

Washington State

Department of Retirement Systems

Comprehensive Annual Financial Report

Funds of the State of Washington for the Year Ended June 30, 2013



Respectful, Responsive and Right

Comprehensive Annual Financial Report

Funds of the State of Washington
For the Fiscal Year Ended June 30, 2013

Prepared by:

The Washington State Department of Retirement Systems

PO Box 48380
Olympia, Washington
98504-8380

www.drs.wa.gov



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Every action we take is with the intention of hearing or responding to customer needs. It is energizing to see people at every level of the organization so passionate about connecting with customers.

Message from the Director



During the past year, team members at the Department of Retirement Systems posed a single question to more than 1,000 of our members, retirees and beneficiaries: "What would it take for you to be a 100 percent satisfied DRS customer?"

No polling, no surveying, no ratings. Just simple conversations about what customers expect from DRS.

From the ample feedback we received, themes began to emerge. So we asked team members throughout DRS to join in identifying and distilling those themes into a set of clear, concise customer expectations. The result?

Respectful, Responsive and Right.

These "Three R's of Retirement" capture the essence of what customers expect, and what we are committed to deliver:

As a DRS customer, you can expect to be treated

Respectfully.

- To be treated as a valued customer by a patient and caring person, who is happy to help you.
- To be carefully guided through the retirement process.
- To be informed of the issues that impact your retirement in a way that is easy to understand.

As a DRS customer, you can expect to receive

Responsive service.

- To have quick access to people who can help you.
- To receive timely responses to your requests.
- To be kept informed of the status of your requests.
- To speak with people who anticipate your needs and offer you solutions.
- To be provided with easy-to-use forms and tools that can be found online.

As a DRS customer, you can expect information to be **Right.**

- To receive accurate information from a knowledgeable, professional person.
- To be paid correctly and on time.

These expectations are now regularly used to measure customer satisfaction. Each month, every DRS leader calls at least one person who recently retired from a DRS system to ask, "Do you feel you got everything you needed from your retirement process?" Through these conversations, we compare the customers' experiences with the criteria of Respectful, Responsive and Right to determine whether expectations were met.

Since March of 2013, more than 500 interviews have been conducted. The results are examined and discussed each quarter to pinpoint and follow through on opportunities for improvement. While expectations are being met or exceeded in many ways, we also see areas where we can strengthen the retirement experience for our customers.

Measuring customer satisfaction is another example of how DRS Team Members are fully engaged in a culture of continuous process improvement, a culture that also encompasses ongoing Lean initiatives and problem-solving. It's how we strive toward our key goals: Elated Customers, Best Practice Leader, Vigilant Resource Steward, Reliable Partner and Engaged Team Members.

Our ultimate mission is to ensure we do everything possible to help our customers prepare for and enjoy a successful retirement. We look forward to continuing the conversations in the coming year to ensure we are fully meeting expectations of Respectful, Responsive and Right.

In the following pages, we offer our annual financial report for your review.

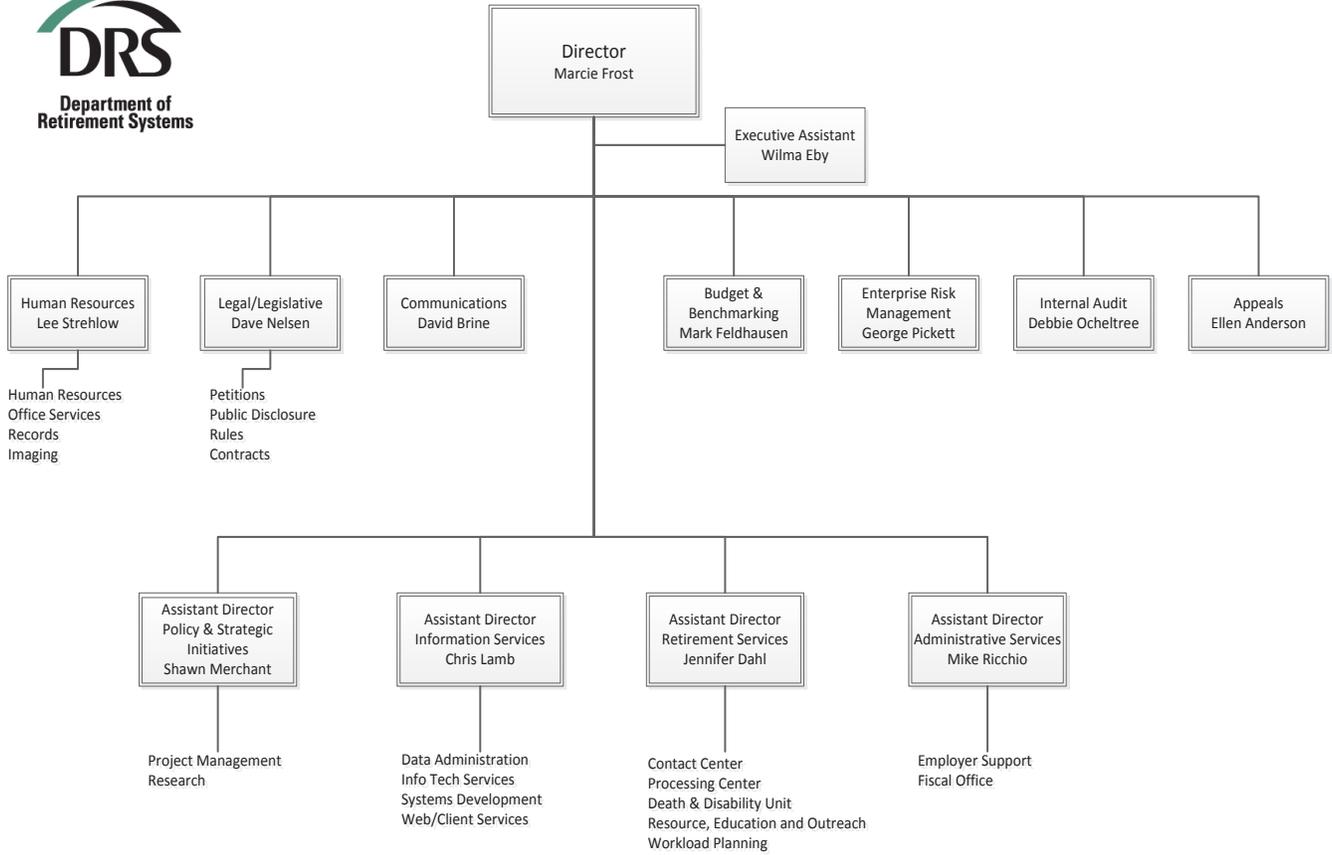
Sincerely,

A handwritten signature in black ink that reads "Marcie Frost". The signature is stylized and cursive.

Marcie Frost
Director

November 1, 2013

Department of Retirement Systems' Organization – June 2013



June 2013

Pension System Roles and Responsibilities

Organization	Responsibility	Contact Information	Membership
Department of Retirement Systems	Collects and accounts for employer and employee contributions; maintains retirement records; pays benefits; communicates pension information; provides investment education; and administers the Deferred Compensation Program.	PO Box 48380 Olympia, WA 98504-8380 Phone: 360.664.7000 Toll free: 800.547.6657 Website: <i>www.drs.wa.gov</i>	The governor appoints the director of DRS.
Washington State Investment Board	Invests and accounts for pension funds.	PO Box 40916 Olympia, WA 98504-0916 Phone: 360.956.4600 Website: <i>www.sib.wa.gov</i>	The Board consists of ten voting and five non-voting members. Voting Members: James L. McIntire – (Chair) State Treasurer Representative Sharon Tomiko Santos Senator Sharon Nelson Marcie Frost – Director, Department of Retirement Systems Joel Sacks – Director, Department of Labor and Industries Kelly Fox – LEOFF George Masten – Retired Members Judi Owens – SERS Mike Ragan – TRS (Vice Chair) Natasha Williams – PERS Non-voting Members – Investment Professionals: William A. Longbrake Richard Muhlebach Roberts S. Nakahara David Nierenberg Jeffrey T. Seely
Office of Financial Management	Advises the governor on pension and funding policies and issues.	PO Box 43113 Olympia, WA 98504-3113 Phone: 360.902.0555 Website: <i>www.ofm.wa.gov</i>	The governor appoints the director of OFM.
Office of the State Actuary	Acts as an advisory agency to the Legislature and to the director of DRS. Performs actuarial studies and reports on retirement bills. Creates formulas used to compute benefit payment adjustments that are based on early retirement, cost-of-living or long-term survivor benefits.	PO Box 40914 Olympia, WA 98504-0914 Phone: 360.786.6140 Website: <i>osa.leg.wa.gov</i>	The Select Committee on Pension Policy appoints the state actuary.

Organization	Responsibility	Contact Information	Membership
Select Committee on Pension Policy	<p>Studies pension issues and retirement finances. Develops pension policies and recommends pension legislation.</p>	<p>Can be contacted through the State Actuary's Office.</p>	<p>Legislators: Representative Timm Ormsby (Chair) Representative Bruce Chandler Representative Matt Manweller Representative Pat Sullivan Senator Barbara Bailey (Vice Chair) Senator Steve Conway Senator Steve Hobbs Senator Mark Schoesler</p> <p>Agency Directors: David Schumacher – Office of Financial Management Marcie Frost – Department of Retirement Systems</p> <p>Retiree Representatives: Eugene Forrester – TRS Bob Thurston – WSPRS</p> <p>Active Member Representatives: Randy Davis – TRS Bob Keller – PERS J. Pat Thompson – PERS David Westberg – SERS</p> <p>Employer Representatives: John Boesenberg – Community & Technical Colleges Doug Miller – PERS Glenn Olson – PERS Corky Mattingly – PERS</p>
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	<p>Policy-making board that studies pension issues, acts as fiduciary of LEOFF Plan 2, sets contribution rates and recommends pension policy to the Legislature for LEOFF Plan 2 members.</p>	<p>PO Box 40918 Olympia WA 98504-0918 Phone: 360.586.2320 Website: www.leoff.wa.gov</p>	<p>Fire Fighter Representatives: Kelly Fox, Chair Pat Hepler Mark Johnston</p> <p>Law Enforcement Representatives: Jeff Holy Ryan Martin Jack L. Simington, Vice Chair</p> <p>Employer Representatives: David Cline Paul Golnik Glenn Olson</p> <p>Legislators: Representative Kevin Van De Wege Senator Jim Honeyford</p>

Organization	Responsibility	Contact Information	Membership
Pension Funding Council	Adopts economic assumptions for pension funding and member and employer pension contribution rates for LEOFF Plan 1, PERS, PSERS, SERS, TRS and WSPRS.	Can be contacted through DRS.	<p>Legislators: Representative Gary Alexander – Ranking member, Ways and Means Committee Representative Ross Hunter – Chair, House Ways and Means Committee Senator Ed Murray – Chair, Senate Ways and Means Committee Senator James Hargrove – Ranking member, Ways and Means Committee</p> <p>Agency Directors: David Schumacher – Office of Financial Management Marcie Frost – Department of Retirement Systems, Chairperson</p>
DRS Advisory Committee	Serves in an advisory role to the Director of DRS.	Can be contacted through DRS.	<p>PERS: Bev Hermanson – Retired John I. Payne – Active Mary L. Sherman – Active</p> <p>SERS: Cheri Ingersoll – Retired Jacques Meddles – Active</p> <p>PSERS: William Copeland – Active</p> <p>TRS: Nancy Baldwin – Retired (Chair) Darrell Heisler – Active</p> <p>LEOFF: Mark J. Mears – Active Richard Warbrouck – Retired</p> <p>WSPRS: Capt. Jeff DeVere – Active Rick Jensen – Retired</p> <p>JRS: Judge Michael Trickey – Active</p> <p>DCP: Kathy Whitlock – Participant</p> <p>Defined Contribution Plan Administration: Deirdre Walker – Weyerhaeuser</p>
Legislative Fiscal Committees	Review and report on retirement bills to the full Legislature.	House Ways and Means Committee PO Box 40600 Olympia, WA 98504-0600 Senate Ways and Means Committee PO Box 40482 Olympia, WA 98504-0482 Phone: 360.786.7155 Toll free: 800.562.6000 Website: www.leg.wa.gov	The legislative fiscal committees are the House Ways and Means Committee and the Senate Ways and Means Committee.

Letter of Transmittal



STATE OF WASHINGTON
DEPARTMENT OF RETIREMENT SYSTEMS
P.O. Box 48380 • Olympia, Washington 98504-8380

October 16, 2013

The Honorable Jay Inslee, Governor
Members of the Sixty-Third Legislature
Members of the Select Committee on Pension Policy
State of Washington
Olympia WA 98504

We are pleased to present to you the Department of Retirement Systems' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This CAFR is designed to comply with the requirements of RCW 41.50.050(4) and RCW 41.50.780(9).

Responsibility for the accuracy of the data and the fairness and completeness of this presentation, including all disclosures, rests with the management of the Department of Retirement Systems (DRS). To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to provide a fair representation of the financial position and results of the operations of the department.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on DRS' financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Agency Description and History

As of June 30, 2013, DRS administered eight statewide public employee retirement systems, which were comprised of 12 defined benefit pension plans and three defined benefit plans with a defined contribution component.

The purpose of DRS is to administer the pension plans for state employees, teachers and classified educational employees, law enforcement officers and fire fighters, and other employees of participating political subdivisions. As of June 30, 2013, there were 1,316 covered employers, 171 of which are component units of the state, participating in multiple plans administered by DRS. DRS also administers a deferred compensation program.

Additionally, DRS is responsible for accounting and reporting services and collection of contributions for the Judicial Retirement Account (JRA), a defined contribution pension plan administered by the State of Washington Administrative Office of the Courts.

The Washington State Legislature originally created DRS in 1976 to administer the Public Employees' (PERS), Teachers' (TRS), Law Enforcement Officers' and Fire Fighters' (LEOFF), Washington State Patrol (WSPRS), and Judicial (JRS) retirement systems, and the Judges' Retirement Fund (Judges).

Significant events in state retirement system history are listed below:

1930s-1940s

The PERS, TRS, WSPRS, Judges and many local police and fire fighters' retirement systems were created.

1950s-1960s

Independent administration of individual retirement systems continued.

1970

Local police and fire fighters' retirement systems were consolidated into LEOFF.

1976

The Department of Retirement Systems was created to administer state retirement systems.

The Office of the State Actuary was created to provide pension cost estimates.

1977

The LEOFF Plan 2, PERS Plan 2 and TRS Plan 2 were created.

1981

The Washington State Investment Board was created to manage the investment of all state trust funds.

1987

The Joint Committee on Pension Policy was created.

1995

The TRS Plan 3 was created effective July 1, 1996. The Employee Retirement Benefit Board (ERBB) was also created at that time to provide recommendations regarding investment, payment, and contribution options regarding Plan 3; and to ratify administrative charges assessed to members participating in self-directed investment options.

1996

The state Deferred Compensation program was transferred to DRS.

DRS assumed accounting and reporting responsibility for JRA.

1998

The School Employees' Retirement System (SERS) Plans 2 and 3 were created effective September 1, 2000.

The Pension Funding Council was created.

1999

The PERS Plan 3 was created effective March 1, 2002, for state and higher education employees, and September 1, 2002, for local government employees.

2001

The WSPRS Plan 2 was created effective January 1, 2003.

2003

The LEOFF 2 Board was established effective July 1, 2003.

The Joint Committee on Pension Policy became the Select Committee on Pension Policy effective July 27, 2003.

2004

The Public Safety Employees' Retirement System (PSERS) was created effective July 1, 2006.

2007

The Judges' Benefit Multiplier bill, effective January 1, 2007, required new justices and judges in PERS and TRS to contribute at a higher rate to fund a larger retirement benefit.

2010

The Legislature eliminated the ERBB effective June 30, 2010. The duties of the ERBB transferred to the Director of DRS.

2012

Effective January 1, 2012, DRS was tasked with the collection of Higher Education Retirement Plan Supplemental Benefit Fund contributions.

Accounting System and Internal Control

This report has been prepared to conform to the principles of accounting and reporting established by the Governmental Accounting Standards Board (GASB). The basic financial statements are presented in accordance with guidelines established by GASB Statement No. 25, *Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans*, and other GASB statements, as appropriate. Specific accounting treatments are detailed in the Notes to the Financial Statements.

DRS' management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the retirement plans are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Funding

The intent of public pension funding in Washington State is to provide a dependable and systematic process for financing the benefits provided by the retirement systems. Measurements of funding status indicate how well a retirement plan is accomplishing that goal. There are two standard indicators of funding status: the funding ratio and the existence of an unfunded liability. Both measure the benefit obligations, or liabilities, of a plan against its assets. If the funding level is adequate, the ratio of total accumulated assets to total liabilities will be larger and more funds will be available for investment purposes. Also, an adequate funding level gives the members assurance that their pension benefits are secure.

The actuarial value of assets available as of the latest actuarial date for all systems is \$63,127 million. The

accrued liability is \$66,383 million. The accrued liability exceeds the net actuarial value of assets available for benefits by \$3,256 million. The ratio of assets to liabilities is 95 percent, compared to 94 percent last year. Current contribution rates remain in keeping with the goal of attaining a funding ratio of 100 percent by the amortization dates applicable to each plan, as required by chapter 41.45 RCW. Valuations are performed for all DRS-administered retirement systems on a yearly (July 1 through June 30) basis. These calculations are prepared by the Office of the State Actuary and reflect the latest valuation results. Additional actuarial information is included in the Actuarial Section of this report.

Investments

The Legislature has established a standard of care for the investment of pension trust funds.

