

Employer Advisory Committee Meeting Minutes
May 21, 2015

DRS Team Members Present:

Mike Ricchio, Chairperson
Amanda Persell, Administrative Assistant
Brian Berghoff, Senior Policy and Rules Analyst
David Brine, Communications Director
Eleanor Conway, Employer Support Services
Jamie Carl, Employer Support Services
Jennifer Rosebraugh, Financial Reporting
Jonathan Stoffer, Employer Support Services
Kim Smith, Employer Support Services Manager
Kym Nelsen, Employer Support Services
Lanette Barton, Retirement Services Manager
Larry Bona, Employer Support Services
Margaret Conley, Management Analyst
Marla Mortensen, Project Manager
Sharon Houseman, Accounts Receivable Manager
Shelly Umpstead, Information Technology Specialist
Sue Gordon, ERA Technical Project Manager
Ted Taylor, Retirement Services Manager
Zan Johnston, Workload Planning Manager

Employer Members Present:

Christie Johnson, Dept. of Social & Health Services
Colleen Martin, Washington State Patrol
Darrin Litchfield, Dept. of Enterprise Services
John Boesenberg, SBCTC
Kimberly Fleming, King County
Lacey Ledford, Washington State Patrol
Maureen Kwant, WSIPC
Sheryl Gordon, Green River College

Employer Members Present via Conference Call:

Barbara Cox, Port of Tacoma
Chandra Winston, Port of Seattle
Claudia Kay, Port of Seattle
Gail Davila, City of Bellevue
Katy Dwyer, University of Washington
Lana Elder, Port of Seattle
Terry Schaefer, WSIPC
Tess Ylescupidez, Pierce County

Welcome

Chairman Ricchio welcomed everyone to the meeting and thanked them for attending.

Record Keeper Update – Marla Mortensen

Marla began with a recap from the last Employer Advisory Committee Meeting. Empower Retirement (recently rebranded from Great West Financial) has contracted with the Department of Retirement Systems to provide recordkeeping services to both Plan 3 and the Deferred Compensation Plan (DCP) customers effective October 1, 2015. Empower will continue to service DCP customers under the current contract through September 30, 2015. ICMA-RC will continue to service Plan 3 customers through September 30, 2015.

There will be no employer reporting requirement changes for the October 1st transition. DRS will be sending monthly employer notices beginning in June to inform employers of what the member communications will say and to give a timeline of planned activities. The Department is designing a web page that will guide members and employers on the sequence of activities leading up to October. There will be a dedicated transition phone line established at DRS for any of members to call in and get clarification on any questions they may have. The call-in information will be in the June employer notice. There will also be some changes on the Vision of the Future education seminars.

DRS will begin direct customer communication in June. There will be some direct mailings, the web page, and the dedicated phone line for members to get information on the transition. Our goal is to have members contact DRS with questions so that we can help guide them through what this means to them.

During the transition period, otherwise known as the blackout, Plan 3 members will have limited access to their account information. They will still have access to view their account information and statements at ICMA through September 30, but will not be able to make any changes within the funds. The transition period begins on September 23 at 1pm PST and will end on October 2 at 10am PST. There will not be any fund line-up changes as a result of this transition.

Gail Davila, City of Bellevue inquired as to when the appropriate time for employers to order updated Plan Choice Booklets with information updated to Empower would be. Marla will look at the communication plan and figure out the ordering timeline and send it out to the employers.

Click [here](#) to see the Record Keeper Update slide show.

Education and Outreach Transition – Ted Taylor

The DRS Education and Outreach program will undergo some changes related to the record keeper transition. The E&O team consists of four Benefits Marketing Specialists who are each assigned a region in Washington State. Annually, these Benefits Marketing Specialists offer twenty four annual retirement seminars throughout the state promoting retirement education on Retirement System benefits and the Deferred Compensation Program.

Currently, ICMA holds Plan 3 field trainings; as part of the transition, ICMA will end those trainings effective June 30, 2015 and the E&O team will assume the Plan 3 field training role. However, the Plan 3 website will still be available until the end of September.

Between April and June, the DRS will be focusing on alerting employers of pending changes through the E&O reps, EAC meetings and Employer Notices. The DRS and ICMA websites will also be updated. Education and Outreach will be working to develop a Plan Choice webinar and add Plan Choice to their trainings.

Between July and September, the E&O reps will assume the ICMA training, Plan Choice training will be available in conjunction with SD Benefit Fairs, there will be an online Plan Choice video and the Plan Choice webinar will be available.

Between October and December, the Plan Choice training will be added in conjunction with the PERS Benefit Fairs and DRS will integrate Empower representatives into the trainings.

Click [here](#) to see the Education and Outreach slide show.

