

Employer Advisory Committee Meeting Minutes-
August 18, 2011

DRS Staff Members Present:

George Pickett, Chairperson
Amanda Persell, Administrative Assistant
Andrea Mower, Office Assistant
Kim Smith, Employer Support Services Manager
Chris Lamb, Information Services Assistant Director
Kathy Pond, Project Manager
Dave Nelsen, Legal/Legislative Services Manager
Dawn Gothro, Communications Manager
Lanette Barton, Employer Audit Manager
Jennifer Dahl, Retirement Services Assistant Director

Employer Members Present:

Sheryl Gordon, Green River Community College
Nancy Savage, Pierce County
Kimberly Fleming, King County Metro
Karen Conley, Department of Social & Health Services
Holly Jordan, Department of Personnel

Employer Members Present via Conference Call:

Gail Davila, City of Bellevue
Angie Gill, Washington State Patrol
Lynn Guyton, Puyallup School District
Cinda Wilkey, Washington School Information Processing Cooperative
Chandra Winston, Port of Seattle
Nancy Pooler, Port of Seattle
Claudia Kay, Port of Seattle
Loni Shorten, Port of Tacoma
Lisa Croft, Port of Tacoma
Barbara Cox, Port of Tacoma

Welcome and Announcements

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

Legislative Update

Chairman Pickett introduced Dave Nelsen, Legal & Legislative Services Manager. Dave said that the Legislature is not in session but may come back for a special session due to budget issues.

Dave spoke on the Select Committee of Pension Policy and their interim items. The SCPP will likely hold a work session on the Higher Education Retirement Systems. Also, they will review the benefits provided in the PSERS.

The LEOFF2 Board items include the LEOFF1/LEOFF2 merger study. The State Actuary was tasked by the Legislature to study the impacts of a merger of the two systems, and will solicit input from the L2 Board and other stakeholders on the issue. They are also looking at items previously studied and are seeking coordination with the SCPP. First is the purchase of annuity from the trust fund, and the second is the impact on L2 benefits of a negative CPI, or deflation. Retirees could possibly see a negative COLA. The Pension Funding Council will be meeting on October 12 to review long term economic assumptions. The State Actuary will make recommendations on the assumed rate of return, inflation assumption, system/membership growth assumption, and the salary growth assumption. Adjustments to these assumption may impact the contribution rates for the pension systems.

To view the most current legislative information, go to www.drs.wa.gov/legislative.

Dave closed with a legal update. The Gainsharing Lawsuit finished Phase 1 at the Superior Court level. The outcome was that the state does not have the authority to take away the gainsharing benefit. Now in Phase 2, the Court will decide what the status of the gainsharing replacement benefits are if gainsharing is reinstated. These replacement benefits include the new early retirement factors in the Plans 2/3.

It is tentatively scheduled that the written arguments will be presented in October and the oral arguments on Phase 2 will begin on December 16.

Digital Subscription Service

Chairman Pickett introduced Dawn Gothro. To see the presentation on Digital Subscription Service, click [here](#).

Nancy Savage of Pierce County asked if the DRS Annual Report is the same as the Member's Annual Report. Yes, it will probably come out under Information Updates and Announcements.

Kimberly Fleming of King County Metro asked if you will have to be a member or an employer to access the site. The answer is no, anybody can access it. She also asked if it is easy to change the email address. Dawn says yes, it should be.

Kim Smith thanked Dawn for all of her work on this project. It's going to be fantastic.

Kimberly Fleming also stated that this will be good for the new employee orientation because everything is easily accessible.

Chairman Pickett said that we will send a DRS Employer email that will go to all of our contacts, but does anyone have any ideas on how to get this info other people in organizations that may want to access the site? Kimberly suggested they could include it in their payroll email that goes out to all employees. Nancy suggested that DRS send notice to financial planners and maybe even do an article in the local newspapers. This would send a positive government message. Dawn stated that they are looking at sending it to other Communications Directors in other state agencies to maybe include it in their employee newsletters.

If you have any other suggestions or questions please contact [Dawn](#) or [George](#) with any questions.

Projects Update

Chairman Pickett introduced Kathy Pond, Project Manager to give an update on the projects being worked on at DRS. Kathy started with talking about the project around HB1981. We have split it into three separate pieces. First is managing retirees returning to work and looking at what the intent of the law is. The word "Eligible" was left out of the bill when talking about eligible PERS positions; DRS is pursuing a technical correction so that the wording is how it's always been managed. Also, if a retiree comes back to work in a HERP position, their hours are now counted. So the project team is looking at how the employers will report this. More information will be available soon. We are no longer going to be invoicing for TRS1 and PERS1 positions.

Nancy Savage of Pierce County asked if DRS will still be invoicing local government agencies for RTW retirees in eligible positions. If so, what is the effective date? The law doesn't change until January so if you were already billed, you still have to pay. Kimberly Fleming of King County Metro asked if justifiable need goes away as well. The answer is yes, it is much simpler now – 867 hours is the maximum for all plans.

