

Employer Advisory Committee Meeting Minutes-
August 19, 2010

DRS Staff Members Present:

George Pickett, Chairperson
Amanda Persell, Administrative Assistant
Jennifer Dahl, Fiscal Manager
Dave Nelsen, Legal and Legislative Services Manager
Keoni Fontaine, Management Analyst
Rachel Jo Nesse, Special Projects Coordinator
Dawn Gothro, Communications Director
Melanie Piccin, Information Technology Specialist

Employer Members Present:

Kim Nevling, City of Olympia
Nancy Savage, Pierce County
Sheryl Gordon, Green River Community College
Angie Gill, Washington State Patrol
Bennett Holmes, Department of Social and Health Services

Employer Members Present via Conference Call:

Gail Davlia, City of Bellevue
Loni Shorten, Port of Tacoma
Barbara Cox, Port of Tacoma
Katy Dwyer, University of Washington
Chandra Winston, Port of Seattle
Nancy Pooler, Port of Seattle
Cinda Wilkey, WSIPC

Welcome and Announcements

Chairman Pickett welcomed everyone to the meeting and thanked them for attending. He made an announcement that Jeff Wickman has moved on to be the Chief Administrator for the Marin County Employees' Retirement Association, in California and that Shawn Merchant has replaced him at DRS. Shawn comes from the LEOFF 2 Board and we are happy to have him.

DCP Website

Chairman Pickett introduced Special Projects Coordinator, Rachel Jo Nesse who spoke on the new DCP website that has been created as a result of our transition to the new recordkeeper, Great West. This new site has more flexibility with equal functionality and can be found at <http://www.drs.wa.gov/dcp/>. Next week, they will be enhancing the website with a feedback box.

Rachel also pointed out to the employers the benefits of signing up for DCP which were lower fees, administrative ease for employers (you already work with DRS in support of Retirement Systems, WSIB selects and monitors DCP's investment options, our record keeper provides additional support for participants, DCP provides both phone support and a great Website. We even have an Education and Outreach team available to come to your site. Employers just provide the data and dollars!), and your employees already know DRS. If you have questions about offering DCP, call Lorna Linden, our Education and Outreach Manager, directly at (360) 664-7021.

Gail Davila said that DRS should consider responding to RFPs. DRS has not done so because DCP cannot be customized. DRS would like to respond to the RFPs but we do not have the resources to do so. It is a continuing project.

Legislative Update

Chairman Pickett introduced Dave Nelsen, Legal and Legislative Services Manager. Dave Nelsen spoke on the following two items that will be considered by the Select Committee on Pension Policy when they meet in September.

Retire/Rehire Changes: A recent article in the Seattle Times focused on practices in higher education when employees return shortly after retiring to their previous positions and get their pension plus their salary. The Select Committee will hold a work session on this issue in September. Several ideas have been discussed in the past to address this issue, including changes to the separation requirements or restricting the eligibility for Higher Education Retirement Plan membership if the employee has retired from a state administered system.

Furloughs: All PERS employees have their pensions protected from the impact of furloughs for this biennium. The SCPP will discuss extending this benefit to other systems and maybe into the next biennium. Also, they are looking at calendar years vs. fiscal years.

The Office of the State Actuary is conducting a risk study valuation of the pension system. They will be presenting it in September to the Select Committee, but it is available on their website now at the following web address: [OSA: Risk Assessment](#)

Other possible benefit discussions at the SCPP this interim may include Negative COLAs and changes for TRS1 Survivors. Gail Davila stated that she has had employees asking about the Gain Sharing lawsuit. She has not seen anything on the website and asked if anyone had any news. Updated

language is available on the DRS website. [DRS News Home page :: Washington State Department of Retirement Systems](#) Legal briefings and oral arguments on the motions for summary judgment were heard by the Court in July, but no order on the motions has been issued by the Judge. A trial date is scheduled for November, pending the outcome of the motions DRS will get information out as soon as we know anything.

New Paper Retirement Application

Chairman Pickett introduced Keoni Fontaine, Management Analyst to speak on the new paper retirement application. Last year, DRS began to look at what we could do to improve the application process. We asked for feedback from the retirees receiving a clear message that they wanted for us to tell them what they needed to know, where to find it, what's the bottom line and for us to make it simple. After a year of research, we realized the packet of papers needed to be more organized. So now, the book is bound with the pages that need to be sent in perforated. We simplified the language and organized the sections to eliminate multiple signatures and redundant information. Now members only sign one form.

We just finished testing the new product and the feedback was very positive with just a few things that need fixing. We tested on new retirees, one person that was not a member at all, and the previously tested members. The feedback we got was that the new layout has cut the time in half that it takes to go through the packet, that they liked the overall layout – that it was very appealing, and that it enabled people to answer the majority of their own questions.

At this point, we are going to make a few changes then the packet goes to production. The PERS Plan 2 & 3 packets will be first, then the SERS & TRS Plans 2 & 3 in the next month or so. After that it will be Plan 1s and then WSPRS & LEOFF.

If you have any questions or feedback, please feel free to contact [Keoni Fontaine](#).

Online Video

Chairman Pickett introduced Dawn Gothro to present the new online video. Dawn first talked about how this is the first of many online videos. This one that is being presented today is on "How to Access Your Retirement Account Online and Register for DB Access". During the process of making this video, we learned a lot. To view the video, click [here](#).

This video will be out shortly. Dawn asked if there were any suggestions for future videos. Bennette Holmes from DSHS suggested a video on the 90

day rule and defaults. It should cover Plan Choice, what needs to be done in the first 90 days of employment, decisions that need to be made and what happens if you don't make a decision. She would also like to see something explaining contribution rates.

Katy Dwyer from University of Washington thinks this is a great idea. Higher education statements are going to be coming out and she would like to know how many hits the system can take without bringing it down. UW would like to highlight the video when they send out emails to access statements online. Dawn will check on system capacity.

For submitting suggestions, please email [Dawn Gothro](#).

Employer Newsletter Feedback

Dawn also asked for feedback on the Employer Newsletter. Please email [Dawn Gothro](#) with any ideas on topics, format, readability, access, etc.

OASI

Chairman Pickett introduced Melanie Piccin to give a presentation on Old Age Survivors Insurance. To see the presentation (PowerPoint presentation), click [here](#).

Sheryl Gordon of Green River Community College asked what coverage that county and city police officers have. Mel said that it just depends; that a lot of them don't pay Social Security.

Inter-Local Agreements

Chairman Pickett said that agencies are looking for ways to save money. An option being explored is creating a new entity to take care of certain tasks. For example, a group of cities might form an entity to perform a task that each city used to perform separately. This presents complications for DRS; can we allow the entity to participate in a retirement plan? Depending on the way the entity was created, the answer could be no. The requirements vary from plan to plan. Some plans are narrowly drawn and do not allow subdivisions. It also varies by nature of the employer and how the entity is created. So Chairman Pickett encourages any agency looking at creating a subdivision to contact DRS to ask questions before getting too far into the process. It is important to do the research up front if your organization is thinking of going this way. For questions, please feel free to contact [Chairman Pickett](#).

Open Discussion

Nancy Savage of Pierce County asked for Chairman Pickett to touch base on shared sick leave on the next agenda. Chairman Pickett said that DRS needs to do some more background and will try to address it at the next EAC meeting if DRS is in a better position to be clear. Please email [Chairman Pickett](#) with more specific questions.

Next meeting is November 18, 2010 at DRS.