

Employer Advisory Committee Meeting Minutes-
May 21, 2009

DRS Staff Members Present:

George Pickett, Chairperson
Jeff Wickman, Senior Assistant Director, Policy
Michelle Hardesty, Assistant Director, RSD
Yvonne Haukom, Secretary Supervisor
Amanda Persell, Administrative Assistant
Debbie Ocheltree, Fiscal Manager
Kareen Morlan, Accounts Payable Lead
Lanette Barton, Audit Supervisor
Monette Jenney, Trust Accounting Manager
Zan Johnston, TRS Plan Administrator
Dawn Gothro, Communications Director
Cathy Dodson, Management Analyst
Keoni Fontaine, Management Analyst
Brian Berghoff, Deferred Compensation Manager

Employer Members Present:

Candy Hoelsing, DSHS
John Goetz, State Board Cmty & Tech Colleges-IT
Nancy Savage, Pierce County
Pamm Scott, Bellevue Community College
Sandy Collins, WSP
Sharon Brown, King County
Sheryl Gordon, Green River Community College

Employer Members Present via Conference Call:

Beverly Freeman, Chelan County PUD
Claudia Kay, Port of Seattle
Gail Davila, City of Bellevue
Katy Dwyer, UW
Lynn Guyton, Puyallup SD

Welcome and Announcements

Chairman Pickett opened the meeting with news that Pamm Scott from Bellevue Community College is retiring in July and this will be her last meeting. He welcomed Sheryl Gordon from Green River Community College who will replace Pamm Scott and Sandy Collins from Washington State Patrol who attended the meeting on behalf of Angie Gill. He thanked everyone for attending either in person or via conference call.

Legislative Activity

Chairman Pickett introduced Jeff Wickman, Senior Assistant Director of Policy, to brief the members on the pension related bills that passed during this year's legislative session:

The 2009 regular session adjourned on April 26, 2009. You can log onto the Washington State Legislature website and search any of the bills at <http://www.leg.wa.gov/legislature> .

Contribution Rates

Chairman Pickett informed the committee contribution rates for 2009-11 are posted on the State Actuary's website.

(http://osa.leg.wa.gov/Actuarial_Services/Funding/contribution_rates.htm)

DRS will confirm rates with the State Actuary and will send an Employer Notice and update contribution rates on the DRS website.

Last year the DRS website posted a member focus piece that was very useful to employers, it was suggested that this become a standard commodity. George suggested that Dawn Gothro of Communications and Michelle Hardesty of Retirement Services work together to make this happen.

CAFR/SAFR

Chairman Pickett informed the committee that it is not cost effective to publish a SAFR (Summary Annual Financial Report) this year. However, DRS will look into developing a summary for posting on the DRS web site.

Information can also be obtained through the DRS CAFR (Comprehensive Annual Financial Report), although it can be a little challenging to find. It was suggested the summary information be posted on the DRS web site in a user-friendly manner for employer use.

OASI

Chairman Pickett updated the committee on the status of the OASI program. Legislation that facilitates the transfer of this program was passed in the 2009 session, and the Governor has authorized the transfer to DRS effective July 1, 2009. Employment Security Department (ESD) has been working with DRS for the past year to provide information and knowledge of the program to ensure a smooth transition. In the near future, DRS will be providing the Social Security Administration (SSA) with a formal notification of the transfer.

Admin Factors

Chairman Pickett introduced Michelle Hardesty, Assistant Director of Retirement Services Division. OSA has provided preliminary factors to DRS; however, DRS will meet with OSA May 22, 2009 to receive the final factors.

Joint survivors will begin receiving a larger benefit. Implementation and system generated estimates will commence July 1, 2009.

Plan Handbook Distribution

Michelle Hardesty, Assistant Director of Retirement Services Division informed the committee the handbooks are being reformatted to reflect the life of a member's career. It will focus on the beginning, middle, and end of a career of a PERS, SERS, and TRS member. The handbooks are being edited to generalize with key points and a specific approach so they don't have to be updated with ongoing legislation. Due to cost of printing, there will be limited supplies to employers. The goal is to have it completed and printed by the end of June. Handbooks will be sent after July 1st. Employers would like to see the Plan Choice Letter edited. Suggestions made were to reflect the urgency and importance of this letter. Employees need to complete the required forms and return to the employer before the member's 90 day expiration date. Employees need to know they need to make a decision, and not simply default into Plan 3. Michelle thanked the committee for the feedback and will take the suggestions into consideration.

Annual Statements

Michelle Hardesty, Assistant Director of Retirement Services Division informed the committee that 163,000 non-educational statements were mailed. Only 3500 were non-deliverable. Overall, feedback was positive. Currently DRS is evaluating lessons learned from the non-educational mailing to improve the process before the upcoming educational annual statement mailing.

Agency Updates

Chairman Pickett announced Kim Smith as the new ESS Manager. Kim Smith has worked in the ESS unit for 15 years and comes to us with a wealth of experience and we are happy to have her on board. She is currently in Yakima presenting the OASI program to employers and could not be in attendance for this meeting.

Effective June 1, 2009, DRS will have some managerial changes. DRS is returning to a more traditional management structure. Cathy Cale who has been acting Senior Assistant Director of Operations will move back to Assistant Director of Retirement Services Division; Michelle Hardesty who has been acting Assistant Director of Retirement Services Division will move back into LEOFF Plan Administrator; and Jeff Wickman who has been Senior Assistant Director of Policy will move back to Assistant Director of Policy. All the Assistant Director's will report to Deputy Director, Marcie Frost.

Open Discussion

There was a discussion regarding improving employer access to member retirement eligibility information. DRS is assessing the functionality of the current employer transmittal system, which will first require a feasibility study, and then a request for funding from the legislature to implement the

upgrades. Some enhanced features employers would like to see are online access to confirm member eligibility, the ability to have access to assist members with retirement related issues, and confirming eligibility for member's sick leave payout.

Nancy Savage with Pierce County has a RRTW who has returned to work in a different plan, she is having address issues. Pierce County sends all records with the "Y" flag set for the DRS system to determine that they have the most recent name and address. This, in turn, creates an error on the edit message report. Chairman Pickett requested she following up by e-mail and he will find a solution.

HCA/DRS merger is an ongoing process. Three efficiency initiative teams have been formed. They are Joint Counseling, Shared Demographic Data, and Streamlined Death Notification Process. The teams are working on customer satisfaction enhancements that can be shared by both agencies.

The director, Steve Hill, Deputy Directors Marcie Frost and Beth Dupre have been out speaking with external stakeholders to obtain feedback with regards to the merger.

Next meeting is August 20, 2009 at DRS.