Employer Advisory Committee Meeting Minutes-
February 16, 2012

DRS Staff Members Present:
George Pickett, Chairperson
Amanda Persell, Administrative Assistant
Danielle Hiatt, Office Assistant
Jennifer Dahl, RSD Assistant Director
Chris Lamb, ISD Assistant Director
Gayle McGee, Project Manager
Dave Nelsen, Legal/Legislative Services Manager
Melanie Piccin, ESS/OASI
Karla Phillips, Accounts Receivable/Audit Manager
Shawn Merchant, PSID Assistant Director
Jennifer Freeze, Business Analyst

Employer Members Present:
Sheryl Gordon, Green River Community College
Nancy Savage, Pierce County
Kimberly Fleming, King County Metro
John Boesenberg, State Board of Community & Technical Colleges
Holly Jordan, Department of Enterprise Systems

Employer Members Present via Conference Call:
Katy Dwyer, University of Washington
Angie Gill, Washington State Patrol
Lisa Croft, Port of Tacoma
Gail Davila, City of Bellevue
Beverly Freeman, Chelan County PUD
Lynn Guyton, Puyallup SD
Cinda Wilkey, WA School Information Processing Cooperative
Nancy Pooler, Port of Seattle
Claudia Kay, Port of Seattle

Welcome and Announcements
Chairman Pickett welcomed everyone to the meeting and thanked them for attending. He wanted to introduce David Brine, DRS's new Communications Director; however, David is not able to attend this meeting. He has long time experience with state government and communications. We are happy to have him. He will be in attendance next time to discuss what is happening in our Communications department.

Chairman Pickett also introduced Karla Phillips, who is in a Developmental Job Opportunity as the manager of the Accounts Receivable Unit.

LEAN Estimates

Chairman Pickett introduced Jennifer Dahl. Jennifer is here today to present on LEAN Estimates. Click here to see her presentation.

Nancy Savage of Pierce County asked how the project team is coming up with the "Cheat Sheet". She wanted to know if an employer could get information added to the sheet. An example is information related to the Pierce County strike. Would they be able to get it on the sheet so that the RSAs have that information handy when calling? Jennifer answered that there will be a survey of employers to help build the cheat sheet. Also, they will have the employers review any employer-specific information before the cheat sheet is finalized. If an employer has something to add to it, they can contact ESS and ESS will advise the RSAs.

Katy Dwyer from the University of Washington stated that it's a great idea, but she would suggest it stays formal. Before adding anything, DRS should check with an authority figure at the employer site. There is the possibility that DRS could be given incorrect information.

Kimberly Fleming from King County Metro suggested that county employees want a generalized calculator for ballpark estimates that would not require them to pull up their personal information. They want to use this tool when talking to financial planners, etc.

Please contact Jennifer Dahl with any further suggestions or questions.

Online Retirement Application

Chairman Pickett introduced Gayle McGee, Project Manager. Gayle updated the EAC on the Online Retirement Application process. She introduced Jennifer Freeze, who is a Business Analyst and is instrumental in this project. Jennifer attended to hear what kinds of questions employers might have. Click here to see Gayle's presentation.

Gayle posed the question – When we roll this out at the end of March, what information or training will employers expect to receive? What kinds of communication would be most helpful?

Katy Dwyer, UW, stated that this is a step forward and it looks great. There will still be a population that is not computer literate; how will they be addressed? She also said that there is an employer piece missing on the retirement planner. She would love to see something about contacting the employer to see what benefits may be available to the retiree and also something about turning in a letter of resignation. Gayle said that the paper process will still be in place. In the future, DRS will give members the choice of using the online application or filling out a paper copy. Also, up front, there is a "Plan for Retirement" link on the website. We will look at putting something about connecting with the employer. Gayle will check to see if it's already there.

Kimberly Fleming, King County Metro, stated that a printout that confirms that someone has applied for retirement would be very helpful. The employer needs verification in order to put an employee into retirement status.

Katy Dwyer also said that it sounds like DRS is still working on the disability retirement process. It would be helpful to get an update on the progress.

Gail Davila of the City of Bellevue stated that in communicating to the members, they often have confusion because there is information included on HCA, PEBB and DCP. She suggests that there is stronger language emphasizing that their employer may not participate as only some do. Gayle stated that we will take another look at that. She will send a copy of what we have now. The project team will have a follow up meeting after implementation and will look at the changes that may need to be made.

If you have any ideas on training, comments or questions, please contact Gayle McGee.

EIS Update

Chairman Pickett introduced Chris Lamb who provided a brief update on the Employer Information System meetings. DRS has completed the information gathering sessions with the employers. There were many great ideas and Chris wanted to thank everyone who participated. The group also met with several payroll providers. At this point, DRS is in the middle of writing the design document to communicate all the things they heard and how they intend to address those issues. It is very important that they get this document right, using terms and a voice that resonates with the employers. They want it to be clear about the employer's expectations. When it is finished, Chris will send it out to the employers for review and comments.