In accordance with RCW 43.33A.110, the Washington State Investment Board (WSIB) manages the pension fund portfolio to achieve maximum return at a prudent level of risk. The WSIB establishes asset allocation targets that must be considered at all times when making investment decisions. The asset mix may deviate from the target. Deviations greater than predetermined acceptable levels require rebalancing back to the target. When an asset class exceeds its range, the goal of rebalancing is to meet the target allocation within consideration of the other remaining asset classes.

Most pension trust funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments. For Fiscal Year 2013, the CTF investments provided a 12.4 percent rate of return. The CTF annualized rate of return over the last three years was 11.3 percent and 3.8 percent over the last five years.

Further investment information, including the names of investment professionals that provide service to WSIB, is included in the Investment Section of this report.

Departmental Initiatives

The department's activities are highlighted in the "Message from the Director" on page 3 of this Introductory Section.

Professional Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DRS for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the eighteenth consecutive year that DRS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

DRS also received the Public Pension Standards 2013 Recognition Award for Administration from the Public Pension Coordinating Council (PPCC). The PPCC is a coalition of three national associations that serve public pension funds. It represents substantially all employees of state and local government in the United States. Eligibility for this award entails meeting the professional standards for plan administration as set forth in the Public Pension Standards. These standards are intended to reflect minimum expectations for public retirement system administration.

Acknowledgments

This report was made possible by the employees of DRS based in part on information provided by the Office of Financial Management, the Office of the State Actuary, the Office of the State Treasurer and the Washington State Investment Board. DRS appreciates their assistance.

This report is intended to provide complete and reliable information that can be used to make management decisions and evaluate responsible stewardship of DRS-administered retirement system funds.

Respectfully submitted,



Marcie Frost
Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Washington State Department
of Retirement Systems**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Enev". The signature is written in a cursive, flowing style.

Executive Director/CEO



Public Pension Coordinating Council

***Recognition Award for Administration
2013***

Presented to

Washington State Department of Retirement Systems

In recognition of meeting professional standards for
plan administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

2013 Washington State Legislative Actions

The 2013 Washington State Legislature passed two pension-related bills that were signed into law by Governor Inslee. These bills are described below:

- Senate Bill 5046 changes the mandatory retirement criteria for District Court Judges to require retirement after the end of the term of office in which they turn age 75, instead of at the end of the calendar year in which they turn age 75.
- House Bill 1868 allows catastrophically disabled LEOFF Plan 2 members to be reimbursed for premiums of medical insurance other than that which is provided by the employer, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), or Medicare A and/or B. The reimbursement would only be allowed for payments made after June 30, 2013 and would not exceed the amount reimbursed for premiums authorized by COBRA.



*We are definitely customer service driven
— I really like the way the agency is
going.*



INDEPENDENT AUDITORS' REPORT

Ms. Marcie Frost, Director
Washington State Department of Retirement Systems
Olympia, Washington

Report on the Financial Statements

We have audited the accompanying financial statements (including the individual fund financial statements) of the Washington State Department of Retirement Systems (DRS), which comprise the statements of fiduciary net position as of June 30, 2013 and 2012, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, DRS' fiduciary net position as of June 30, 2013 and 2012, and the changes in its fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statements present fairly in all material respects, the fiduciary net position of each of the individual funds of DRS as of June 30, 2013, and the changes in fiduciary net position of such funds for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Schedules of Funding Progress and Contributions from Employers and Other Contributing Entities, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Supporting Schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements.

The Schedules of Administrative Expenses, Investment Expenses and Payments to Consultants (Supporting Schedules) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory, Investment, Actuarial and Statistical Sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



CliftonLarsonAllen LLP

Baltimore, Maryland
October 15, 2013

Management's Discussion and Analysis

This discussion and analysis provides an overview of financial activities of the Washington State Department of Retirement Systems (DRS) for the Fiscal Year ended June 30, 2013. Please read it in conjunction with the Letter of Transmittal beginning on page 8 and DRS' financial statements, which begin on page 24 of this report.

DRS' overall financial position improved during the year ended June 30, 2013.

Financial Highlights

- The fiduciary net position of all the pension funds administered by DRS increased \$6,811.0 million during Fiscal Year 2013.
- The covered payroll requiring both employee and employer pension contributions reported during the year totaled \$16,516.9 million, representing a slight 2% increase over the previous year.
- Employer contributions totaled \$1,186.4 million and member contributions (including restorations) totaled \$1,031.9 million, representing increases of 4% and 3%, respectively, over the previous fiscal year.
- Net investment earnings (net appreciation/depreciation in the fair value of investments, plus interest and dividend income, less investment expenses) increased \$7,364.5 million to \$8,149.4 million in Fiscal Year 2013.
- Pension benefits paid to retirees and beneficiaries increased \$164.7 million bringing the total benefit payments to \$3,249.1 million. Refunds of contributions paid to former retirement system members increased 7% to \$547.4 million.
- Administrative expenses totaled \$31.1 million and represented a 4% increase from last fiscal year.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to DRS' financial statements, which consist of the following components: basic financial statements, notes

to the financial statements, required supplementary information, and other supporting schedules.

Basic Financial Statements

The basic financial statements, presented for the fiduciary funds, are fund financial statements and include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The fiduciary funds include defined benefit and defined contribution pension trust funds and the deferred compensation program trust fund. The Statement of Fiduciary Net Position presented on pages 24-27 reports the assets, liabilities and resulting net position available for pension and other benefits as of June 30, 2013. The Statement of Changes in Fiduciary Net Position presented on pages 28-31 reports the additions to, deductions from, and resulting change in net fiduciary position for the Fiscal Year ended June 30, 2013.

Notes to the Financial Statements

The notes to the financial statements, presented on pages 32-73 of this report, are an integral part of the financial statements and include additional information not readily evident in the statements themselves. Note 1 provides a summary of significant accounting policies and plan asset matters including the reporting entity, measurement focus, basis of accounting, investments, reserves, capital assets, leases, long-term liabilities, transfers, financial statement formatting, accounting and reporting changes and contingencies. Note 2 provides a general description of DRS, plan descriptions and funding policy. Section D of this note also provides current year funded status and funding progress information as well as a summary of the actuarial and economic methods and significant assumptions used.

Required Supplementary Information

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect an ongoing plan perspective. The required supplementary information consists of two historical trend schedules. The Schedules of Funding Progress presented on pages

74-77 include historical trend information about the actuarially funded status of each plan from a long-term, ongoing plan perspective, and the progress made in accumulating sufficient assets to pay benefits when due. The Schedule of Contributions from Employers and Other Contributing Entities presented on page 78 includes historical trend information about the annual required contributions of employers and the contributions made by employers in relation to this requirement. These schedules provide information that contributes to understanding the changes over time in the funded status of the plans.

Supporting Schedules and Other Financial Information

These schedules are presented on pages 79-81 and provide additional detailed information useful in evaluating the condition of the plans administered by DRS. These schedules include information on administrative expenses, investment expenses, payments to consultants and other additional information.

Financial Analysis of DRS Funds

Analysis of Fiduciary Net Position
(dollars in millions)

	Fiscal Year 2013	Fiscal Year 2012	Increase (Decrease) Amount	Increase (Decrease) Percentage
Net Assets				
Assets				
Cash and Pooled Investments	\$ 39.0	\$ 39.5	\$ (0.5)	(1)%
Receivables	1,999.8	1,397.3	602.5	43%
Capital Assets, Net of Depreciation	0.3	0.4	(0.1)	(25)%
Investments, Noncurrent	75,593.2	67,866.1	7,727.1	11%
Other Assets	1.6	1.6	—	0%
Total Assets	<u>77,633.9</u>	<u>69,304.9</u>	<u>8,329.0</u>	<u>12%</u>
Liabilities				
Obligations Under Securities Lending Agreements	1,196.8	—	1,196.8	n/a
Other Short-Term Liabilities	1,736.8	1,415.6	321.2	23%
Long-Term Obligations	1.6	1.6	—	0%
Total Liabilities	<u>2,935.2</u>	<u>1,417.2</u>	<u>1,518.0</u>	<u>107%</u>
Fiduciary Net Position	<u>\$74,698.7</u>	<u>\$67,887.7</u>	<u>\$6,811.0</u>	<u>10%</u>

The fiduciary net position increased by \$6,811.0 million in Fiscal Year 2013 and totaled \$74,698.7 million as of June 30, 2013. The increase was almost entirely due to the impact of current year market movements on the investment portfolio.

Total trust fund assets as of June 30, 2013 were \$77,633.9 million, representing an increase of \$8,329.0 million, or 12%, over the previous fiscal year. The main components of this increase are detailed below:

- Total investments increased by \$7,727.1 million, or 11%, reflecting the aforementioned improved market conditions as well as the return to the securities lending arena by the Washington State Investment Board (WSIB) in Fiscal Year 2013. (WSIB had left that arena at the end of Fiscal Year 2012, in anticipation of a custodian bank transition). As a result, \$1,196.8 million of the increase in investments was composed of collateral held under securities lending agreements on June 30, 2013.
- Receivables increased a net of \$602.5 million, or 43%, to \$1,999.8 million. Of this increase, \$591.9 million was investment-related and the result of international managers having more open trades at June 30, 2013 compared to the prior year.

Total trust fund liabilities as of June 30, 2013 were \$2,935.2 million, representing an increase of \$1,518.0 million, or 107%, over the previous year. This increase was also largely investment-related, as described below:

- Fully 79% of the increase in trust fund liabilities at the end of Fiscal Year 2013 was the result of WSIB's re-entry into the securities lending arena mentioned above. On June 30, 2013, the trust funds held \$1,196.8 million in obligations under securities lending agreements.

- Other short term liabilities increased a net \$321.2 million, or 23%, from the previous year. Of this amount, \$323.0 million represented an increase in securities trade payables due to more open and unsettled security trades at year-end, and \$1.8 million represented an offsetting net decrease, resulting from normal operations, in other non-investment related accounts, such as accounts payable, liabilities among the pension funds, accrued salaries and unearned revenue.

Analysis of Changes in Fiduciary Net Position
(dollars in millions)

Changes in Fiduciary Net Position	Fiscal Year 2013	Fiscal Year 2012	Increase (Decrease) Amount	Increase (Decrease) Percentage
Additions				
Employer Contributions	\$ 1,186.4	\$ 1,145.2	\$41.2	4%
Member Contributions	1,031.9	1,004.0	27.9	3%
State Contributions	64.3	60.9	3.4	6%
Participant Contributions	182.3	178.4	3.9	2%
Net Investment Income (Loss)	8,149.4	784.9	7,364.5	938%
Charges for Services	28.0	27.7	0.3	1%
Transfers from Other Pension Plans	5.6	3.0	2.6	87%
Other Additions	0.6	1.0	(0.4)	(40)%
Total Additions	<u>10,648.5</u>	<u>3,205.1</u>	<u>7,443.4</u>	232%
Deductions				
Benefits	3,249.1	3,084.4	164.7	5%
Refunds of Contributions	547.4	509.7	37.7	7%
Transfers to Other Pension Plans	5.6	3.0	2.6	87%
Transfers to Other Funds	4.3	2.3	2.0	87%
Administrative Expenses	31.1	29.8	1.3	4%
Total Deductions	<u>3,837.5</u>	<u>3,629.2</u>	<u>208.3</u>	6%
Net Increase/(Decrease)	<u>6,811.0</u>	<u>(424.1)</u>	<u>7,235.1</u>	1,706%
Fiduciary Net Position—Beginning of Year	<u>67,887.7</u>	<u>68,311.8</u>	<u>(424.1)</u>	(1)%
Fiduciary Net Position—End of Year	<u>\$74,698.7</u>	<u>\$67,887.7</u>	<u>\$6,811.0</u>	10%

Additions to the retirement trust funds primarily consist of contributions from employers, active system members and the state, and from investment earnings. Additions to the deferred compensation trust fund consist of participant contributions and investment earnings.

Total trust fund additions (*excluding* plan transfers) for Fiscal Year 2013 totaled \$10,642.9 million, an increase of \$7,440.8 million from Fiscal Year 2012. This increase was primarily due to the \$7,364.5 million increase in net income from investment activities, caused almost entirely by current year market movements. This improved investment performance yielded a robust 12.4% total return for the Retirement Funds' Commingled Trust Fund (CTF), compared to the 1.4% return of the previous year.

Employer contributions increased \$41.2 million, or 4%, and totaled \$1,186.4 million for the Fiscal Year ended June 30, 2013. This increase was the result of contribution rate changes. Total covered payroll was \$16,516.9 million in Fiscal Year 2013 and represented a slight 2.0% increase over the previous year.

Member contributions include both regular and restoration contributions and service credit purchases. Total contributions increased \$27.9 million, or 3%, over the previous year and totaled \$1,031.9 million for Fiscal Year 2013. Regular member contributions increased \$20.8 million to \$986.6 million, and reflected higher contribution rates. Other contributions increased \$7.1 million to \$45.3 million during the current year.

State contributions increased \$3.4 million to \$64.3 million in Fiscal Year 2013 and reflected the higher allocations out of the State General Fund for the Law Enforcement Officers' and Fire Fighters' Retirement Plan 2 (LEOFF 2) and the Judicial Retirement System (JRS).

Participant contributions to the Deferred Compensation Program (DCP) increased 2% over the prior year and totaled \$182.3 million in Fiscal Year 2013. As of June 30, 2013, the number of active and contributing DCP participants was 31,091 and represented a decrease of 647 (2%) from the previous year.

Transfers from and to other pension plans increased \$2.6 million to \$5.6 million in Fiscal Year 2013, and reflected a modest increase in member movement activity among the pension plans.

Other additions decreased by \$0.4 million to \$0.6 million in Fiscal Year 2013.

Deductions to the retirement trust funds consist of the payment of benefits to retirees and beneficiaries, the refund of contributions to former retirement system members, and the cost of administering the retirement systems. Benefit payments to members include both pension and annuity benefits. Expenses for the management of trust funds incurred by the WSIB are funded from earnings on investments. Deductions to the deferred compensation trust fund consist of payments to plan participants and administrative expenses.

Total trust fund deductions (*excluding* plan transfers) for Fiscal Year 2013 were \$3,831.9 million, an increase of \$205.7 million, or 6%, over Fiscal Year 2012, resulting primarily from an increase in benefits paid to retirees and beneficiaries. Benefit payments increased \$164.7 million, or 5%, due to an increase in the number of retirees during the year, the annual cost-of-living adjustments that increased benefit payouts, and the higher salaries of those newly retired.

Total refunds for Fiscal Year 2013 were \$547.4 million, representing a \$37.7 million increase from the previous year. Of this increase, \$30.8 million can be attributed to employees withdrawing their plan contributions upon terminating public employment and \$6.9 million are additional distributions from the deferred compensation program for mandatory distributions and other withdrawals by program participants.

Transfers to other funds increased \$2.0 million to \$4.3 million in Fiscal Year 2013 and represented an increased operating budget transfer into the State General Fund.

Capital Assets

DRS' investment in capital assets for its fiduciary activities includes furnishings, equipment and improvements other than buildings. As of June 30, 2013, total investment was \$2.4 million, with accumulated depreciation of \$2.1 million, leaving a net book value of \$0.3 million, with the net reduction reflecting nominal disposal of equipment. Additional information on DRS' capital assets can be found in section J of Note 1 to the financial statements.

Other Long-Term Obligations

At year-end, DRS had \$1.6 million in outstanding general long-term obligations, which represented no measurable change from the prior year. These long-term obligations represent DRS' liability for employees' accumulated annual and sick leave. Additional information on DRS' long-term debt obligations can be found in section L of Note 1 to the financial statements.

Contacting DRS' Financial Management

This financial report is designed to provide a general overview of DRS' finances. If you have questions about this report or need additional financial information, contact the Department of Retirement Systems' Fiscal Office, P. O. Box 48380, Olympia, WA 98504-8380.

