoption of nearly 100% increases in employer pension rates and General Fund State pension contributions for the 2011-'13 biennium. Half of the increased costs are attributed to the TRS/PERS Plan 1 Unfunded Accrued Liability of more than six billion dollars "borrowed" from Plan 1 over the past decade to pay bills.

State Actuary, Matt Smith blames the pension funding problems on poor investment returns, underfunding of pensions, and enactment of benefits (COLAs and Gain Sharing) which were unaffordable.

The WSSRA Legislative Committee strongly disagrees that benefit improvements caused the pension problems. WSSRA's position is that the Legislature failed to pay for the improvements, even in the years of strong revenue growth. Documentation supporting WSSRA's position is listed in *WSSRA Legislative Insights, Vol.20, Issue #4* available online at www.wssra.org or request a copy at 1-800-544-5219. WSSRA members are asked to notify legislators and legislative candidates of WSSRA's position.

Another WSSRA Legislative objective is to push for the establishment of Plan 2 (with its 2% defined benefits vs. 1% in Plan 3) as the default plan for new hires in the Teacher Retirement System, School Employees Retirement System, and Public Employees Retirement System.