The team's goal is to get the document out to employers in March. They will give employers a month or so to review and provide feedback. Once that process is done, they will finalize the draft and work on a budget package.

Sheryl Gordon of Green River Community College wanted to know who the document will be going out to. Chris said that it will go to anyone who attends the EAC meetings and those who participated in the interviews.

Chairman Pickett thanked Darrell Davenport who was brave enough to take the first stab at this document. Mr. Pickett reiterated that the feedback from the employers was superb and thanked all of the participants.

Please contact Chris Lamb with any questions.

Legislative Update

Chairman Pickett introduced Dave Nelsen, Legal/Legislative Services Manager. Dave gave a legislative update. Please click here to see what's happening in the Legislature.

Nancy Savage, Pierce County, asked if the rates adopted for LEOFF Plan 1 will stay at zero for both the employee and the employer if the LEOFF merger bill is passed. Dave said that at this point, rates will stay the same but the authority to change them in the future would belong to the new LEOFF Board if the bill becomes law.

Katy Dwyer, UW, wanted to know if Dave has heard of legislators talk about the impacts of discrimination (for example, senior workers) as it relates to the two proposed bills that would address the use of overtime in the retirement systems. Dave stated that yes, there are concerns being brought up on age discrimination. In many cases, Overtime is often subject of bargaining between employers and employee representatives, and changes to overtime practices may impact current bargaining agreements. One of the bills contains language that removes the allocation of overtime from being a subject of bargaining

SB 6543, the Senate bill addressing overtime, would potentially call for a different contribution for each different pay type (overtime, regular, holiday, etc). Nancy also asked if "New Hire" in this document means a new member to DRS and not a newly hired person. This is correct. The bill applies the overtime restrictions to new members, not new hires, as the document states.

Cinda Wilkey, WSIPC, asked if HB 2441 has already gotten a hearing. Dave says that yes, it passed the House and is in the Senate right now. It hasn't moved through any cutoffs yet.

Legal Update

Dave Nelsen would also gave an update on the Gain Sharing lawsuit. The Judge found in favor of the state in Phase 2 of the lawsuit (this states that if Gain Sharing is reinstated, that the replacement benefits go away). In the beginning, both sides had agreed to put off the appeals until judgment was found in Phase 2. Right now they are working on a joint order that encompasses both phases. From the date the Judge signs this combined order, both sides have 30 days for appeal.

There is language on our website that says the state intends to appeal. Click here to view that language. Timelines can be lengthy on these issues, with the next step being the Supreme Court or the Court of Appeals.
At this time, we do not know if the plaintiffs plan to appeal Phase 2. We will communicate to employers as soon as we have new information.

Please contact Dave Nelsen with any questions.

OASI Billing

Chairman Pickett introduced Melanie Piccin, OASI Administrator. Melanie advised that the second annual billing is just about to happen. We are hoping it will go smoother than last year. Employers did not expect to get a bill from DRS, which led to some of the issues experienced the first time around. This year the invoices will be issued on April 1st and will be due May 15th. A notice will be generated advising that DRS will ask for wage data. The same day, an email will be sent that asks for the wage data. Other forms of communication will be used for employers that don't have email. When all data has been collected, the invoices will be generated.

The factors used to determine the invoice are:

- What is the total budget? $141,000
- This billing amount of $141,000 is spread among the 1195 participating employers
- Total Social Security Wages reported by the employer
- The minimum invoice amount is $25

All of these factors are put into a formula to determine the amount invoiced. We may be putting this information (minus the employer name) on our website.

Nancy Savage of Pierce County asked if the amount is prorated across all employers. Yes, the formula calculates the invoice amount based upon the employer's total wages subject to Social Security withholding. Then any that fall below $25 are increased to the $25 threshold, the amount of the increase to those small employers is prorated and reduces the amount for the remaining employers.

John Boesenberg of SBCTC wanted to know how colleges are treated. Are the invoices sent to individual colleges or to the state board? Melanie said that wage data is gathered from the State Board. The invoices are mailed to each college.

Katy Dwyer, UW, asked if employers update Melanie about where to send the invoices. If they do that, will it only change the piece relating to OASI and not the contact information for Retirement Services? Melanie stated that the OASI information is separate from the DRS database, so the changes will not affect retirement.

If you have any questions, please contact Melanie Piccin.

ASD Move

Chairman Pickett informed the group that the Administrative Services Division (including Employer Support Services and Accounts Receivable) will be moving to the main DRS building by May 1. During the month of April, we will be completing the move and although we do not anticipate any interruption in service, please be patient. Our goal is that you won't even know the difference.

Open Discussion

Next meeting will be May 17, 2012 at the Department of Retirement Systems.