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Statement of Fiduciary Net Position

Pension Trust and Other Employee Benefit Trust Funds by Plan

June 30, 2013

With comparative totals for June 30, 2012

(expressed in thousands) (page 1 of 4)

	Pension Trust				
	PERS Plan 1	PERS Plan 2/3	PERS Plan 3 Defined Contribution	SERS Plan 2/3	SERS Plan 3 Defined Contribution
ASSETS					
Cash and Pooled Investments	\$ 2,784	\$ 4,108	\$ 389	\$ 3,373	\$ 1,118
Receivables					
Due from Other Governments	3,152	47,762	4,671	9,744	5,029
Member Accounts Receivable (Net of Allowance)	731	241	–	19	–
Interest and Dividends	21,618	68,832	3,310	9,404	3,066
Investment Trades Pending Receivable – Short Term	179,771	572,655	27,538	78,235	25,504
Due from Pension Funds	602	62	671	377	–
Due from Other Washington State Agencies	–	–	–	–	–
Other Receivables - Short Term	1	–	–	–	–
Total Receivables	<u>205,875</u>	<u>689,552</u>	<u>36,190</u>	<u>97,779</u>	<u>33,599</u>
Capital Assets, Net of Depreciation	<u>127</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Investments, Noncurrent					
Equity in the Commingled Trust Fund	7,165,611	22,825,937	1,097,519	3,118,488	1,016,482
Liquidity	166,174	530,386	30,399	73,057	27,269
Other Noncurrent Investments	–	–	825,006	–	370,330
Collateral Held Under Securities Lending Agreements	130,080	412,381	20,215	56,339	18,578
Total Investments, Noncurrent	<u>7,461,865</u>	<u>23,768,704</u>	<u>1,973,139</u>	<u>3,247,884</u>	<u>1,432,659</u>
Other Assets	<u>689</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
TOTAL ASSETS	<u>7,671,340</u>	<u>24,462,364</u>	<u>2,009,718</u>	<u>3,349,036</u>	<u>1,467,376</u>
LIABILITIES					
Obligations Under Securities Lending Agreements	130,080	412,381	20,215	56,339	18,578
Accounts Payable	1,640	3,416	3,350	453	4,132
Investment Trades Pending Payable – Short Term	183,240	583,704	28,069	79,744	25,996
Due to Other Governments	6,115	2,311	–	475	–
Due to Pension Funds	257	1,273	–	121	202
Due to Other Washington State Agencies	130	18	–	4	–
Other Short-Term Liabilities	265	1	–	–	–
Other Long-Term Obligations	689	–	–	–	–
Accrued Salaries	3	4	–	–	–
Unearned Revenues	192	198	–	–	–
TOTAL LIABILITIES	<u>322,611</u>	<u>1,003,306</u>	<u>51,634</u>	<u>137,136</u>	<u>48,908</u>
FIDUCIARY NET POSITION:					
Pension Plans	7,348,729	23,459,058	1,958,084	3,211,900	1,418,468
Deferred Compensation Plan	–	–	–	–	–
TOTAL FIDUCIARY NET POSITION:	<u>\$ 7,348,729</u>	<u>\$ 23,459,058</u>	<u>\$ 1,958,084</u>	<u>\$ 3,211,900</u>	<u>\$ 1,418,468</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position

Pension Trust and Other Employee Benefit Trust Funds by Plan

June 30, 2013

With comparative totals for June 30, 2012

(expressed in thousands) (page 2 of 4)

	Pension Trust				
	PSERS Plan 2	TRS Plan 1	TRS Plan 2/3	TRS Plan 3 Defined Contribution	LEOFF Plan 1
ASSETS					
Cash and Pooled Investments	\$ 285	\$ 2,452	\$ 5,503	\$ 4,729	\$ 1,023
Receivables					
Due from Other Governments	1,880	1,740	26,086	22,349	545
Member Account Receivable (Net of Allowance)	–	199	28	–	158
Interest and Dividends	652	18,036	23,736	10,318	15,120
Investment Trades Pending Receivable – Short Term	5,419	149,986	197,463	85,832	125,762
Due from Pension Funds	–	698	307	–	221
Due from Other Washington State Agencies	–	–	–	–	–
Other Receivables - Short Term	–	–	–	–	–
Total Receivables	<u>7,951</u>	<u>170,659</u>	<u>247,620</u>	<u>118,499</u>	<u>141,806</u>
Capital Assets, Net of Depreciation	–	112	–	–	49
Investments, Noncurrent					
Equity in the Commingled Trust Fund	216,014	5,978,394	7,871,152	3,420,867	5,012,836
Liquidity	7,474	138,088	188,779	95,230	114,600
Other Noncurrent Investments	–	–	–	2,336,509	–
Collateral Held Under Securities Lending Agreements	3,917	108,477	142,198	62,278	90,746
Total Investments, Noncurrent	<u>227,405</u>	<u>6,224,959</u>	<u>8,202,129</u>	<u>5,914,884</u>	<u>5,218,182</u>
Other Assets	–	607	–	–	269
TOTAL ASSETS	<u>235,641</u>	<u>6,398,789</u>	<u>8,455,252</u>	<u>6,038,112</u>	<u>5,361,329</u>
LIABILITIES					
Obligations Under Securities Lending Agreements	3,917	108,477	142,198	62,278	90,746
Accounts Payable	31	1,199	1,136	4,461	1,191
Investment Trades Pending Payable – Short Term	5,524	152,880	201,273	87,487	128,189
Due to Other Governments	1	6,024	827	–	2
Due to Pension Funds	58	13	564	306	1
Due to Other Washington State Agencies	1	100	4	–	47
Other Short-Term Liabilities	–	233	–	–	342
Other Long-Term Obligations	–	606	–	–	269
Accrued Salaries	–	1	–	–	1
Unearned Revenues	–	66	26	–	–
TOTAL LIABILITIES	<u>9,532</u>	<u>269,599</u>	<u>346,028</u>	<u>154,532</u>	<u>220,788</u>
FIDUCIARY NET POSITION:					
Pension Plans	226,109	6,129,190	8,109,224	5,883,580	5,140,541
Deferred Compensation Plan	–	–	–	–	–
TOTAL FIDUCIARY NET POSITION:	<u>\$ 226,109</u>	<u>\$ 6,129,190</u>	<u>\$ 8,109,224</u>	<u>\$ 5,883,580</u>	<u>\$ 5,140,541</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Pension Trust and Other Employee Benefit Trust Funds by Plan
June 30, 2013

With comparative totals for June 30, 2012
(expressed in thousands) (page 3 of 4)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
ASSETS				
Cash and Pooled Investments	\$ 1,012	\$ 773	\$ 3,918	\$ 1,394
Receivables				
Due from Other Governments	13,691	521	-	-
Member Account Receivable (Net of Allowance)	52	2	-	-
Interest and Dividends	22,387	2,807	-	-
Investment Trades Pending Receivable – Short Term	186,237	23,350	-	-
Due from Pension Funds	-	17	1	1
Due from Other Washington State Agencies	-	-	-	-
Other Receivables - Short Term	-	-	-	-
Total Receivables	<u>222,367</u>	<u>26,697</u>	<u>1</u>	<u>1</u>
Capital Assets, Net of Depreciation	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>
Investments, Noncurrent				
Equity in the Commingled Trust Fund	7,423,331	930,695	-	-
Liquidity	182,283	21,599	-	-
Other Noncurrent Investments	-	-	-	-
Collateral Held Under Securities Lending Agreements	134,204	16,870	174	60
Total Investments, Noncurrent	<u>7,739,818</u>	<u>969,164</u>	<u>174</u>	<u>60</u>
Other Assets	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>7,963,197</u>	<u>996,659</u>	<u>4,093</u>	<u>1,455</u>
LIABILITIES				
Obligations Under Securities Lending Agreements	134,204	16,870	174	60
Accounts Payable	1,340	158	1	-
Investment Trades Pending Payable – Short Term	189,830	23,800	-	-
Due to Other Governments	19	217	31	2
Due to Pension Funds	156	7	-	-
Due to Other Washington State Agencies	12	5	-	-
Other Short-Term Liabilities	-	8	-	-
Other Long-Term Obligations	-	21	-	1
Accrued Salaries	4	-	-	-
Unearned Revenues	245	-	-	-
TOTAL LIABILITIES	<u>325,810</u>	<u>41,086</u>	<u>206</u>	<u>63</u>
FIDUCIARY NET POSITION:				
Pension Plans	7,637,387	955,573	3,887	1,392
Deferred Compensation Plan	-	-	-	-
TOTAL FIDUCIARY NET POSITION:	<u>\$ 7,637,387</u>	<u>\$ 955,573</u>	<u>\$ 3,887</u>	<u>\$ 1,392</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Pension Trust and Other Employee Benefit Trust Funds by Plan
June 30, 2013

With comparative totals for June 30, 2012
(expressed in thousands) (page 4 of 4)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2013	June 30, 2012
ASSETS				
Cash and Pooled Investments	\$ 211	\$ 5,981	\$ 39,053	\$ 39,475
Receivables				
Due from Other Governments	–	–	137,170	139,642
Member Account Receivable (Net of Allowance)	2	1,193	2,625	4,054
Interest and Dividends	–	–	199,286	180,331
Investment Trades Pending Receivable – Short Term	–	–	1,657,752	1,065,889
Due from Pension Funds	–	1	2,958	7,380
Due from Other Washington State Agencies	–	–	–	15
Other Receivables - Short Term	–	–	1	–
Total Receivables	<u>2</u>	<u>1,194</u>	<u>1,999,792</u>	<u>1,397,311</u>
Capital Assets, Net of Depreciation	–	–	292	388
Investments, Noncurrent				
Equity in the Commingled Trust Fund	–	–	66,077,326	60,325,184
Liquidity	–	–	1,575,338	1,496,614
Other Noncurrent Investments	12,269	3,199,615	6,743,729	6,044,335
Collateral Held Under Securities Lending Agreements	9	256	1,196,782	–
Total Investments, Noncurrent	<u>12,278</u>	<u>3,199,871</u>	<u>75,593,175</u>	<u>67,866,133</u>
Other Assets	–	–	1,586	1,556
TOTAL ASSETS	<u>12,491</u>	<u>3,207,046</u>	<u>77,633,898</u>	<u>69,304,863</u>
LIABILITIES				
Obligations Under Securities Lending Agreements	9	256	1,196,782	–
Accounts Payable	–	523	23,031	22,172
Investment Trades Pending Payable – Short Term	–	–	1,689,736	1,366,750
Due to Other Governments	–	–	16,024	15,467
Due to Pension Funds	–	–	2,958	7,380
Due to Other Washington State Agencies	–	6	327	477
Other Short-Term Liabilities	203	2,891	3,943	1,772
Other Long-Term Obligations	–	–	1,586	1,556
Accrued Salaries	–	65	78	673
Unearned Revenues	–	–	727	884
TOTAL LIABILITIES	<u>212</u>	<u>3,741</u>	<u>2,935,192</u>	<u>1,417,131</u>
FIDUCIARY NET POSITION:				
Pension Plans	12,279	–	71,495,401	64,952,000
Deferred Compensation Plan	–	3,203,305	3,203,305	2,935,732
TOTAL FIDUCIARY NET POSITION:	<u>\$ 12,279</u>	<u>\$ 3,203,305</u>	<u>\$ 74,698,706</u>	<u>\$ 67,887,732</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Year Ended June 30, 2013
With comparative totals for the year ended 2012
(expressed in thousands) (page 1 of 4)

	Pension Trust				
	PERS Plan 1	PERS Plan 2/3	PERS Plan 3 Defined Contribution	SERS Plan 2/3	SERS Plan 3 Defined Contribution
ADDITIONS					
Retirement Contributions					
Employer	\$ 266,270	\$ 389,020	\$ -	\$ 78,400	\$ -
Plan Member	21,362	315,755	99,007	26,018	59,257
State	-	-	-	-	-
Plan Member Restorations	7,927	19,832	-	709	-
Total Retirement Contributions	<u>295,559</u>	<u>724,607</u>	<u>99,007</u>	<u>105,127</u>	<u>59,257</u>
Participant Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	685,097	2,018,293	177,136	275,634	123,073
Interest and Other Investment Income	63,989	191,007	9,845	26,091	8,860
Dividends	142,514	431,516	20,722	58,895	19,332
Less: Investment Expenses	<u>(28,418)</u>	<u>(84,685)</u>	<u>(4,796)</u>	<u>(11,664)</u>	<u>(4,072)</u>
Total Net Investment Income	<u>863,182</u>	<u>2,556,131</u>	<u>202,907</u>	<u>348,956</u>	<u>147,193</u>
Charges For Services	4,086	10,061	248	73	230
Transfers from Other Pension Plans	38	293	1,539	6	466
Miscellaneous	<u>11</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ADDITIONS	<u>1,162,876</u>	<u>3,291,121</u>	<u>303,701</u>	<u>454,162</u>	<u>207,146</u>
DEDUCTIONS					
Benefits	1,181,380	460,074	-	66,426	-
Refunds of Contributions	3,998	35,679	68,671	2,655	65,643
Annuity Payments	-	-	697	-	463
Transfers to Other Pension Plans	17	3,832	428	316	190
Transfer to Other Funds	693	1,706	-	14	-
Administrative Expenses	<u>4,773</u>	<u>10,560</u>	<u>248</u>	<u>137</u>	<u>230</u>
TOTAL DEDUCTIONS	<u>1,190,861</u>	<u>511,851</u>	<u>70,044</u>	<u>69,548</u>	<u>66,526</u>
NET INCREASE (DECREASE)	<u>(27,985)</u>	<u>2,779,270</u>	<u>233,657</u>	<u>384,614</u>	<u>140,620</u>
FIDUCIARY NET POSITION					
Beginning of Year: July 1	<u>7,376,714</u>	<u>20,679,788</u>	<u>1,724,427</u>	<u>2,827,286</u>	<u>1,277,848</u>
End of Year: June 30	<u>\$ 7,348,729</u>	<u>\$ 23,459,058</u>	<u>\$ 1,958,084</u>	<u>\$ 3,211,900</u>	<u>\$ 1,418,468</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Year Ended June 30, 2013
With comparative totals for the year ended 2012
(expressed in thousands) (page 2 of 4)

	Pension Trust				
	PSERS Plan 2	TRS Plan 1	TRS Plan 2/3	TRS Plan 3 Defined Contribution	LEOFF Plan 1
ADDITIONS					
Retirement Contributions					
Employer	\$ 15,650	\$ 118,569	\$ 228,974	\$ –	\$ 555
Plan Member	15,798	11,369	34,494	262,293	–
State	–	–	–	–	–
Plan Member Restorations	81	4,789	1,353	–	1,436
Total Retirement Contributions	<u>31,529</u>	<u>134,727</u>	<u>264,821</u>	<u>262,293</u>	<u>1,991</u>
Participant Contributions	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	17,633	572,032	693,237	547,835	464,540
Interest and Other Investment Income	1,702	53,432	65,631	29,902	43,598
Dividends	3,883	118,965	148,132	64,716	97,676
Less: Investment Expenses	<u>(750)</u>	<u>(23,725)</u>	<u>(29,438)</u>	<u>(14,711)</u>	<u>(19,339)</u>
Total Net Investment Income	<u>22,468</u>	<u>720,704</u>	<u>877,562</u>	<u>627,742</u>	<u>586,475</u>
Charges For Services	–	3,408	2,816	775	2,856
Transfers from Other Pension Plans	4	–	34	839	–
Miscellaneous	<u>–</u>	<u>10</u>	<u>9</u>	<u>–</u>	<u>8</u>
TOTAL ADDITIONS	<u>54,001</u>	<u>858,849</u>	<u>1,145,242</u>	<u>891,649</u>	<u>591,330</u>
DEDUCTIONS					
Benefits	148	901,617	116,662	–	351,796
Refunds of Contributions	2,186	1,989	2,914	176,052	14
Annuity Payments	–	12,993	–	1,569	–
Transfers to Other Pension Plans	4	–	315	522	–
Transfer to Other Funds	–	578	543	–	484
Administrative Expenses	<u>1</u>	<u>3,965</u>	<u>2,830</u>	<u>775</u>	<u>2,882</u>
TOTAL DEDUCTIONS	<u>2,339</u>	<u>921,142</u>	<u>123,264</u>	<u>178,918</u>	<u>355,176</u>
NET INCREASE (DECREASE)	51,662	(62,293)	1,021,978	712,731	236,154
FIDUCIARY NET POSITION					
Beginning of Year: July 1	174,447	6,191,483	7,087,246	5,170,849	4,904,387
End of Year: June 30	<u>\$ 226,109</u>	<u>\$ 6,129,190</u>	<u>\$ 8,109,224</u>	<u>\$ 5,883,580</u>	<u>\$ 5,140,541</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Year Ended June 30, 2013
 With comparative totals for the year ended 2012
 (expressed in thousands) (page 3 of 4)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
ADDITIONS				
Retirement Contributions				
Employer	\$ 82,397	\$ 6,478	\$ 12	\$ -
Plan Member	135,797	5,396	12	-
State	54,246	-	10,100	-
Plan Member Restorations	7,980	1,170	-	-
Total Retirement Contributions	<u>280,420</u>	<u>13,044</u>	<u>10,124</u>	<u>-</u>
Participant Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	651,032	84,358	(25)	(10)
Interest and Other Investment Income	61,735	7,951	14	5
Dividends	139,617	17,878	-	-
Less: Investment Expenses	(27,313)	(3,523)	-	-
Total Net Investment Income	<u>825,071</u>	<u>106,664</u>	<u>(11)</u>	<u>(5)</u>
Charges For Services	1,367	520	2	-
Transfers from Other Pension Plans	1,833	574	-	-
Miscellaneous	4	2	-	-
TOTAL ADDITIONS	<u>1,108,695</u>	<u>120,804</u>	<u>10,115</u>	<u>(5)</u>
DEDUCTIONS				
Benefits	100,532	43,521	9,697	474
Refunds of Contributions	8,677	304	-	-
Annuity Payments	-	-	-	-
Transfers to Other Pension Plans	2	-	-	-
Transfer to Other Funds	224	88	-	-
Administrative Expenses	2,566	538	2	1
TOTAL DEDUCTIONS	<u>112,001</u>	<u>44,451</u>	<u>9,699</u>	<u>475</u>
NET INCREASE (DECREASE)	996,694	76,353	416	(480)
FIDUCIARY NET POSITION				
Beginning of Year: July 1	<u>6,640,693</u>	<u>879,220</u>	<u>3,471</u>	<u>1,872</u>
End of Year: June 30	<u>\$ 7,637,387</u>	<u>\$ 955,573</u>	<u>\$ 3,887</u>	<u>\$ 1,392</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Year Ended June 30, 2013
With comparative totals for the year ended 2012
(expresses in thousands) (page 4 of 4)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2013	June 30, 2012
ADDITIONS				
Retirement Contributions				
Employer	\$ 32	\$ –	\$ 1,186,357	\$ 1,145,169
Plan Member	32	–	986,590	965,816
State	–	–	64,346	60,870
Plan Member Restorations	–	–	45,277	38,211
Total Retirement Contributions	<u>64</u>	<u>–</u>	<u>2,282,570</u>	<u>2,210,066</u>
Participant Contributions	<u>–</u>	<u>182,305</u>	<u>182,305</u>	<u>178,449</u>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	950	249,192	6,560,007	(482,403)
Interest and Other Investment Income	78	16,677	580,517	651,207
Dividends	5	1,984	1,265,835	882,833
Less: Investment Expenses	<u>(18)</u>	<u>(4,472)</u>	<u>(256,924)</u>	<u>(266,712)</u>
Total Net Investment Income	<u>1,015</u>	<u>263,381</u>	<u>8,149,435</u>	<u>784,925</u>
Charges For Services	<u>–</u>	<u>1,566</u>	<u>28,008</u>	<u>27,711</u>
Transfers from Other Pension Plans	<u>–</u>	<u>–</u>	<u>5,626</u>	<u>2,961</u>
Miscellaneous	<u>2</u>	<u>527</u>	<u>602</u>	<u>1,008</u>
TOTAL ADDITIONS	<u>1,081</u>	<u>447,779</u>	<u>10,648,546</u>	<u>3,205,120</u>
DEDUCTIONS				
Benefits	1,071	–	3,233,398	3,061,405
Refunds of Contributions	–	178,638	547,420	509,658
Annuity Payments	–	–	15,722	23,029
Transfers to Other Pension Plans	–	–	5,626	2,961
Transfer to Other Funds	–	–	4,330	2,330
Administrative Expenses	<u>–</u>	<u>1,568</u>	<u>31,076</u>	<u>29,835</u>
TOTAL DEDUCTIONS	<u>1,071</u>	<u>180,206</u>	<u>3,837,572</u>	<u>3,629,218</u>
NET INCREASE (DECREASE)	<u>10</u>	<u>267,573</u>	<u>6,810,974</u>	<u>(424,098)</u>
FIDUCIARY NET POSITION				
Beginning of Year: July 1	<u>12,269</u>	<u>2,935,732</u>	<u>67,887,732</u>	<u>68,311,830</u>
End of Year: June 30	<u>\$ 12,279</u>	<u>\$ 3,203,305</u>	<u>\$ 74,698,706</u>	<u>\$ 67,887,732</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2013

Note 1: Summary of Significant Accounting Policies and Plan Asset Matters

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) has developed criteria relating to elements of financial accountability to be used to determine the reporting entity. Financial accountability is manifest when the primary government appoints a voting majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, or to set rates or charges without substantive approval by another government.