Customer Satisfaction – Margaret Conley/Shelly Umpstead

Several years ago, DRS moved from being an organization that provided customer service to being a customer focused organization; one that puts the customer's needs first. There have been several changes over the past years that included creating a map of business functions and redefining the mission, values and vision of the Department of Retirement Systems. The DRS vision is "Satisfied Customers, Valued Team Members". There are five key goals that the agency sees necessary to meet to fulfil this vision: Elated Customers, Engaged Team Members, Vigilant Resource Steward, Best Practice Leader, and Reliable Partner. During this time, DRS defined customer as "the people enrolled in, or receiving benefits from, a DRS-administered plan". They are served in partnership with employers and other stakeholders. DRS does not want to meet the customers' expectations, but to exceed them.

In this process, the customers' expectations were evaluated and rolled up into the "Three Rs of DRS Customer Satisfaction: Respectful, Responsive and Right". When interacting with DRS, the customer can expect the following:

1. To be treated RESPECTFULLY. They can expect
 - a. To be treated as a valued customer by a patient and caring person, who is happy to help them;
 - b. To be carefully guided through the retirement process;
 - c. To be informed of the issues that impact their retirement in a way that is easy to understand.
2. To receive RESPONSIVE service. They can expect
 - a. To have quick access to people who can help them;
 - b. To receive timely responses to their requests;
 - c. To be kept informed of the status of their requests;
 - d. To speak with people who anticipate their needs and offer solutions;
 - e. To be provided with easy-to-use forms and tools that can be found online.
3. Information to be RIGHT. They can expect
 - a. To receive accurate information from a knowledgeable, professional person;
 - b. To be paid correctly and on time.

Each month, Leaders at DRS contact a recent retiree to collect their feedback about DRS processes; having completed 2,287 since March of 2013. The contact is an interview, not a survey. Leaders ask open-ended questions to get at the stories behind how the agency did, or did not, meet their expectations. The department hopes to learn where improvement can be made. The goal is that 80% or more of customers will feel that their expectations are met or exceeded, for each of the 10 criteria. See the [slide show](#) to view the graphs on how DRS is doing.

The agency uses customer feedback to prioritize improvements. A team representing business areas and technology resources reviews potential enhancements and looks at which key goals (like Elated Customers) the idea will touch, and to what degree. Improvements are scored based on their value and cost. Improvements with a higher value and lower costs are implemented first.

Some enhancements have been made to the DRS website; a Steps to Retirement page, a tracker page and periodic email notifications are now all available for member use. Each of these enhancements were made in direct response to customer feedback.

Kimberly Fleming of King County asked why DRS is only focusing on contacting recent retirees and not members who are currently working. There is no intention to ignore active members; retirees were a place for DRS to start the measurement process.

Employer Reporting Application Update – Sue Gordon

There have been some changes made to the Project Roles. Lisa Horne is transitioning from a Business Systems Analyst to the ERA Project Manager. DRS is in the process of hiring a Business Systems Analyst and a Project Coordinator for this project.

The procurement is now the biggest area of focus. The project team is working with the Attorney General's Office on reviewing the process. The team is updating the RFP documents to reflect enhancements and formatting process flows and business requirements for the RFP. The RFP will be issued after legal review and legislative budget authorization.

There are some other activities happening surrounding this project. The team is working on drafting the Investment Plan to the OCIO, the Environmental Readiness data analysis and test environment are being worked on and the requirements work continues.

Please contact [Mike Ricchio](#) with any questions.

Employer Satisfaction – Kim Smith

Each quarter, Employer Support Services sends out a survey to 120 randomly selected employers. They are asked to rate DRS on a scale of 1-10 (10 being the highest). DRS wants to know how well they are meeting the employer expectations in the following areas:

1. Partnership Focused “Work with me.”
 - a. DRS Representatives act promptly, value my time and understand my individual needs.
 - b. They build professional relationships, develop rapport, and treat me with respect. I can request a specific representative to help me.
 - c. They listen carefully and provide information in a language I can understand.

- d. They are friendly, patient, courteous, and caring. I am never rushed and am encouraged to contact them again with further questions.
 2. Knowledgeable Representatives “Information needs to be accurate and consistent.”
 - a. The representatives at DRS anticipate my needs and answer all my questions.
 - b. They provide detailed information and take the time to make sure I understand.
 - c. Standardized work processes at DRS make it easy to respond to requests.
 - d. The information provided is accurate and consistent and can be backed up with policy, WAC or RCW.
 - e. When I have a problem they work with me to arrive at the appropriate solution.
 3. Effective Tools and Resources “Make it easy for me.”
 - a. Whenever I want information from DRS, it is available in the format I need.
 - b. They provide intuitive forms, easy to read publications and the web site is easy to navigate and understand.
 - c. Training is available when and how I want to learn.
 - d. The online tools are clear and the technology works with my processes.
 - e. DRS makes it easy for me to resolve Verification of Employment and other member account issues.
 - f. I can view my organization’s data and quickly and easily make corrections.
 4. Timely & Relevant Communications “Notify me of changes quickly.”
 - a. DRS representatives do what they say they will do, when they say they will do it.
 - b. They let me know what to expect and tell me specifically if they need something from me.
 - c. When I am contacted by DRS representatives, the questions are relevant.
 - d. I am never left waiting to know if I will hear back from them.
 - e. They provide notification promptly when procedures, laws and regulations change.