Kathy also introduced the Supplemental Fund project. Contributions will be going into the trust fund established by the SIB until an evaluation of the supplemental fund is done in the future. The money will be held until further direction is given. The project team is looking at the reporting options and

may introduce a new system code for HERP covered employees to be reported into the new trust fund.

Kathy then talked about the Fund Transition project. She stated that this week, guides are being mailed. DCP will be mailed in 3-4 days and Plan 3 will go out next week. Almost 210,000 guides are being mailed in all. The phone numbers listed in the guides will direct members to the record keepers first. The website was updated yesterday with more information and employer emails are going out today. There will be post cards mailed out during the soft close as a reminder. The transition's soft close is September 23. Members can no longer transfer money into the closing funds but payroll deductions will continue into the closing funds through the soft close. The hard close is October 28. On that date, all funds that have not been transferred by member choice will be mapped into the new fund. Please direct your employees' questions to DRS.

Chairman Pickett stated that the now disbanded EERB had recommended that the SIB look at the investment lineup and make sure it is still the best thing for everyone. The SIB did extensive research before developing the investment line-up. There are options including an emerging market option in the line-up.

Chris Lamb told the group that in mid-July, DRS rolled out upgrades to the Defined Benefit Access Program. It has a new look, but the same functionality. It has upgraded security and is easier for members to use. The architectural upgrades are a significant step toward the ultimate goal of a single sign on.

Re-Engineering the Employer Information System: Partnering for the Future

Chairman Pickett introduced Chris Lamb. To see the presentation on Re-Engineering the Employer Information System: Partnering for the Future, click [here](#).

Chris is asking for feedback and would like it if members would send their feedback to his [email](#).

Nancy Savage asked if this change will also be hitting the accounting system at DRS. The Accounts Receivable system would be a separate upgrade but what feeds it will be upgraded with this. A "one-stop" portal would be made available.

Cinda Wilkey of WSIPC stated that in the past, when TRS3 came into existence, DRS included the employers in all the changes and it was great.

She is looking forward to working with DRS and wants to have lots of communication on this. Thank you for including the employers through all of the processes.

Discussion – Collecting EIS Feedback from Users/Technicians

Chairman Pickett started a discussion about collecting feedback on the EIS system upgrade plan. He asked the committee how they think we should start the dialogue.

Nancy asked what DRS already has planned based on the issues previously presented. If DRS already knows about some issues, maybe they would want to put them out there so employers wouldn't keep hitting on them. Chris appreciates the concern but wants to start with a clean slate and re-hear all of the issues to seek out common themes to prioritize. They are trying hard to look at processes without putting any boundaries around the issues. Duplication helps his team to see what the big deals are. He wants to hear anything and everything employers have to say.

Chairman Pickett stated that DRS is looking at developing an EIS model and will be seeking funds to develop a new system. DRS needs to know what issues are most important to the employers. What would enhance this engagement? DRS doesn't have unlimited time and funds, so we need to see common elements and design a new system to address them.

Kimberly Fleming suggested that DRS hold a large conference of similar entities or by payroll system. She thinks that if a group of like-minded employers are together, they can feed off each other.

Chris asked if anyone prefers one on one time. They are very willing to do that. He stated that they are willing to do whatever is best for each employer.

Karen Conley of DSHS suggested including the people who do reconciliation with HRMS. Chairman Pickett said that they are still working on how to engage state employers.

Nancy Savage suggested that their IT people didn't need to be included unless there are programming issues. Chris said that when, and if, we get to implementation, we will be including technical people. In the meantime, he is asking for feedback from the employers on who is important to involve in this process.

Kimberly Fleming suggested that all payroll, IT, HR and retirement people are included.

Chairman Pickett stated that it is very important for the DRS technicians to hear all aspects. He also asked how DRS might get the message to a broader audience to create an invite list if he were to hold a conference. Nancy Savage suggested that he uses the employer email to solicit participation.

Chairman Pickett said that it might be challenging to find a place to hold a conference that is convenient for employers who are interested. Kimberly Fleming suggested asking the larger employers to host the meetings.

Karen Conley asked if DRS would want to develop work groups to bring core issues to the table depending on the challenges for state agencies.

Sheryl Gordon of Green River Community College stated that PPS meets every quarter and includes all payroll officers in the Higher Ed group. They meet in October and Green River is hosting it. She will send the info to the Chair and see if DRS can be present.

Kimberly Fleming asked if it was a possibility to put a video on the employer web page. Nancy Savage suggested that they do video conferencing for Eastern Washington employers.

Chairman Pickett closed saying that he appreciates everyone's input. He looks forward to working with all of the committee members to pull this off.

Please contact [Chairman Pickett](#) or [Chris Lamb](#) with any more suggestions or questions.

Next meeting is November 17, 2011 at the Department of Retirement Systems.