Because DRS is part of the primary government of the state of Washington, based on GASB's criteria, it is considered part of the state's financial reporting entity and is included in the state's comprehensive annual financial report (CAFR).

The state of Washington's CAFR may be obtained from the Office of Financial Management's website at: www.ofm.wa.gov/cafr

The state of Washington, through DRS, administers eight retirement systems for public employees of the state and political subdivisions: the Public Employees' Retirement System, the School Employees' Retirement System, the Public Safety Employees' Retirement System, the Teachers' Retirement System, the Law Enforcement Officers' and Fire Fighters' Retirement System, the Washington State Patrol Retirement System, the Judicial Retirement System, and the Judges' Retirement Fund. The members of the public retirement systems, together

with their employers and the state provide funding for all the costs of the systems based upon actuarial valuations. The Legislature establishes benefit levels and approves the actuarial assumptions used in determining contribution levels.

B. Basic Financial Statements

The financial statements provided in this report are fiduciary statements.

Fiduciary funds report assets held for others in a trustee or agency capacity and therefore, cannot be used to support the government's own programs. DRS' fiduciary funds are the retirement pension trust funds. The statements presented for these funds include a Statement of Fiduciary Net Position (SFNP) and a Statement of Changes in Fiduciary Net Position (SCFNP). The statements provide a separate column for each plan administered by DRS. The SFNP includes information about the assets, liabilities, and net fiduciary position for each plan. The SCFNP includes information about the additions to, deductions from, and net increase (or decrease) in fiduciary net position for each plan for the year.

C. Measurement Focus and Basis of Accounting

DRS' financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). The retirement plans are accounted for in pension trust funds using the flow of economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are earned. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The deferred compensation plan is accounted for in a pension trust fund using the flow of economic resources measurement focus and the accrual basis of accounting. Participant contributions are recognized as revenues in the period in which the contributions are due. Refunds are recognized when due and payable in accordance with the terms of the plan. DRS maintains an administrative fund to account for the administrative revenues and operating expenditures incurred in administering the deferred compensation plan. Since these costs are incurred in the administration of the deferred compensation plan, they have been reported within the deferred compensation plan.

D. Method Used to Value Investments

Investments are reported at fair value. Unrealized gains and losses are included as investment income in the Statement of Changes in Fiduciary Net Position. The net assets of the Retirement Funds are valued on a monthly basis using the following sources:

Publicly Traded Securities (corporate stock, commingled funds, exchange-traded derivatives, and fixed income): Fair values are based on published market prices, quotations from national security exchanges and security pricing services as of each month end closing of the New York Stock Exchange.

Limited Partnerships: The fair value of investments (such as private equity, real estate, innovation and tangible assets) that are organized as limited partnerships and have no readily ascertainable fair value has been determined by the Washington State Investment Board (WSIB) management based on the individual investment's capital account balance, reported at fair value by the general partner, at the closest available reporting period, adjusted for subsequent contributions, distributions, management fees, and changes in value of foreign currency and published market prices for certain securities.

The limited partnerships' annual financial statements are audited by independent auditors. These investments are valued at \$26.4 billion (39 percent of total investments) as of June 30, 2013. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near-term.

Private Equity Limited Partnerships: The fair value of individual capital account balances is based on the valuations reported by private equity partnerships using the following methodologies to value the underlying portfolio companies:

- Valuations of publicly traded portfolio companies are based on active exchanges using quoted market prices as of the close of trading for each month end.
- When a portfolio company investment does not have a readily available market price, but has a return that is determined by reference to an asset for which a market price is readily available, valuations are based on the closing market price of the reference asset on the valuation date, adjusted for factors that affect the fair value of the investment held.
- When the portfolio company's investments are private holdings and are not traded on active security exchanges, valuation methodologies used consist primarily of income and market approaches. The income approach involves a discounted cash flow analysis based on the portfolio company's projections. The market approach involves valuing a company at a multiple of a specified financial measure, generally Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) based on multiples at which comparable companies trade.

Real Estate Limited Partnerships: Real estate partnerships provide the WSIB management with quarterly valuations based on the most recent capital account balances. Individual properties are valued by the partnerships at least annually, and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally valued every one to five years, depending upon the partnership. Structured finance investments receive quarterly value adjustments by the partners, generally applying the assumption that all such positions will be held to maturity. Annual audits of most partnerships include a review of compliance with the partnerships' valuation policies.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

F. Revenue Recognition

Interest and dividend income is recognized when earned. Capital gains and losses are recognized on a trade-date basis. Purchases and sales of investments are also recorded on a trade-date basis.

G. Allocation

DRS maintains a fund to account for the administrative additions and deductions incurred in administering the pension plans (excluding any fees incurred while protecting the pension plans). These additions and deductions have been allocated to the pension plans.

DRS maintains a general capital assets fund to account for the capital assets used in administering the pension plans. These capital assets have been allocated to the pension plans. DRS also maintains a general long-term obligation fund to account for accumulated compensated absences incurred in administering the pension plans. These general long-term obligations have also been allocated to the pension plans.

H. Deposits, Investments, and Securities Lending

Deposits: DRS' deposits are managed by the Office of the State Treasurer (OST) and consist of securities issued by AAA rated issuers or deposits in financial institutions partially insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by the Washington Public Deposit Protection Commission (PDPC) up to statute limitations. The PDPC constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC's agent in the name of the collateral pool. State law (chapter 43.84.080 RCW) specifies that whenever there is a fund or cash balance in the state treasury more than sufficient to meet the current expenditures properly payable therefrom, the OST may invest or reinvest such portion of such funds or balances

as the OST deems expedient. Statute authorizes the OST to buy and sell the following types of instruments: U.S. Government and Agency securities, bankers' acceptances, commercial paper and deposits with qualified public depositories. Securities underlying repurchase and reverse repurchase agreements are limited to those stated above. DRS receives its proportionate share of investment earnings from surplus balances in the state treasury based upon its daily balance for the period. DRS' deposits are separately displayed on the Statement of Fiduciary Net Position as cash and pooled investments.

Deposits – Custodial Credit Risk: Custodial credit risk is the risk that deposits may not be returned to a depositor in the event of the failure of a financial institution. The OST minimizes custodial credit risk by restrictions set forth in state law. Statutes restrict the OST to deposit funds in financial institutions that are physically located in Washington unless otherwise expressly permitted by statute and authorized by the PDPC. As of June 30, 2013, the carrying amount of DRS' cash and pooled investment deposits is \$39.0 million, all of which are insured or collateralized.

Investments: The WSIB has been authorized by statute as having the investment management responsibility for Retirement and Deferred Compensation Funds. The WSIB is authorized to invest as provided by statute (chapter 43.33A RCW) and WSIB policy. The WSIB is authorized and invests in the following: U.S. Treasury Bills; discount notes; repurchase agreements; reverse repurchase agreements; bankers' acceptances; commercial paper; guaranteed investment contracts; U.S. Government and Agency (government sponsored corporations eligible for collateral purposes at the Federal Reserve) securities; non-U.S. dollar bonds; investment grade corporate bonds; non-investment grade corporate bonds; publicly traded mortgage-backed securities; privately placed mortgages; private placements of corporate debt; U.S. and foreign common stock; U.S. preferred stock; convertible securities; private equity including but not limited to: investment corporations, partnerships, and limited liability companies for venture capital, leveraged buy-outs, real estate and other tangible assets, or other forms of private equity; asset backed securities; and derivative securities including futures, options, options on futures, forward contracts, and swap transactions.

There were no violations of these investment restrictions during Fiscal Year 2013.

Investments – Interest Rate Risk: Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. The WSIB does not have a formal policy regarding interest rate risk. This risk is managed within the portfolios using effective duration, which is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Increases in prevailing interest rates generally translate into decreases in the fair values of those investments. The Retirement Funds' fixed income investments are to be actively managed to meet or exceed the return of the Barclays Capital Universal Index, with volatility similar to or less than the index. As of June 30, 2013 the Retirement Funds' duration was within the duration target of this index.

The schedule on page 36 provides information about the interest rate risks associated with the Retirement Trust Funds' categorized investments in the Commingled Trust Fund (CTF) as of June 30, 2013. The schedule displays various asset classes held by maturity in years, effective durations, and credit ratings. Residential mortgage backed, commercial mortgage backed, and asset backed securities are reported using the average life within the portfolio. The average life is a calculated estimate of the average time (in years) until maturity for these securities, taking into account possible prepayments of principal. All other categorized securities on this schedule are reported using the stated maturity date.

Investments – Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The WSIB does not have a formal policy regarding credit risk, but its investment policies limit the fixed income securities to investment grade or higher at the time of purchase. Investment grade securities are those fixed income securities with a Moody's rating of Aaa to Baa, or a Standard and Poor's rating of AAA to BBB. The Retirement Funds' rated debt investments as of June 30, 2013, were rated by Moody's and/or an equivalent national rating organization. Credit ratings for the Retirement Funds' rated debt investments as of June 30, 2013 are presented in the schedule on page 36. Investment types with multiple credit ratings are presented in the schedule on page 37.

Investments – Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The WSIB's policy states that no corporate fixed income issue shall exceed three percent of cost at the time of purchase or six percent of fair value of the fund thereafter, and that no high yield issues shall exceed one percent of cost or two percent of the fair value of the fund. There was no concentration of credit risk exceeding these policy guidelines as of June 30, 2013. Additionally, no single investment (other than any issued or explicitly guaranteed by the U.S. government, or involving mutual funds or investment pools) comprised more than five percent of DRS' net investments at the end of Fiscal Year 2013.

Investment Maturities

As of June 30, 2013

(expressed in thousands)

Investment Type	Total Fair Value	Maturity				Effective Duration	Credit Rating
		Less than one year	1-5 years	6-10 years	More than 10 years		
Asset Backed Securities	\$ 11	\$ –	\$ –	\$ –	\$ 11	7.88	Sched 2
Residential Mortgage Backed Securities	1,118,581	381,316	737,207	58	–	1.58	Sched 2
Commercial Mortgage Backed Securities	212,581	–	203,087	9,494	–	2.65	Aaa
Corporate Bonds Domestic (USD)	859,366	65,808	284,936	364,912	143,710	5.2	Sched 2
Corporate Bonds Domestic (Non USD)	54,487	36,246	18,241	–	–	1.01	Sched 2
Corporate Bonds Foreign (USD)	3,918,144	50,268	729,587	2,640,378	497,911	6.19	Sched 2
Corporate Bonds Foreign (Non USD)	269,792	–	186,173	53,270	30,349	4.68	Sched 2
U.S. Government Treasuries	4,988,529	858,975	3,078,839	1,050,715	–	3.18	Aaa
Foreign Government and Agencies (USD)	1,244,739	27,058	158,680	865,653	193,348	6.19	Sched 2
Foreign Government and Agencies (Non USD)	885,888	40,042	318,348	282,559	244,939	5.79	Sched 2
Supranational (Non USD)	518,275	137,324	286,359	94,592	–	2.25	Aaa
Total Categorized Investments	\$ 14,070,393	\$ 1,597,037	\$ 6,001,457	\$ 5,361,631	\$ 1,110,268		
Investments Not Required to be Categorized:							
Corporate Stock - U.S. Dollar Denominated	3,452,793						
Corporate Stock - Non U.S. Dollar Denominated	10,764,753						
Commingled Equity Index Funds	11,378,449						
Alternative Investments	26,410,671						
Liquidity	1,575,605						
Total Investments Not Required to be Categorized	\$ 53,582,271						
DCP, JRA, and Defined Contribution - SELF Plan Assets:							
Retirement Strategy Funds (Target Date Funds)	2,883,080						
Equity Index Funds	1,444,847						
Guaranteed Investment Contracts	1,004,940						
Bond Funds	705,009						
Money Market Mutual Funds	513,275						
Balance Fund	192,573						
Life Annuity	5						
Total DCP, JRA, and Defined Contribution - SELF Plan Assets	\$ 6,743,729						
Securities Under Lending Agreements	1,196,782						
Total Investments Non Current - 6/30/2013	\$ 75,593,175						

Investments with Multiple Credit Ratings

As of June 30, 2013

(expressed in thousands)

Investment Type	Total Fair Value	Moody's Equivalent Credit Rating										Ba1 or Lower	
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3		
Asset Backed Securities	\$ 11	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Mortgage Backed Securities	1,118,581	1,103,363	-	-	-	1,850	1,709	-	-	11,659	-	-	-
Corporate Bonds Domestic (USD)	859,366	-	-	16,789	37,948	19,341	184,291	52,744	239,798	151,822	53,241	103,392	-
Corporate Bonds Domestic (Non USD)	54,487	-	-	-	-	-	18,241	-	36,246	-	-	-	-
Corporate Bonds Foreign (USD)	3,918,144	-	-	27,787	35,232	75,489	110,262	256,973	421,202	1,055,921	1,074,788	860,490	-
Corporate Bonds Foreign (Non USD)	269,792	-	-	-	-	10,511	57,588	-	18,151	84,762	81,600	17,180	-
Foreign Government and Agencies (USD)	1,244,739	8,860	17,917	27,927	168,824	245,921	22,870	25,129	86,348	259,056	238,394	143,493	-
Foreign Government and Agencies (Non USD)	885,888	172,334	63,157	-	60,240	40,042	16,239	95,800	74,628	79,984	234,668	48,796	-
Total	\$ 8,351,008	\$1,284,557	\$ 81,085	\$ 72,503	\$ 302,244	\$ 393,154	\$ 411,200	\$ 430,646	\$ 876,373	\$1,643,204	\$1,682,691	\$1,173,351	

Investments – Custodial Credit Risk: Custodial credit risk is the risk that, in the event a depository institution or counterparty fails, the WSIB would not be able to recover the value of its deposits, investments, or collateral securities. As of June 30, 2013, investment securities (excluding cash, cash equivalents, and repurchase agreements held as securities lending collateral) are registered and held in the name of the WSIB for the benefit of the Retirement Funds, and are not exposed to custodial credit risk. The WSIB has no general policies relating to custodial credit risk.

Investments – Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The WSIB does not have a formal policy to limit the Retirement Funds' foreign currency risk.

The WSIB manages exposure to fair value loss by requiring its international securities investment managers to maintain diversified portfolios by sector and by issuer to limit foreign currency and security risk. The Retirement Funds' exposure to foreign currency risk as of June 30, 2013, is presented in the schedule on page 38. The schedule, stated in U.S. dollars, provides information on deposits and investments held in various foreign currencies. Private equity and real estate are presented according to the financial reporting currency of the individual funds and is not a presentation of currency exposure relating to the underlying holdings.

