



STATE OF WASHINGTON

**DEPARTMENT OF RETIREMENT SYSTEMS**

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August 28, 2013

**TO:** Interested Parties

**FROM:** Jilene Siegel  
Rules Coordinator

**SUBJECT:** Concise Explanatory Statement as required by RCW 34.05.325

**HEARING:** A hearing was conducted at 2:00 PM on August 27, 2013, at the Department of Retirement Systems, located at 6835 Capitol Blvd SE in Tumwater, Washington, to consider proposed rulemaking action filed as WSR 13-15-171 on July 24, 2013.

**AMENDING RULES:**

**WAC 415-02-300 - How does the department use actuarial tables, schedules and factors?** This rule-making activity also revises or repeals thirty-two other rules that include or refer to actuarial factors in chapter 415-02 WAC, General provisions; chapter 415-103 WAC, Washington state patrol retirement system (WSPRS); chapter 415-104 WAC, Law enforcement officers' and firefighters' retirement system; chapter 415-106 WAC, Public safety employees' retirement system; chapter 415-108 WAC, Public employees' retirement system; chapter 415-110 WAC, School employees' retirement system; chapter 415-111 WAC, Plan 3—Defined contribution plans; and chapter 415-112 WAC, Teachers' retirement system.

**REASON FOR RULE MAKING ACTION:** Legislation passed in 2012 (SB 6378) gradually lowers the long-term assumed rate of return for most of the pension systems over the next three biennia, which may result in more frequent updates to actuarial factors used in the calculation of retirement costs and benefits. Removing the factors from WAC, and establishing in rule a process for adopting and publishing the factors, will allow the department to maintain transparency and remain responsive to its customers' and stakeholders' interests while updating the factors as necessary.

**SUMMARY OF COMMENTS:** No testimony was given at the hearing in favor of or in opposition to the proposed changes.

**DIFFERENCES IN TEXT:** The only difference in the text being adopted from the text that was proposed is to update the subheading that precedes WAC 415-02-300 in the Table of Contents, as follows: “ACTUARIAL (~~TABLES, SCHEDULES, AND~~) FACTORS AND SCHEDULES”.