Once the surveys are received back, each ESS member calls 3 of those employers for further discussion. The DRS goal is to have 80% of those employers interviewed score an 8 or above (the same “green” criteria used for Customer Satisfaction). See the [slide show](#) to for scoring results.

Christy Johnson from DSHS asked about the timeline on email designation for the My Documents link within e-Services. DSHS has a lot of people who have access to the My Documents but don’t need to be receiving the automated emails. Kim Smith replied that there is a list of items that are scheduled for improvements and allowing for administrative options for emails is on that list.

Kimberly Fleming of King County likes the e-Services reports, but would like to be able to customize them for auditors. She would like to be able to select a date range for the time needed. This is something DRS has been looking at, but there has been a size limitation; some reports are too large. But the agency will continue to look into trying to accommodate the request.

Please contact [Employer Support Services](#) with any questions.

Census Data Testing and Participating Employer Financial Information – Jennifer Rosebraugh

Census Data Testing

The Office of the State Actuary (OSA) utilizes census data in the preparation of actuarial valuations and the calculation of the total pension liability (TPL). In February 2014, the American Institute of Certified Public Accountants (AICPA) State and Local Government Expert Panel (SLGEP) issued a whitepaper recommending the testing of census data at the employer level to allow an auditor to obtain sufficient appropriate evidence that the census data reported to the actuary is correct. In the winter of 2014, DRS contracted with the SAO to collaborate with the DRS plan auditors to perform census data testing needed to support the audit of the schedules for employer implementation of GASB 68. In February 2015, SAO began the census data testing of DRS employers for fiscal year (July-June) 2013, total of 79 employers were selected by the DRS plan auditor. In April 2015, SAO completed the census data testing of DRS employers for fiscal year 2013 and began the census data testing of 75 employers for fiscal year 2014. SAO is contacting employers that are selected by the plan auditor for census data testing. The census data testing focuses on the completeness and accuracy of pensionable wages and contributions reported to DRS by the employer.

Examples of Census Data Received by DRS from Participating Employers on active employees:

- Eligible compensation
- Date of hire
- Years of service
- Marital status
- Date of birth
- Date of termination or retirement
- Employment status

Participating Employer Financial Information

The Participating Employer Financial Information publication was created to assist employers with implementation of GASB 68, effective for fiscal years beginning after June 15, 2014. DRS will publish audited schedules May of 2015 on the DRS website. This will include the fiscal year 2014 Schedules of Collective Pension Amounts, the fiscal years 2013 and 2014 Schedules of Employer and Non-employer Allocations and the Notes to Schedules.

The Schedules of Employer Allocations will be based on Employer Contributions. Employer Contribution transmittals processed by DRS during the fiscal year (July-June) will be included in the Allocation. Excluded from the Allocation will be one time billings, DRS Administrative Fees, and CAFR accruals prepared at the Plan Level.

GASB 67 was implemented in the DRS 2014 CAFR and is available to assist employers with implementation of GASB 68. The Disclosures in Note 2, Section B begin on Page 49 and the Required Supplementary Information (RSI) begins on Page 84. The [DRS CAFR](#) became available in November 2014 on the DRS website.

DRS utilizes an e-mail distribution list for GASB communication to employer financial preparers based on responses to the 2014 DRS GASB survey, OFM contacts (State), and SAO contacts (Local) to ensure information is received by all employers.

DRS updates [GASB](#) frequently asked questions and resources on the DRS website for employers. Web service is available to employers to access the [contribution detail](#) used by DRS in determining their proportionate shares of the NPL of each cost-sharing plan.

Detailed accounting instructions should come, as always, from the State Auditor's Office (for local governments), the State Office of Financial Management (for state agencies), and the Office of Superintendent of Public Instruction (for school districts).

Click [here](#) to see Jennifer's presentation.

Please contact [Employer Support Services](#) to get assistance with any questions.

Legal/Legislative Update

The Legislature is currently in Special Session. Click [here](#) to see the Legal/Legislative Update.

Open Discussion

There will be rate changes effective July 1. They have been adopted by the Pension Funding Council and are out on the State Actuary's site. The Legislature does always have a right to make changes to those rates, so there is a chance they could still change since they are in Special Session. Because the Department is required to give 30 days' notice of any rate changes, there will be a notice going out on June 1 but with the caveat that employers not program the change until the Legislature has approved the new rates.

Colleen Marten from WSP asked if employers will ever be able to get away from using the Social Security number as an identifier. Eleanor Conway stated that with the new ERA project, there may be an option to have a new type of unique identifier, but DRS is not sure of that just yet.

Closing

Next meeting will be August 20, 2015 at the Department of Retirement Systems.