Foreign Currency Risk

As of June 30, 2013

(expressed in thousands)

Investment Type in U.S. Dollar Equivalent

Foreign Currency Denomination	Currency	Fixed Income	Corporate Stock	Commingled Index Funds	Private Equity	Real Estate	Total
Australia - Dollar	\$ 4,453	\$ 407,031	\$ 563,853	\$ -	\$ -	\$ -	\$ 975,337
Brazil - Real	194	339,415	78,571	-	-	-	418,180
Canada - Dollar	12,377	-	723,462	-	-	-	735,839
Chile - Peso	-	155,150	420	-	-	-	155,570
Columbia - Peso	-	135,200	-	-	-	-	135,200
Denmark - Krone	49	-	85,787	-	-	-	85,836
E.M.U. - Euro	14,277	-	2,653,718	-	2,343,311	201,184	5,212,490
Hong Kong - Dollar	3,382	-	404,545	-	-	-	407,927
India - Rupee	383	135,003	99,893	-	-	-	235,279
Indonesia - Rupiah	118	63,645	72,101	-	-	-	135,864
Japan - Yen	28,244	-	1,990,531	-	-	-	2,018,775
Malaysia - Ringgit	344	67,631	18,205	-	-	-	86,180
Mexico - Peso	(25)	84,845	42,860	-	-	-	127,680
Singapore - Dollar	850	-	158,612	-	-	-	159,462
South Korea - Won	530	-	122,780	-	-	-	123,310
Sweden - Krona	4,462	-	279,962	-	-	-	284,424
Switzerland - Franc	133	-	852,907	-	-	-	853,040
Thailand - Baht	80	48,301	60,107	-	-	-	108,488
Turkey - Lira	227	93,550	78,707	-	-	-	172,484
United Kingdom - Pound	20,848	-	2,216,795	-	-	-	2,237,643
Other - Miscellaneous	5,182	198,671	260,937	-	-	-	464,790
Total Foreign Investments (in Foreign Currency)	96,108	1,728,442	10,764,753	-	2,343,311	201,184	15,133,798
Foreign Investments Denominated in U.S. Dollars	-	5,162,883	943,735	1,672,436	3,571,066	2,764,941	14,115,061
Total Foreign Investments	\$96,108	\$6,891,325	\$11,708,488	\$1,672,436	\$5,914,377	\$2,966,125	\$29,248,859

Source: Washington State Investment Board

Securities Lending and Repurchase Agreements:

Management responsibilities for securities lending and repurchase agreements, as authorized by statute, are as follows:

WSIB—Washington State law and WSIB policy permit the WSIB to participate in securities lending transactions to augment the investment income of the Retirement Funds. The WSIB has entered into an agreement with State Street Corporation (SSC) to act as agent for the WSIB in securities lending transactions. As SSC is the custodian bank for the WSIB, it is counterparty to these transactions.

The fair value of the securities on loan at June 30, 2013 was approximately \$1.4 billion. The securities on loan remain in the Statement of Fiduciary Net Position in their respective categories. At June 30, 2013, cash collateral received totaling \$1.2 billion is reported as a securities lending obligation, and the fair value of the reinvested cash collateral totaling \$1.2 billion is reported as security lending collateral in the Statement of Fiduciary Net Position. Securities received as collateral where the WSIB does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

Fixed income securities were loaned and collateralized by the WSIB’s agent with cash and U.S. Government or U.S. Agency securities (exclusive of mortgage backed securities and letters of credit). When the loaned securities had collateral denominated in the same currency, the collateral requirement was 102 percent of the fair value, including accrued interest of the securities loaned. All other securities were required to be collateralized at 105 percent of the fair value, including accrued interest of the loaned securities.

The following table summarizes the securities held from reinvestment of cash collateral and securities received as collateral at June 30, 2013.

Cash and Securities Held as Collateral	
<i>As of June 30, 2013</i>	
<i>(expressed in millions)</i>	
Cash and Cash Equivalents	\$ 275
Commercial Paper	217
Repurchase Agreements	669
U.S. Treasury and Agency Securities	298
Miscellaneous	34
	<u>\$1,492</u>

During Fiscal Year 2013, securities lending transactions could be terminated on demand by either the WSIB or the borrower.

As of June 30, 2013, the collateral held had an average duration of 22.42 days and an average weighted final maturity of 57.44 days. Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold, absent borrower default. No more than 20 percent of the total on loan value could be held by a specific borrower. Collateral investment guidelines specifically prohibit European domiciled holdings. There were no restrictions on the amount of securities that could be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. SSC indemnified the WSIB by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. SSC's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During Fiscal Year 2013, there were no significant violations of legal or contractual provisions or failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the Retirement Funds incurred no losses during Fiscal Year 2013 resulting from a default by either the borrowers or the securities lending agents.

Credit Risk: The WSIB mitigates credit risk in securities lending with a policy that strictly limits the types of collateral that may be used to secure these transactions.

OST—State statutes permit the OST to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST, which has contracted with

Citibank as lending agent to lend securities, receives earnings for this activity.

The OST lending agent lends U.S. Government and U.S. Agency securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair market value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent.

The cash is invested by the lending agent in accordance with investment guidelines approved by the OST. The securities held as collateral and the securities underlying the cash collateral are held by the custodian. One option available to the lending agent is to invest cash collateral into an OST account in the Local Government Investment Pool (LGIP).

The contract with the lending agent requires him to indemnify the OST if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or if the borrower fails to pay the OST for income distribution by the securities' issuers while the securities are on loan. The OST cannot pledge or sell collateral securities received unless the borrower defaults. At June 30, 2013, securities lent totaled \$2.9 million. Collateral held under securities lending agreements and obligations under securities lending agreements each totaled \$3.0 million, which was invested in the LGIP.

State law also permits the OST to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers margin against a decline in the fair value of the securities.

If the dealers default on their obligations to resell these securities to the OST or provide securities or cash of equal value, the Retirement Funds would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest.

The OST generally does not match maturities. Securities purchased from proceeds of reverse repurchase agreements are not used to liquidate the agreements. During Fiscal Year 2013, the OST did not engage in reverse repurchase activity and it incurred no losses by default, nor recovered prior period losses, from these transactions. At June 30, 2013, there were no obligations under reverse repurchase agreements.

Credit Risk: The OST limits its credit risk with an investment policy that restricts the types of investments in which the OST can participate. Additionally, the OST investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. During Fiscal Year 2013, the OST had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the OST.

Custodial Credit Risk: The OST investment policy requires that securities purchased be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities accepted as collateral for repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the OST's exposure to risk and ensure the safety of the investment.

During Fiscal Year 2013, there were no violations of legal or contractual provisions or any losses resulting from a default by either the borrowers or the securities lending agent.

Derivatives: Derivative management responsibilities as authorized by statute are as follows:

WSIB—is authorized to utilize various derivative financial instruments, including financial futures, forward contracts, interest rate swaps, credit default swaps, equity swaps and options. Derivative transactions involve, to varying degrees, market and credit risk. In connection with the cash overlay program, at June 30, 2013, the Retirement Funds held investments in financial futures and forward currency contracts that are recorded at fair value with changes in value recognized in investment income in the Statement of Changes in Fiduciary Net Position in the period of change. The derivative instruments are considered investments and not hedges.

Derivatives are generally used to achieve the desired market exposure of a security, index or currency, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. Derivative contracts are instruments that derive their value from underlying assets, indices, reference interest rates, or a combination of these factors. A derivative instrument could be a contract negotiated on behalf of the Retirement Funds and a specific counterparty. This would typically be referred to as an "over the counter (OTC) contract" such as forward contracts. Alternatively, derivative instruments, such as futures, could be listed and traded on an exchange, and referred to as "exchange traded."

Derivatives which are exchange traded are not subject to credit risk.

Inherent in the use of OTC derivatives, the Retirement Funds are exposed to counterparty credit risk on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract. As of June 30, 2013, the Retirement Funds' counterparty risk was not deemed to be significant.

Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are generally used to achieve the desired market exposure of a security or index or rebalance the total portfolio.

Forward currency contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. These forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote.

At June 30, 2013, the Retirement Funds had outstanding forward currency contracts with a net unrealized gain of \$9.2 million which is included in the accompanying Statement of Changes in Fiduciary Net Position. The contracts have varying maturity dates ranging from July 1, 2013 to September 18, 2013.

At June 30, 2013, the Retirement Funds' net counterparty credit exposure on foreign currency forward contracts totaled \$18.0 million and had credit ratings of no less than A3, using the Moody's rating scale.

At June 30, 2013, the Retirement Funds' fixed income portfolio held derivative securities consisting of collateralized mortgage obligations of \$311 million. Domestic and foreign passive equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of derivative securities by passive equity index fund managers is unavailable.

The following schedule presents the significant terms for derivatives held as investments by WSIB.

Classification		Changes in Fair Value -	Fair Value at	Notional
		Included in	June 30, 2013 -	
		Investment Income	Investment Derivative	
<i>(expressed in thousands)</i>		Amount	Amount	
Futures Contracts:				
Bond Index Futures	Investment	\$ (19,091)	\$ (8,116)	\$564,227
Equity Index Futures	Investment	7,735	(687)	7,277
Total		<u>\$ (11,356)</u>	<u>\$ (8,803)</u>	<u>571,504</u>
Forward Currency Contracts:				
Australian Dollar	Investment	\$ 3,278	\$ 5,360	\$ 87,471
Canadian Dollar	Investment	(2,550)	(2,739)	102,866
Danish Krone	Investment	(339)	(1,707)	141,450
Euro	Investment	(4,955)	5,540	376,787
Hong Kong Dollar	Investment	(38)	104	195,318
Israeli Shekel	Investment	(310)	17	2,668
Japanese Yen	Investment	6,961	3,233	148,389
Mexican Peso	Investment	(61)	(72)	3,005
New Zealand Dollar	Investment	(4,004)	(1,992)	87,071
Norwegian Krone	Investment	286	339	8,451
Pound Sterling	Investment	(1,141)	360	45,893
Singapore Dollar	Investment	(279)	(337)	21,524
South African Rand	Investment	(101)	(123)	4,324
Swedish Krona	Investment	336	751	45,044
Swiss Franc	Investment	547	491	41,896
Total		<u>\$ (2,370)</u>	<u>\$ 9,225</u>	<u>\$ 1,312,157</u>

OST – The OST did not engage in derivative transactions during Fiscal Year 2013.

Certain investment types in DRS' portfolio cannot be categorized within the guidelines established by GASB Statement Number 3. These investments total approximately \$53.6 billion in both carrying value and fair value.

Deferred Compensation Program (DCP), Judicial Retirement Account (JRA) and Defined Contribution - SELF Plan Assets:

The assets within DCP, JRA and the SELF investments total \$6.7 billion and represent less than ten percent of the total investments administered by DRS. (Please refer to the Investment Maturities schedule on page 36 of this report).

Participation and membership in these plans is voluntary. Although withdrawals from the plans is restricted to those that have left employment (except

in the case of hardship withdrawals from DCP), the participant/members own these assets, have full control over the investment choices made, and assume the responsibility for the results of those choices.

The composition of these assets is as follows:

43%–Retirement Strategy Funds (Target Date Funds)— These funds are customized asset allocation portfolios, managed by investment professionals contracted by WSIB, that offer investors a diversified mix of equities, bonds, and global REITs, in five-year increments. Each of these funds has both actively and passively managed investments. The investment mix becomes progressively more conservative over time as the fund approaches and passes through its target date for retirement. These funds are not publicly traded and thus have no ratings. Foreign credit risk and fixed income exposure are deemed immaterial for these funds at June 30, 2013.

21%–Equity Index Funds—There are four funds in this category, all are passively managed, and all seek to meet or surpass the returns of established benchmarks.

15%–Guaranteed Investment Contracts (GIC)—GICs are valued at contract value as estimated by the respective insurance companies or investment managers. GICs provide a guaranteed return on the principal invested over a specified time period. The GIC pool has no credit rating because it is not a publicly traded fund. The pool has no duration since GICs are priced at par. The GIC pool contains no foreign currency exposure at June 30, 2013.

8% Money Market Funds— There are two money market funds in this portfolio. Neither is publicly traded.

3%–US Socially Responsible Fund—This is a balanced fund containing both equities and fixed income components.

10%–Bond Fund—The Washington State Bond Fund has no rating because it is not publicly traded. However, please refer to the tables below for the maturities, effective duration, and credit ratings of its underlying securities.

Investment Maturities

As of June 30, 2013

(expressed in thousands)

Investment Type	Total Fair Value	Maturity				Effective Duration
		Less than one year	1-5 years	6-10 years	More than 10 years	
Corporate Bonds - Domestic Dollar Denominated	\$ 239,703	\$ 19,508	\$ 137,779	\$ 82,416	\$ —	4.16
Corporate Bonds - Foreign Dollar Denominated	303,154	8,446	117,967	176,741	—	4.89
Foreign Government and Agencies - Dollar Denominated	126,902	4,246	57,289	65,367	—	4.63
Supranational - Dollar Denominated	35,250	2,633	30,025	2,592	—	3.24
Total Categorized Investments	\$ 705,009	\$ 34,833	\$ 343,060	\$ 327,116	\$ —	

Credit Ratings (Moody's Equivalent)

As of June 30, 2013

(expressed in thousands)

Investment Type	Fair Value	Moody's Equivalent Credit Rating							
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1 and below
Corporate Bonds - Domestic Dollar Denominated	\$ 239,703	\$ —	\$ —	\$ —	\$ 21,195	\$ 16,628	\$ 61,276	\$ 26,259	\$ 114,345
Corporate Bonds - Foreign Dollar Denominated	303,154	4,669	—	—	43,921	5,163	24,294	36,821	188,286
Foreign Government and Agencies - Dollar Denominated	126,902	13,942	5,555	11,457	26,443	25,308	2,262	7,670	34,265
Supranational - Dollar Denominated	35,250	35,250	—	—	—	—	—	—	—
Total	\$ 705,009	\$ 53,861	\$ 5,555	\$ 11,457	\$ 91,559	\$ 47,099	\$ 87,832	\$ 70,750	\$ 336,896

Management Fees: The fees paid by the WSIB are accounted for as a reduction of investment income or are netted directly from the asset value of the Retirement Funds' investments. These fees include investment management fees and commissions, investment consultant fees and legal fees. As of June 30, 2013, total investment management fees paid were \$256.9 million and total netted fees totaled \$66.6 million. For a detailed disclosure, refer to the Schedule of Investment Expenses in the Supporting Schedules of the Financial Section of this report.

Unfunded Commitments: The WSIB has entered into agreements that commit the DRS pension funds, upon request, to make additional investment purchases up to a predetermined amount. As of June 30, 2013, the Retirement Funds had the following unfunded investment commitments in millions of dollars:

Innovation Portfolio	\$52.2
Private Equity Partnerships	\$10,134.9
Real Estate	\$7,753.8
Tangible Assets	\$781.3

I. Reserves

Member Reserves: The member reserves reflect the total liability for all contributions made by members. These reserves are increased by employee contributions and interest earnings and are decreased by contributions refunded and contributions transferred to the benefit reserves for current year retirees. The member reserves are considered fully funded. Because the PERS Plan 3, SERS Plan 3 and TRS Plan 3 defined contribution plans each offer two separate investment programs to members, DRS maintains two separate member reserves for each defined contribution plan. The "PERS Plan 3-WSIB," "SERS Plan 3-WSIB" and "TRS Plan 3-WSIB"

reserves account for members who participate in the investment programs offered by the Washington State Investment Board (WSIB). The "PERS Plan 3-SELF," "SERS Plan 3-SELF" and "TRS Plan 3-SELF" reserves account for members who participate in the self-directed investment offerings.

Member reserves as of June 30, 2013 and 2012 are as follows:

	June 30, 2013	June 30, 2012
<i>(expressed in thousands)</i>		
PERS Plan 1	\$ 749,190	\$ 853,967
PERS Plan 2/3	5,087,740	4,815,732
PERS Plan 3 - WSIB	1,128,774	996,778
PERS Plan 3 - SELF	829,310	727,649
SERS Plan 2/3	387,548	369,832
SERS Plan 3 - WSIB	1,046,277	941,954
SERS Plan 3 - SELF	372,191	335,894
PSERS Plan 2	102,816	84,596
TRS Plan 1	451,486	511,504
TRS Plan 2/3	551,728	538,866
TRS Plan 3 - WSIB	3,531,252	3,115,756
TRS Plan 3 - SELF	2,352,328	2,055,093
LEOFF Plan 1	27,340	33,351
LEOFF Plan 2	2,136,678	1,997,577
WSPRS Plan 1/2	81,651	79,459
JRS	1	962
Judges	-	-
Total Member Reserves	\$ 18,836,310	\$ 17,458,970

Benefit Reserves: The benefit reserves reflect the funded liability associated with all retired members of DRS administered systems. These reserves are increased by employer contributions, state contributions, investment earnings, and employee contributions which are attributable to current year retirees. These reserves are decreased by the amounts of pensions actually paid in the current year, interest payments transferred to the member reserves, and administrative expenses in support of the trust funds.

Benefit reserves as of June 30, 2013 and 2012 are as follows:

	June 30, 2013	June 30, 2012
<i>(expressed in thousands)</i>		
PERS Plan 1	\$ 6,597,632	\$ 6,520,152
PERS Plan 2/3	18,371,361	15,862,549
SERS Plan 2/3	2,824,376	2,457,434
PSERS Plan 2	123,295	89,851
TRS Plan 1	5,676,015	5,677,725
TRS Plan 2/3	7,557,549	6,547,889
LEOFF Plan 1	5,112,449	4,869,838
LEOFF Plan 2	5,494,917	4,639,741
LEOFF Plan 2 – Medical	5,802	3,176
WSPRS Plan 1/2	873,819	799,591
WSPRS Plan 1/2 – Medical	49	32
JRS	3,903	2,501
Judges	1,398	1,867
Total Benefit Reserves	<u>\$ 52,642,565</u>	<u>\$ 47,472,346</u>

The funded status of each of the benefit reserves is the same as the funded status of each of the respective pension plans. The funded status of the pension plans is shown in the Solvency Test schedules in the Actuarial Section of this report.

J. Capital Assets

All capital assets with a unit cost (including ancillary costs) of \$5,000 or greater are capitalized and reported in the accompanying financial statements. Capital leases with a net present value or fair market value, whichever is less, of \$10,000 or more are capitalized and also included in these financial statements. All purchased capital assets are valued at cost where historical records exist. Donated capital assets are valued at their estimated fair market value on the date of donation. Where necessary, estimates of original cost and fair market value are derived by factoring price levels from the current period to the time of acquisition.

Capital asset costs include the purchase price or construction cost, plus those costs necessary to place the asset in its intended location and condition for use. Normal maintenance and repair costs that do not materially add to the value or extend the life of the asset are not capitalized.

Depreciation is calculated using the straight-line method with estimated useful lives of 5 to 50 years for buildings, and 3 to 50 years for furnishings and equipment, other improvements and miscellaneous capital assets.

Following is a summary of changes in capital assets for Fiscal Year 2013:

Assets	Beginning Balance	Acquisition/ Increase Depreciation	Disposal	Ending Balance
<i>(expressed in thousands)</i>				
Improvements Other Than Buildings	\$ 662	\$ –	\$ –	\$ 662
Furnishings & Equipment	1,986	72	(326)	1,732
Accumulated Depreciation	<u>(2,260)</u>	<u>326</u>	<u>(168)</u>	<u>(2,102)</u>
Total	<u>\$ 388</u>	<u>\$ 398</u>	<u>\$(494)</u>	<u>\$ 292</u>

K. Leases

DRS leases land, office facilities, office and computer equipment. Lease terms vary. Leases are considered non-cancelable for financial reporting purposes. All DRS leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease. Certain operating leases are renewable for specified periods. In most cases, management expects that the leases will be renewed or replaced by other leases.

The following schedule presents future minimum payments for operating leases as of June 30, 2013:

Operating Leases		
<i>(expressed in thousands)</i>		
By Fiscal Year:	2014	\$ 1,521
	2015	1,493
	2016	1,396
	2017	1,231
	2018	1,231
	2019 and beyond	<u>820</u>
	Total Future Minimum Payments	<u>\$ 7,692</u>

The total operating lease rental expenditure for Fiscal year 2013 was \$1.5 million.

L. Other Long-Term Obligations

Annual leave: DRS employees accrue annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 30 days at the employee’s anniversary date. The expense and accrued liability is recognized when the annual leave is earned. DRS’ liability for accumulated annual leave was \$1.1 million as of June 30, 2013.

Sick leave: Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested; i.e. the department does not pay employees for unused sick leave upon termination except upon employee death or retirement, at which time DRS is liable for 25 percent of the employee’s accumulated sick leave. In addition, the state has a “sick leave buyout option” in which each January, employees who accumulate sick leave in excess of 60 days may redeem sick leave earned but not taken during the previous year at the rate of one day’s pay in exchange for each four days of sick leave. The expense and accrued liability is recognized when the sick leave is earned. DRS’ liability for accumulated sick leave was \$0.4 million as of June 30, 2013

Following is a summary of changes in compensated absences for the fiduciary funds for Fiscal Year 2013:

Compensated Absences	Beginning Balance	Additions	Deletions	Ending Balance
<i>(expressed in thousands)</i>				
Annual Leave	\$ 1,121	\$ 1,007	\$ (986)	\$ 1,142
Sick Leave	435	140	(131)	444
Total	<u>\$ 1,556</u>	<u>\$ 1,147</u>	<u>\$ (1,117)</u>	<u>\$ 1,586</u>

M. Transfers

Transfers from and to other pension plans, as reported in the financial statements, typically reflect routine transfers among the various trust funds resulting from plan membership changes and member-directed defined contribution plan selections. In Fiscal Year 2013, these transfers totaled \$5.6 million and represented an increase of \$2.6 million from the previous year.

Transfers to other funds totaled \$4.3 million in Fiscal Year 2013 and represented an operating budget transfer into the State General Fund (3ESHB 2127, Chapter 7, Laws of 2012).

N. Contingencies—Litigation

As a state agency, DRS is party to legal proceedings that normally occur in governmental operations. There are pending legal actions involving DRS. For each pending legal action, DRS has good defenses and will continue to vigorously defend each case.

In the case of *WEA, et al., v. Dept. of Retirement Systems & State of Washington*, King County Superior Court No. 07-2-17203-3 SEA, plaintiffs challenge the 2007 Legislature’s repeal of gainsharing and the repeal of replacement benefits if gainsharing is restored. Three cases were filed in King County Superior Court and have been consolidated into one case. The case was brought as a class action.

The trial court ruled in favor of plaintiffs and against the State of Washington and DRS in Phase 1 of this litigation which dealt with whether the Legislature had the authority to repeal gain-sharing. The trial court ruled in favor of the State and DRS in Phase 2 of the litigation which dealt with whether the Legislature could repeal the replacement benefits if gainsharing is restored.

The State and DRS filed an appeal to the Supreme Court challenging the Superior Court order. Briefing is nearly completed and oral arguments will be held in late October 2013. Plaintiffs do not request damages. Instead, they ask for the return of gainsharing and to retain the benefits that were enacted by the Legislature to replace gainsharing for certain Plan 2 members. There is a likelihood of a favorable outcome for DRS on appeal.

In the case of *WEA, WFSE & RPEC v. Dept. of Retirement Systems and State of Washington*, Thurston County Superior Court No. 11-2-02213-4, unions representing PERS Plan 1 and TRS Plan 1 members and retirees filed a lawsuit in October 2011 alleging, among other claims, that the 2011 Legislature’s suspension of the annual adjustment to the

Plan 1 retirement benefit violated their constitutionally protected contract rights.

The Court ruled in favor of the plaintiffs and against the State and DRS on the issue of a constitutionally-protected contract right, but ruled in favor of the State and DRS and against the plaintiffs regarding the membership in the class.

The State and DRS filed an appeal to the Supreme Court challenging the Superior Court order. The case has been joined with the above gainsharing case.

It is unclear at this time what specific damages the plaintiffs will seek if they are ultimately successful. There is a likelihood of a favorable outcome for DRS on appeal.

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Note 2: General Description of the Retirement Systems

A. General

The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. As established in the Revised Code of Washington (RCW) chapter 41.50, the Department of Retirement Systems (DRS) administers eight retirement systems covering eligible employees of the state and local governments.

The Governor appoints the Director of DRS. Administration of the retirement systems is funded by a current employer rate of .16 percent of reported compensation.

The retirement systems are comprised of 12 defined benefit pension plans and three combination defined benefit plans with defined contribution components, as follows:

Public Employees' Retirement System (PERS)

- Plan 1 — defined benefit
- Plan 2 — defined benefit
- Plan 3 — defined benefit/defined contribution

School Employees' Retirement System (SERS)

- Plan 2 — defined benefit
- Plan 3 — defined benefit/defined contribution

Public Safety Employees' Retirement System (PSERS)

- Plan 2 — defined benefit

Teachers' Retirement System (TRS)

- Plan 1 — defined benefit
- Plan 2 — defined benefit
- Plan 3 — defined benefit/defined contribution

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

- Plan 1 — defined benefit
- Plan 2 — defined benefit

Washington State Patrol Retirement System (WSPRS)

- Plan 1 — defined benefit
- Plan 2 — defined benefit

Judicial Retirement System (JRS)

- Defined benefit

Judges' Retirement Fund (Judges)

- Defined benefit

Number of Participating Members

Plan	Retirees and Beneficiaries Receiving Benefits	Terminated Members Entitled to But Not Yet Receiving Benefits	Active Plan Members Vested	Active Plan Members Nonvested	Total
PERS Plan 1	52,672	1,594	6,275	360	60,901
PERS Plan 2	27,820	24,953	88,630	27,247	168,650
PERS Plan 3	1,750	3,968	11,412	16,666	33,796
SERS Plan 2	4,437	4,992	13,209	7,637	30,275
SERS Plan 3	3,214	5,928	20,139	10,573	39,854
PSERS Plan 2	27	60	2,083	2,167	4,337
TRS Plan 1	36,054	477	2,989	30	39,550
TRS Plan 2	3,060	2,348	5,431	5,418	16,257
TRS Plan 3	3,804	6,720	34,558	16,931	62,013
LEOFF Plan 1	7,845	–	186	–	8,031
LEOFF Plan 2	2,344	689	14,087	2,633	19,753
WSPRS Plan 1	915	120	712	–	1,747
WSPRS Plan 2	–	8	195	159	362
JRS	119	–	2	–	121
Judges	12	–	–	–	12
Total	144,073	51,857	199,908	89,821	485,659

The latest actuarial valuation date for all plans was June 30, 2012.
Source: Washington State Office of the State Actuary

Number of Participating Employers

Plan	State of Washington*	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
PERS Plan 1	135	172	216	183	706
PERS Plan 2	167	276	–	491	934
PERS Plan 3	157	209	–	298	664
SERS Plan 2	–	–	302	–	302
SERS Plan 3	–	–	301	–	301
PSERS Plan 2	9	65	–	1	75
TRS Plan 1	49	–	295	–	344
TRS Plan 2	36	–	304	–	340
TRS Plan 3	38	–	303	–	341
LEOFF Plan 1	–	41	–	10	51
LEOFF Plan 2	8	212	–	154	374
WSPRS Plan 1	1	–	–	–	1
WSPRS Plan 2	1	–	–	–	1
Total	601	975	1,721	1,137	4,434

Employers can participate in multiple systems and/or plans. The actual total number of participating employers as of June 30, 2013 is 1,316; of which 171 are component units of the state. For a listing of the covered employers, refer to the Statistical Section of this report.

* Includes all component units of the State.

B. Plan Descriptions

Public Employees' Retirement System (PERS):

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined contribution plan with a defined contribution component. PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to PERS Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as

defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate was five and one-half percent, compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is two percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60% of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is two percent of the AFC for each year of service reduced by two percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after completing five years of eligible service.

Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65. PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions if hired prior to May 1, 2013:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from five percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a five percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For Fiscal Year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is one percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65;

- If they have 30 service credit years, are at least 55 years old, and were hired before May 1, 2013, they have the choice of a benefit that is reduced by three percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of five percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an

irrevocable election to pay increased contributions that would fund a retirement benefit with a three and one-half percent multiplier. The benefit would be capped at 75% of the AFC. Judges in PERS Plan 3 could elect a one and six-tenths percent of pay per year of service benefit, capped at 37.5% of the AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

Changes to the PERS plans resulting from recent years' legislation can be found in the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in PERS benefit provisions for the Fiscal Year ended June 30, 2013.

School Employees' Retirement System (SERS):

The Legislature created SERS in 1998 to be effective in 2000. Membership in the system includes classified employees of school districts and educational service districts. SERS is comprised of non-state-agency employees. SERS retirement benefit provisions are established in chapters 41.34 and 41.35 RCW.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes: Plan 2 is a defined benefit plan and Plan 3 is a defined benefit plan with a defined contribution component. As of September 1, 2000, the membership of classified school employees in PERS Plan 2 was transferred to SERS Plan 2. Those who joined on or after October 1, 1977 and by August 31, 2000 are SERS Plan 2 members unless they exercised an option to transfer their membership to Plan 3. Until June 30, 2007, SERS members joining the system on or after September 1, 2000 became members of SERS Plan 3. Legislation passed in 2007 gives SERS members hired on or after July 1, 2007 ninety days to make an irrevocable choice to become a member of either SERS Plan 2 or Plan 3. At the end of the ninety days, any member who has not made a choice, becomes a member of Plan 3.

SERS is comprised of and reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the SERS Plan 2 defined benefit plan accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate was five and one-half percent, compounded quarterly. Members in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from SERS-covered employment.

SERS Plan 2 members are vested after completing five years of eligible service.

Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

SERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

SERS Plan 2 members hired prior to May 1, 2013, who have 30 service credit years and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

SERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

SERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from five percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a five percent rate. There are currently no requirements for employer contributions to the defined contribution component of SERS Plan 3.

SERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, SERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For Fiscal Year 2013, SERS Plan 3 employee contributions were \$59.3 million, and plan refunds paid out were \$66.1 million.

The defined benefit portion of SERS Plan 3 provides members a monthly benefit that is one percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service

months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, SERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by September 1, 2000. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested SERS Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies according to age, for each year before age 65;
- If they have 30 service credit years, are at least 55 years old and hired before May 1, 2013, the choice of a benefit that is reduced by three percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of five percent for each year before age 65.

SERS Plan 3 defined retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

SERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

SERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a SERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Changes to the SERS plans resulting from recent legislation can be found in the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in SERS benefit provisions for the Fiscal Year ended June 30, 2013.

Public Safety Employees' Retirement System (PSERS):

PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by chapter 41.37 RCW.

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

Covered employers include:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;

- Washington State counties;
- Washington State cities, except for Seattle, Spokane and Tacoma; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

To be eligible for PSERS, an employee must work on a full time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate was five and one-half percent, compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of two percent of the average final compensation (AFC) at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is two percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Changes to the PSERS plan resulting from recent years' legislation can be found on the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in PSERS benefit provisions for the Fiscal Year ended June 30, 2013.

Teachers' Retirement System (TRS):

The Legislature established TRS in 1938. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity. TRS is comprised principally of non-state-agency employees. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by June 30, 1996 are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996 and those who exercised their transfer option, became members of TRS Plan 3. Legislation passed in 2007 gives TRS members hired on or after July 1, 2007 ninety days to make an irrevocable choice to become a member of either TRS Plan 2 or Plan 3. At the end of the ninety days, any member who has not made a choice, becomes a member of Plan 3.

TRS is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

TRS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the TRS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate was five and one-half percent, compounded quarterly. Members in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from TRS-covered employment.

TRS Plan 1 members are vested after the completion of five years of eligible service.

Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 1 provides death benefits, as well as, permanent and temporary disability benefits. TRS Plan 1 members on temporary disability receive a monthly payment of \$180 payable for up to two years, for the same occurrence. After five years of service, members on a disability retirement receive a benefit based on their salary and service to date of disability.

TRS Plan 2 members are vested after completing five years of eligible service.

Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

TRS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

TRS Plan 2 members who have 30 or more years of service credit, were hired prior to May 1, 2013, and are at least 55 years old, can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

TRS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

TRS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from five percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a five percent rate. There are currently no requirements for employer contributions to the defined contribution component of TRS Plan 3.

TRS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, TRS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For Fiscal Year 2013, TRS Plan 3 employee contributions were \$262.3 million and plan refunds paid out were \$177.6 million.

The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is one percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service

credit months. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2.

TRS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44; or after five service credit years earned in TRS Plan 2 by July 1, 1996. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies according to age, for each year before age 65;
- If they have 30 service credit years, were hired prior to May 1, 2013, and are at least 55 years old, they have the choice of a benefit that is reduced three percent for each year before age 65, or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules;
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of five percent for each year before age 65.

TRS Plan 3 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

TRS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

TRS members meeting specific eligibility requirements, have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a TRS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in TRS Plan 1 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a three and one-half percent multiplier. The benefit is capped at 75% of average final compensation.

Newly elected or appointed justices and judges who chose to become TRS members on or after January 1, 2007 were required to participate in the JBM Program.

Changes to the TRS plans resulting from recent years' legislation can be found in the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in TRS benefit provisions for the Fiscal Year ended June 30, 2013.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF):

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers who were first included effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in chapter 41.26 RCW.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate was five and one-half percent, compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of FAS
20+	2.0%
10 – 19	1.5%
5 – 9	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If there is an eligible spouse, 50 percent of the FAS, plus five percent of the FAS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If there is no eligible spouse, eligible children receive 30 percent of the FAS for the first child plus ten percent for each additional child, subject to a 60 percent limitation of the FAS, divided equally.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability benefit is 50 percent of the FAS plus five percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability benefit or service retirement benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of two percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is two percent of the FAS for each year of service. Benefits are reduced to reflect the choice of a survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement benefit of at least ten percent of final average salary and two percent per year of service beyond five years. The first ten percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

Changes to the LEOFF plans resulting from recent legislation can be found on the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in LEOFF benefit provisions for the Fiscal Year ended June 30, 2013.

Washington State Patrol Retirement System (WSPRS):

WSPRS was established by the Legislature in 1947. Any commissioned employee of the Washington State Patrol is eligible to participate. WSPRS retirement benefit provisions are established in chapter 43.43 RCW.

WSPRS is a single-employer defined benefit retirement system. WSPRS members who joined the system by December 31, 2002 are Plan 1 members. Those who joined on or after January 1, 2003 are Plan 2 members. For financial reporting and investment purposes, however, both plans are accounted for in the same pension fund.

WSPRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to WSPRS accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate was 5.364 percent annually, compounded monthly. Members in WSPRS can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from WSPRS-covered employment.

There is no vesting requirement for active WSPRS members. Inactive WSPRS members are vested after the completion of five years of eligible service.

Effective June 7, 2012, those WSPRS members who have service credit within PERS Plan 2 have the option to transfer their service credit earned as commercial vehicle enforcement officers or as communications officers into the WSPRS, provided the member pays the full actuarial cost of the transfer.

Active members are eligible for retirement at the age of 55 with no minimum required service credit, or at any age with 25 years of service credit. Members must retire at age 65. This mandatory requirement, however, does not apply to the chief of the Washington State Patrol. Inactive vested members of WSPRS are eligible for an unreduced benefit at age 60, or an actuarially reduced benefit at age 55.

The monthly benefit is two percent of the average final salary (AFS) per year of service, capped at 75 percent. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

For WSPRS Plan 1 members, the AFS is based on the average of the 24 consecutive highest-paid service credit months. Death benefits for these members, if on active duty, consist of the following: (1) If there is an eligible spouse, 50 percent of the AFS, plus five percent of the AFS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the AFS; or (2) If there is no eligible spouse, 30 percent of the AFS for the first child plus ten percent for each additional child, subject to a 60 percent limitation of the AFS; or (3) If there is no eligible spouse or children, the beneficiary gets the refund of contributions and interest.

For WSPRS Plan 2 members, the AFS is based on the average of the 60 consecutive highest-paid service credit months and excludes both voluntary overtime and cash-outs of annual and holiday leave. At retirement, these members also have the option of selecting an actuarially reduced benefit in order to provide for post-retirement survivor benefits. Death benefits for these members, if on active duty, consist of the following:

(1) If the member is single or has less than ten years of service, the return of the member's accumulated contributions; or (2) If the member is married, has an eligible child, or has completed ten years of service, a reduced benefit reflecting a joint and 100 percent survivor option, or 150 percent of the member's accumulated contributions, at the survivor's option.

WSPRS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

WSPRS benefit provisions include death benefits; however, the system provides no disability benefits. Disability benefits may be available from the Washington State Patrol (WSP). If disability benefits are received, the member may be eligible to acquire service credit for the period of disability.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a WSPRS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependents of WSPRS members killed in the course of employment include the payment of on-going eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of WSPRS members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

Changes to the WSPRS plans resulting from recent legislation can be found on the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in WSPRS benefit provisions for the Fiscal Year ended June 30, 2013.

Judicial Retirement System (JRS):

JRS was established by the Legislature in 1971. Membership includes judges elected or appointed to

the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971. The system was closed to new entrants on July 1, 1988, with new judges joining PERS. JRS retirement benefit provisions are established in chapter 2.10 RCW.

JRS is a single-employer retirement system comprised of a single defined benefit plan. JRS retirement benefits are financed on a pay-as-you-go basis from a combination of investment earnings, employer contributions, employee contributions, and a special funding situation in which the state pays the remaining contributions.

Employee contributions accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2013, the rate on employee contributions was five and one-half percent, compounded quarterly. JRS members who are vested in the plan may not elect to withdraw their contributions upon termination.

JRS members are eligible for retirement at the age of 60 with 15 years of service, or after 12 years of service (if the member left office involuntarily) with at least 15 years after beginning judicial service.

The benefit per year of service calculated as a percent of final average salary (FAS) is shown in the table below. This benefit is capped at 75% of the FAS, exclusive of cost of living increases.

Term of Service	Percent of FAS
15+	3.5%
10 – 14	3.0%

Death and disability benefits are also provided. Eligibility for death benefits while on active duty requires ten or more years of service. A monthly spousal benefit is provided which is equal to 50 percent of the benefit that the member would have received if retired. If the member is retired, the surviving spouse receives the greater of 50 percent of the member's retirement benefit or 25 percent of the FAS. For members with ten or more years of service, a disability benefit of 50 percent of the FAS is provided.

There were no material changes in JRS benefit provisions for the Fiscal Year ended June 30, 2013.

Judges' Retirement Fund:

The Judges' Retirement Fund was created by the Legislature on March 22, 1937, pursuant to chapter 2.12 RCW, to provide retirement benefits to judges of the Supreme Court, Court of Appeals, or Superior Courts of the state of Washington. Subsequent legislation required that all judges first appointed or elected to office on or after August 9, 1971, enter the Judicial Retirement System. Judges' retirement benefit provisions are established in chapter 2.12 RCW.

The Judges' Retirement Fund is a single-employer retirement system comprised of a single defined benefit plan. Retirement benefits are financed on a pay-as-you-go basis from a combination of past employee and employer contributions, and a special funding situation in which the state contributes to the plan.

There were no material changes in Judges' benefit provisions for the Fiscal Year ended June 30, 2013.

Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2013 (page 1 of 2)

(Arranged Chronologically by Effective Date)

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 521, Laws of 2009 (ESSSB 5688)	Varies per section from 7/26/09 to 1/1/14	All systems and plans	Domestic partners registered with the state will be treated the same as married spouses, to the extent that treatment is not in conflict with federal laws.
Chapter 362, Laws of 2011 (SHB 2021)	6/30/11	PERS 1 and TRS 1	The automatic annual benefit increase for retirees/beneficiaries in PERS 1 and TRS 1 is eliminated, and the Adjusted Minimum Benefit limit is increased to \$1,545 per month. Additionally, the minimum employer contribution rates for the unfunded liability of both of these plans are lowered.
Chapter 5, Laws of 2011 (HB 2070)	7/1/11	LEOFF 2, PERS, PSERS, SERS, TRS and WSPRS	DRS is required to include the qualifying foregone compensation during the 2011-2013 biennium in the benefits calculation of retiring government employees in LEOFF 2, PERS, PSERS, SERS, TRS and WSPRS.
Chapter 47, Laws of 2011 (ESHB 1981)	Varies per section from 7/1/11 to 1/1/12	PERS, PSERS, SERS and TRS	Multi-faceted bill that: <ul style="list-style-type: none"> -Limits to 867 the post retirement hours that a PERS 1 or TRS 1 retiree may work prior to suspension of the pension benefit, -Applies the return to work provision of the applicable retirement system to higher education positions eligible for the HERPs, -Prohibits higher education institutions and entities from offering participation in a HERP to any newly hired employee that has retired or is eligible to retire from a DRS administered retirement plan, -Provides, for newly hired employees eligible to participate in a HERP, the option at time of hire to participate in PERS 3, TRS 3 or a HERP, -Requires institutions to contribute a percentage of their HERP-covered employees' salary to DRS to be invested by the WSIB. These funds are intended to be used to pay required supplemental benefits to eligible HERP retirees.
Chapter 68, Laws of 2011 (HB 1263)	7/22/11	PSERS	The employer definition within PSERS is modified to include correctional entities formed by PSERS employers under the Interlocal Cooperation Act (RCW 39.34).
Chapter 80, Laws of 2011 (HB 1625)	7/22/11	PERS 3, SERS 3 and TRS 3	The investment option for new employees who default into membership in PERS 3, SERS 3 or TRS 3 by failing to choose a retirement plan within the allotted 90 days is changed from the Total Allocation Portfolio to a Retirement Strategy Fund, based on the member's birth year and an assumed retirement at age 65.
Chapter 3, Laws of 2012 (ESSB 6239)	6/7/12	All systems/plans	This bill allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this bill, survivor benefits may be available to certain members of the state's retirement systems sooner than under current law.
Chapter 72, Laws of 2012 (ESB 5159)	6/7/12	WSPRS	Current WSPRS members who have service credit earned as commercial vehicle enforcement officers within PERS 2 may transfer said credit into the WSPRS. The member must pay the full actuarial cost of the transfer.
Chapter 236, Laws of 2012 (EHB 2771)	6/7/12	LEOFF, PERS, PSERS, SERS and TRS	This bill amends the retirement statutes to clarify that governmental contractors are not employers under the system, unless otherwise qualifying, and that the determination of whether an employee/employer relationship has been established shall be based solely on the relationship between the contracted employee and the governmental employer.

**Recent Legislation Affecting Pension Systems/Plans
Administered by DRS During Fiscal Year 2013 (page 2 of 2)**
(Arranged Chronologically by Effective Date)

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 248, Laws of 2012 (SB 6134)	6/7/12	LEOFF 2	The initial timeline to transfer service credit under RCW 41.26.435 is moved from June 30, 2014 to June 30, 2012.
Chapter 22, Laws of 2013 (SB 5046)	7/28/13	PERS	The mandatory retirement criteria for District Court Judges is changed to require retirement after the end of the term of office in which they turn age 75, instead of at the end of the calendar year in which they turn age 75.
Chapter 287, Laws of 2013 (SHB 1868)	7/28/13	LEOFF 2	Allows catastrophically disabled LEOFF 2 members to be reimbursed for premiums of medical insurance other than those which are provided by the employer, COBRA, or Medicare A and/or B. The reimbursement is limited to payments made after June 30, 2013 that do not exceed the premium reimbursement amounts authorized by COBRA.

C. Funding Policy

All employers are required to contribute at the level established by the Legislature. The table at the end of this section provides the required contribution rates for all plans (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2013.

PERS: Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at seven and one-half percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from five to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. These new higher rates are also detailed in the table at the end of this section.

The methods used to determine PERS contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

SERS: Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under SERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from five to 15 percent.

The methods used to determine SERS contribution requirements are established under state statute in accordance with chapters 41.35 and 41.45 RCW.

PSERS: Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2.

The methods used to determine PSERS contribution requirements are established under state statute in accordance with chapters 41.37 and 41.45 RCW.

TRS: Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at seven and one-half percent for state elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under TRS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from five to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier of employee rates was developed to fund the increased retirement benefits of those judges that participate in the program. These higher rates are also detailed in the table at the end of this section.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.32 and 41.45 RCW.

LEOFF: Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For Fiscal Year 2013, the state contributed \$54.2 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

WSPRS: Each biennium, the state Pension Funding Council adopts the employee and the state contribution rates, subject to revision by the Legislature. The preliminary employee and the state contribution rates are developed by the Office of the State Actuary to fully fund the plan.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 43.43 and 41.45 RCW.

JRS: There are no active members in the Judicial Retirement System. The state guarantees the solvency of the JRS on a pay-as-you-go basis. Each biennium, the Legislature, through biennial appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2013, the state contributed \$10.1 million.

Judges: There are no active members in the Judges' Retirement Fund.

The state guarantees the solvency of the Judges' Retirement fund on a pay-as-you-go basis. Each biennium, therefore, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2013, however, no such appropriations were needed.

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2013 were as follows:

Actual Contribution Rates:	Employer			Employee		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3
PERS						
Members Not Participating in JBM:						
State agencies*	7.21%	7.21%	7.21%**	6.00%	4.64%	***
Local governmental units*	7.21%	7.21%	7.21%**	6.00%	4.64%	***
State government elected officials*	10.74%	7.21%	7.21%**	7.50%	4.64%	***
Members Participating in JBM:						
State agencies*	9.71%	9.71%	9.71%**	9.76%	9.10%	7.50%****
Local governmental units*	7.21%	7.21%	7.21%**	12.26%	11.60%	7.50%****
SERS						
State agencies*	n/a	7.59%	7.59%**	n/a	4.09%	***
Local governmental units*	n/a	7.59%	7.59%**	n/a	4.09%	***
PSERS						
State agencies*	n/a	8.87%	n/a	n/a	6.36%	n/a
Local governmental units*	n/a	8.87%	n/a	n/a	6.36%	n/a
TRS						
Members Not Participating in JBM:						
State agencies*	8.05%	8.05%	8.05%**	6.00%	4.69%	***
Local governmental units*	8.05%	8.05%	8.05%**	6.00%	4.69%	***
State government elected officials*	8.05%	8.05%	8.05%**	7.50%	4.69%	***
Members Participating in JBM:						
State agencies*	8.05%	n/a	n/a	9.76%	n/a	n/a
LEOFF						
Local governmental units*	0.16%	5.24%	n/a	n/a	8.46%	n/a
Ports and universities*	n/a	8.62%	n/a	n/a	8.46%	n/a
State of Washington	n/a	3.38%	n/a	n/a	n/a	n/a
WSPRS						
State agencies*	8.07%	8.07%	n/a	6.59%	6.59%	n/a

*Employer rates include an administrative expense rate of 0.16%.

**Plan 3 defined benefit portion only.

***Variable from 5% to 15% based on rate selected by the member.

****Minimum rate.

D. Funded Status and Funding Progress

The funded status of each plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

	(dollar amounts in millions)						
	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll (b-a)/c)	
PERS Plan 1	\$ 8,520.6	\$ 12,359.7	\$ 3,839.0	69%	\$ 370.8	1,035%	
PERS Plan 2/3*	\$ 22,652.6	\$ 22,779.9	\$ 127.4	99%	\$ 8,192.6	2%	
SERS Plan 2/3*	\$ 3,100.3	\$ 3,103.3	\$ 3.0	100%	\$ 1,478.8	0%	
PSERS Plan 2*	\$ 180.5	\$ 158.7	\$ (21.8)	114%	\$ 238.0	(9)%	
TRS Plan 1	\$ 7,144.5	\$ 9,038.4	\$ 1,893.9	79%	\$ 228.5	829%	
TRS Plan 2/3*	\$ 7,757.9	\$ 7,478.2	\$ (279.7)	104%	\$ 4,076.9	(7)%	
LEOFF Plan 1	\$ 5,561.6	\$ 4,120.3	\$ (1,441.2)	135%	\$ 18.8	(7,685)%	
LEOFF Plan 2*	\$ 7,221.9	\$ 6,352.9	\$ (869.0)	114%	\$ 1,560.1	(56)%	
WSPRS 1/2*	\$ 981.7	\$ 884.2	\$ (97.5)	111%	\$ 80.2	(121)%	
JRS	\$ 3.5	\$ 104.0	\$ 100.5	3%	\$ 0.3	33,779%	
Judges	\$ 1.9	\$ 3.6	\$ 1.7	52%	\$ -	n/a	

* These plans use the Aggregate Actuarial Cost method which does not separately amortize Unfunded Actuarial Accrued Liabilities (UAAAL) outside the normal cost. Therefore, as required by GASB 50, the Entry Age Normal Actuarial Liability method was used to determine the UAAAL. This method is intended to serve as a surrogate for the funded status and funding progress of these plans.

Note: Totals may not agree due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary

The Schedules of Funding Progress, presented as Required Supplementary Information (RSI) following the Notes to the Financial Statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information for the Defined Benefit Plans as of the latest valuation is shown below:

	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3	SERS Plan 2/3
Valuation – Date	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012
Actuarial Cost Method	entry age normal ¹	aggregate ²	entry age normal ¹	aggregate ²	aggregate ²
Amortization Method:					
Funding	level % ⁴	n/a	level % ⁴	n/a	n/a
GASB	level \$	n/a	level \$	n/a	n/a
Remaining Amortization Years (Closed)	10-year rolling	open plan	10-year rolling	open plan	open plan
Remaining Amortization Period (Closed)	N/A	N/A	N/A	N/A	N/A
Asset Valuation Method	8-year graded smoothed fair value ⁵				
Actuarial Assumptions:					
Investment Rate of Return ⁷	7.90%	7.90%	7.90%	7.90%	7.90%
Projected Salary Increases					
Salary Inflation at 3.75%, Plus the Merit Increases Described Below ⁵ :					
Initial Salary Merit (Grades Down to 0%)	6.1%	6.1%	5.8%	5.8%	6.9%
Merit Period (Years of Service)	17 yrs.	17 yrs.	26 yrs.	26 yrs.	20 yrs.
Includes Inflation at Cost of Living Adjustments	N/A Minimum COLA ⁶	3.00% CPI increase, maximum 3%	N/A Minimum COLA ⁶	3.00% CPI increase, maximum 3%	3.00% CPI increase, maximum 3%

N/A indicates data not applicable.

¹ PERS and TRS Plans 1 use a variation of the Entry Age Normal (EAN) cost method, whereas LEOFF 1 uses a variation of the Frozen Initial Liability (FIL) cost method.

² The aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities.

³ Pay-As-You-Go basis for funding.

⁴ Level percent of system payroll, including system growth.

⁵ Asset Valuation Method – 8 year Smoothed Fair Value – The actuarial value of assets is calculated under an adjusted market value method by starting with the market value of assets. For subsequent years, the actuarial value of assets is determined by adjusting the market value of assets to reflect the difference between the actual investment return and the expected investment return during each of the last eight years or, if fewer, the completed years since adoption, at the following rates per year (annual recognition):

Annual Gain/Loss						
Rate of Return	Smoothing Period	Annual Recognition	Rate of Return	Smoothing Period	Annual Recognition	
14.9% and up	8 years	12.50%	5.9-6.9%	2 years	50.00%	
13.9-14.9%	7 years	14.29%	4.9-5.9%	3 years	33.33%	
12.9-13.9%	6 years	16.67%	3.9-4.9%	4 years	25.00%	
11.9-12.9%	5 years	20.00%	2.9-3.9%	5 years	20.00%	
10.9-11.9%	4 years	25.00%	1.9-2.9%	6 years	16.67%	
9.9-10.9%	3 years	33.33%	0.9-1.9%	7 years	14.29%	
8.9-9.9%	2 years	50.00%	0.9% and lower	8 years	12.50%	
6.9-8.9%	1 year	100.00%				

Source: Washington State Office of the State Actuary

Chart continued on page 71

Chart continued from page 70

PSERS Plan 2	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	Judicial	Judges
6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012
aggregate ²	frozen initial liability ¹	aggregate ²	aggregate ²	entry age ³	entry age ³
N/A	level % ⁴	N/A	N/A	N/A	N/A
N/A	level \$	N/A	N/A	level \$	level \$
open plan	12.00	open plan	open plan	5-year rolling	5-year rolling
N/A	6/30/2024	N/A	N/A	N/A	N/A
8-year graded smoothed fair value ⁵	market	market			
7.90%	7.90%	7.50%	7.90%	4.00%	4.00%
6.1%	11.0%	11.0%	7.1%	0.0%	0.0%
17 yrs.	21 yrs.	21 yrs.	26 yrs.	N/A	N/A
3.00% CPI increase maximum 3%	3.00% CPI increase	3.00% CPI increase maximum 3%	3.00% CPI increase maximum 3%	3.00% CPI increase maximum 3%	3.00% none

⁶The PERS 1 and TRS 1 COLA

Qualifying retirees receive an increase in their monthly benefit once a year. The COLA on minimum benefit levels is calculated as the last unrounded minimum COLA amount increased by 3%, rounded to the nearest penny. These are some historical monthly COLA amounts per year of service:

<u>Date</u>	<u>COLA Type</u>	<u>Amount</u>
7/1/2009	Uniform	\$1.83
7/1/2010	Uniform	\$1.88
7/1/2011	Minimum	\$1.94
7/1/2012	Minimum	\$2.00
7/1/2013	Minimum	\$2.06

⁷ The Legislature prescribes the assumed rate of investment return for all plans, except Judicial and Judges.

E. Judicial Retirement Account

The Judicial Retirement Account (JRA) was established by the Legislature in 1988 to provide supplemental retirement benefits. It is a defined contribution plan administered by the state of Washington Administrative Office of the Courts (AOC), under the direction of the Board for Judicial Administration. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts, who are members of PERS for their services as a judge. Vesting is full and immediate. At June 30, 2013, there were seven active members and 157 inactive members in JRA. The state, through the AOC, is the sole participating employer in JRA.

From January 1, 2007 through December 31, 2007 any judicial members of PERS eligible to participate in JRA were able to make a one-time irrevocable election to discontinue future contributions to JRA, in lieu of prospective contributions to the Judicial Benefit Multiplier Program (JBM). Beginning January 1, 2007, any newly elected or appointed Supreme Court Justice, Court of Appeals Judge or Superior Court Judge could no longer participate in JRA and would be enrolled in the JBM Program enacted in 2006.

JRA plan members are required to contribute two and one-half percent of covered salary. The state, as employer, contributes an equal amount on a monthly basis. The employer and employee obligations to contribute are established in chapter 2.14 RCW. Plan provisions and contribution requirements are established in state statute and may be amended only by the state Legislature.

A JRA member who separates from judicial service for any reason is entitled to receive a lump-sum distribution of the accumulated contributions. The administrator of JRA may adopt rules establishing other payment options. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death is to be paid to the member's estate, or such person or persons, trust or organization as the member has nominated by written designation.

The Administrator of JRA has entered into an agreement for services with DRS and with the Washington State Investment Board (WSIB). Under this agreement, DRS is responsible for all record keeping, accounting, and reporting of member accounts and the WSIB is granted the full power to establish investment policy, develop participant investment options, and manage the investment funds for the JRA plan, consistent with the provisions of RCW 2.14.080 and 43.84.150.

F. Deferred Compensation Program

The state of Washington offers its employees and employees of those political subdivisions that elect to participate, a deferred compensation program (DCP) pursuant to RCW 41.50.770, in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, disability, death or unforeseeable financial emergency. This deferred compensation program is administered by DRS.

The intent of the program is to provide additional income to participants upon retirement. By deferring part of their income, participants can reduce their taxable income each year. The investments remain tax-free until they are withdrawn. The program provides participants with a means to easily save money and help supplement their other retirement income.

Employees participating in DCP self-direct their investments through options provided by the WSIB. The WSIB has the full power to invest moneys in DCP in accordance with RCW 43.84.150, 43.33A.140, and 41.50.770.

The program offers two investment options.

- The **One-Step Investing** option is designed for those who do not have the desire, comfort level and/or time to select, monitor and rebalance, as needed, their own allocation mix of funds. Each Retirement Strategy Fund is diversified and automatically rebalances, adjusting the participant's allocation mix as the participant

moves toward a retirement date. The funds in this option include:

- o 2000 Retirement Strategy
- o 2005 Retirement Strategy
- o 2010 Retirement Strategy
- o 2015 Retirement Strategy
- o 2020 Retirement Strategy
- o 2025 Retirement Strategy
- o 2030 Retirement Strategy
- o 2035 Retirement Strategy
- o 2040 Retirement Strategy
- o 2045 Retirement Strategy
- o 2050 Retirement Strategy
- o 2055 Retirement Strategy

- The **Build and Monitor** option requires the participant to:
 - o Select fund(s) from any or all of the following seven professionally managed funds:
 - Emerging Market Equity Index Fund
 - Global Equity Index Fund
 - Savings Pool
 - Socially Responsible Balanced Fund
 - U.S. Large Cap Equity Index Fund
 - U.S. Small Cap Value Equity Index Fund
 - Washington State Bond Fund
 - o Monitor account activity
 - o Rebalance the allocation mix as necessary to maintain the desired investment objectives

DCP participants may adjust or suspend their participation in the program at any time. Upon separation from employment, DCP participants have the option of withdrawing some or all of the balance in their account or leaving their balance in place to continue to benefit from market fluctuations.

The IRS requires a DCP participant to start receiving mandatory account distributions at retirement, or by April of the year after the participant turns 70 ½ years old, whichever comes later.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust by the WSIB, as set forth under RCW 43.33A.030, for the exclusive benefit of the DCP participants and their beneficiaries. Neither the participant, nor the participant's beneficiary or beneficiaries, nor any other designee, has any right to commute, sell, assign, transfer, or otherwise convey the right to receive any payments under the plan. These payments and rights thereto are non-assignable and non-transferable.

Required Supplementary Information

Schedule of Funding Progress: PERS Plan 1

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 8,521	\$ 8,883	\$ 9,293	\$ 9,776	\$ 9,853	\$ 9,715
Actuarial Accrued Liability	\$12,360	\$12,571	\$12,538	\$13,984	\$13,901	\$13,740
Unfunded Actuarial Liability	\$ 3,839	\$ 3,688	\$ 3,245	\$ 4,209	\$ 4,048	\$ 4,025
Funded Ratio	69%	71%	74%	70%	71%	71%
Covered Payroll	\$ 371	\$ 432	\$ 507	\$ 580	\$ 638	\$ 676
Unfunded Actuarial Liability as a Percentage of Covered Payroll	1035%	854%	640%	725%	634%	595%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: PERS Plan 2/3

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$22,653	\$20,997	\$19,474	\$18,260	\$16,693	\$14,888
Actuarial Accrued Liability	\$22,780	\$21,627	\$20,029	\$18,398	\$16,508	\$14,661
Unfunded Actuarial Liability	\$ 127	\$ 630	\$ 555	\$ 137	\$ (185)	\$ (227)
Funded Ratio	99%	97%	97%	99%	101%	102%
Covered Payroll	\$ 8,193	\$ 8,148	\$ 8,206	\$ 8,132	\$ 7,869	\$ 7,157
Unfunded Actuarial Liability as a Percentage of Covered Payroll	2%	8%	7%	2%	(2)%	(3)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: SERS Plan 2/3

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$3,100	\$ 2,872	\$ 2,664	\$ 2,503	\$ 2,303	\$ 2,133
Actuarial Accrued Liability	\$3,103	\$ 2,956	\$ 2,706	\$ 2,493	\$ 2,207	\$ 1,998
Unfunded Actuarial Liability	\$ 3	\$ 84	\$ 41	\$ (10)	\$ (95)	\$ (136)
Funded Ratio	100%	97%	98%	100%	104%	107%
Covered Payroll	\$1,479	\$ 1,490	\$ 1,475	\$ 1,467	\$ 1,379	\$ 1,283
Unfunded Actuarial Liability as a Percentage of Covered Payroll	0%	6%	3%	(1)%	(7)%	(11)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: PSERS Plan 2

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 180	\$ 141	\$ 103	\$ 69	\$ 39	\$ 14
Actuarial Accrued Liability	\$ 159	\$ 126	\$ 94	\$ 64	\$ 37	\$ 19
Unfunded Actuarial Liability	\$ (22)	\$ (14)	\$ (9)	\$ (5)	\$ (2)	\$ 6
Funded Ratio	114%	111%	109%	108%	106%	71%
Covered Payroll	\$ 238	\$ 233	\$ 227	\$ 223	\$ 200	\$ 134
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(9)%	(6)%	(4)%	(2)%	(1)%	4%

*Data not available

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: TRS Plan 1

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 7,145	\$ 7,485	\$ 7,791	\$ 8,146	\$ 8,262	\$ 8,302
Actuarial Accrued Liability	\$ 9,038	\$ 9,232	\$ 9,201	\$ 10,820	\$ 10,754	\$ 10,826
Unfunded Actuarial Liability	\$ 1,894	\$ 1,747	\$ 1,410	\$ 2,674	\$ 2,492	\$ 2,524
Funded Ratio	79%	81%	85%	75%	77%	77%
Covered Payroll	\$ 228	\$ 284	\$ 344	\$ 389	\$ 432	\$ 426
Unfunded Actuarial Liability as a Percentage of Covered Payroll	829%	615%	410%	688%	576%	592%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: TRS Plan 2/3

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 7,758	\$ 7,141	\$ 6,593	\$ 6,160	\$ 5,681	\$ 5,277
Actuarial Accrued Liability	\$ 7,478	\$ 7,194	\$ 6,558	\$ 6,048	\$ 5,264	\$ 4,682
Unfunded Actuarial Liability	\$ (280)	\$ 53	\$ (36)	\$ (112)	\$ (417)	\$ (594)
Funded Ratio	104%	99%	101%	102%	108%	113%
Covered Payroll	\$ 4,077	\$ 4,085	\$ 3,966	\$ 3,957	\$ 3,621	\$ 3,318
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(7)%	1%	(1)%	(3)%	(12)%	(18)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: LEOFF Plan 1

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 5,562	\$ 5,565	\$ 5,561	\$ 5,612	\$ 5,592	\$ 5,298
Actuarial Accrued Liability	\$ 4,120	\$ 4,145	\$ 4,393	\$ 4,492	\$ 4,368	\$ 4,340
Unfunded Actuarial Liability	\$(1,441)	\$(1,421)	\$(1,168)	\$(1,120)	\$(1,225)	\$ (958)
Funded Ratio	135%	134%	127%	125%	128%	122%
Covered Payroll	\$ 19	\$ 25	\$ 29	\$ 33	\$ 37	\$ 43
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(7,685)%	(5,794)%	(4,012)%	(3,360)%	(3,303)%	(2,243)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: LEOFF Plan 2

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 7,222	\$ 6,621	\$ 6,043	\$ 5,564	\$ 5,053	\$ 4,360
Actuarial Accrued Liability	\$ 6,353	\$ 5,941	\$ 5,164	\$ 4,641	\$ 3,998	\$ 3,626
Unfunded Actuarial Liability	\$ (869)	\$ (679)	\$ (879)	\$ (923)	\$(1,054)	\$ (734)
Funded Ratio	114%	111%	117%	120%	126%	120%
Covered Payroll	\$ 1,560	\$ 1,535	\$ 1,490	\$ 1,442	\$ 1,345	\$ 1,234
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(56)%	(44)%	(59)%	(64)%	(78)%	(59)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: WSPRS Plan 1/2

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 982	\$ 949	\$ 920	\$ 900	\$ 870	\$ 800
Actuarial Accrued Liability	\$ 884	\$ 859	\$ 812	\$ 790	\$ 745	\$ 702
Unfunded Actuarial Liability	\$ (97)	\$ (90)	\$ (107)	\$ (110)	\$ (124)	\$ (98)
Funded Ratio	111%	110%	113%	114%	117%	114%
Covered Payroll	\$ 80	\$ 82	\$ 83	\$ 83	\$ 79	\$ 72
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(121)%	(111)%	(130)%	(133)%	(158)%	(136)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: JRS

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 3	\$ 5	\$ 4	\$ 2	\$ 1	\$ 1
Actuarial Accrued Liability	\$ 104	\$ 109	\$ 84	\$ 89	\$ 92	\$ 85
Unfunded Actuarial Liability	\$ 101	\$ 104	\$ 80	\$ 87	\$ 91	\$ 85
Funded Ratio	3%	5%	5%	2%	1%	1%
Covered Payroll	\$ 0.3	\$ 0.5	\$ 0.7	\$ 0.9	\$ 1.3	\$ 1.3
Unfunded Actuarial Liability as a Percentage of Covered Payroll	33,779%	22,574%	11,565%	9,216%	7,141%	6,374%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: Judges

(dollars in millions)

	2012	2011	2010	2009	2008	2007
Actuarial Valuation Date	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07
Actuarial Value of Plan Assets	\$ 1.9	\$ 2.3	\$ 2.8	\$ 3.3	\$ 3.6	\$ 4.0
Actuarial Accrued Liability	\$ 3.6	\$ 3.9	\$ 3.2	\$ 3.4	\$ 3.5	\$ 3.9
Unfunded Actuarial Liability	\$ 1.7	\$ 1.5	\$ 0.4	\$ 0.1	\$ (0.1)	\$ (0.1)
Funded Ratio	52%	61%	87%	97%	104%	103%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded Actuarial Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a

Source: Washington State Office of the State Actuary

Note on PERS Plan 2/3, SERS Plan 2/3, PSERS Plan 2, TRS Plan 2/3, LEOFF Plan 2, and WSPRS Plan 1/2: These plans all use the Aggregate actuarial cost method which does not identify or separately amortize unfunded actuarial accrued liabilities. For this reason, the information about funded status and funding progress shown above for these plans has been prepared using the Entry Age Actuarial Cost method and is intended to serve as a surrogate for the funded status and funding progress information of these plans, as required by GASB 50.

Note for all plan schedules: Liability amounts and ratios/percentages are based on actual not rounded figures.

Schedule of Contributions from Employers and Other Contributing Entities

The following schedule covers the fiscal years ended 2008-2013.

	(dollars in millions)											
	Annual Required Contribution*						Percentage Contributed					
	2013	2012	2011	2010	2009	2008	2013	2012	2011	2010	2009	2008
PERS Plan 1	\$534.2	\$508.0	\$439.3	\$627.8	\$620.2	\$453.1	50%	51%	33%	25%	52%	49%
PERS Plan 2/3	408.3	407.7	408.6	383.1	369.7	363.3	95%	94%	80%	85%	119%	88%
SERS Plan 2/3	86.6	85.2	88.6	82.3	71.5	75.8	91%	88%	70%	75%	89%	69%
PSERS Plan 2	15.1	14.7	14.7	14.8	14.3	12.4	104%	104%	106%	103%	101%	94%
TRS Plan 1	275.4	254.0	205.9	406.1	391.0	294.7	43%	44%	47%	28%	46%	38%
TRS Plan 2/3	231.6	232.2	232.3	221.1	186.9	208.9	99%	92%	72%	75%	86%	52%
LEOFF Plan 1	0.0	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a
LEOFF Plan 2	94.7	97.3	84.0	112.2	105.3	102.1	144%	137%	157%	114%	122%	117%
WSPRS Plan 1/2	2.5	2.9	2.3	6.6	5.0	6.8	260%	224%	228%	80%	127%	89%
JRS	21.7	22.6	18.6	20.4	21.2	26.6	47%	36%	59%	57%	49%	36%
Judges	0.4	0.3	0.1	0.0	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a

*The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic experience gains and losses. The methods used to derive the ARC for this accounting disclosure are different from the methods used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation) and different actuarial cost methods. For these reasons, the actual contributions will not match the Annual Required Contributions. Starting in 2009, we calculated the ARC for PERS and TRS Plans 1 under the Entry Age Normal Cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).

Source: Washington State Office of the State Actuary

Supporting Schedules

Schedule of Administrative Expenses

For the Year Ended June 30, 2013

(expressed in thousands)

	Retirement Pension Trust Funds	Deferred Compensation Trust Fund	Totals	
			June 30, 2013	June 30, 2012
Current				
Personnel:				
Salaries and Wages	\$ 11,517	\$ 935	\$ 12,452	\$ 12,120
Employee Benefits	3,815	313	4,128	4,130
Personal Service Contracts	1,538	2	1,540	1,451
Total Personnel Expenses	16,870	1,250	18,120	17,701
Goods and Services:				
Actuary Services	1,604	—	1,604	1,579
Archives and Records Management	39	3	42	44
Attorney General Services	71	18	89	53
Audit Services	61	4	65	89
Bad Debts Expense	537	—	537	74
Collections	39	—	39	115
Communications	501	10	511	593
Data Processing Services	1,969	24	1,993	1,991
Employee Professional Development and Training	181	4	185	126
Facilities and Services	348	18	366	379
Insurance	5	—	5	5
Legal Fees	1,990	—	1,990	1,955
LEOFF 2 Board Governance	930	—	930	822
Medical Consultant Services	20	—	20	93
Other Contractual Services	682	4	686	686
Other Goods and Services	9	—	9	23
OMWBE Services	1	—	1	1
Pension Funding Council Services	115	—	115	—
Personnel Services	43	3	46	37
Printing and Reproduction	206	6	212	256
Rental and Leases	1,441	96	1,537	1,583
Repairs and Alterations	184	14	198	167
Subscriptions	28	—	28	31
Supplies and Materials	62	3	65	58
Utilities	125	—	125	140
Vehicle Maintenance	—	9	9	—
Total Goods and Services	11,191	216	11,407	10,900
Miscellaneous Expenses:				
Grants, Benefits and Client Services	33	—	33	—
Noncapitalized Equipment	1,101	64	1,165	174
Travel	76	35	111	107
Total Miscellaneous Expenses	1,210	99	1,309	281
Total Current Expenses	29,271	1,565	30,836	28,882
Capital Outlays:				
Furnishings, Equipment and Software	69	3	72	740
Improvements Other than Buildings	—	—	—	28
Total Capital Outlays	69	3	72	768
Depreciation and Loss – Capital Assets	168	—	168	185
Total Administrative Expenses	\$ 29,508	\$ 1,568	\$ 31,076	\$ 29,835

Schedule of Investment Expenses

Pension Trust Funds

For the Year Ended June 30, 2013

(expressed in thousands)

	Fees Paid	Netted Fees*	Total Fees and Expenses
Equity Securities			
Public Equity - Emerging Markets	\$ 12,266	\$ 7,972	\$ 20,238
Active Equity - Global	24,604	-	24,604
Passive Equity - Global	971	-	971
Alternative Investments			
Private Equity	158,892	36,896	195,788
Real Estate	13,525	21,750	35,275
Tangible Assets	19,179	-	19,179
Securities Lending Expenses	2,720	-	2,720
Cash Management	2,159	-	2,159
Other Fees:			
Consultants and Accounting	1,763	-	1,763
DCP Management Fees	4,473	-	4,473
JRA Management Fees	18	-	18
Legal Fees	980	-	980
PERS Plan 3 - SELF Management Fees	871	-	871
Research Services	1,940	-	1,940
SERS Plan 3 - Management Fees	396	-	396
TRS Plan 3 - Management Fees	2,453	-	2,453
WSIB Operating Costs	9,481	-	9,481
Miscellaneous Fees	233	-	233
Total Investment Expenses	<u>\$ 256,924</u>	<u>\$ 66,618</u>	<u>\$ 323,542</u>

*Netted fees are included in unrealized gains (losses) in the accompanying financial statements.

Schedule of Payments to Consultants

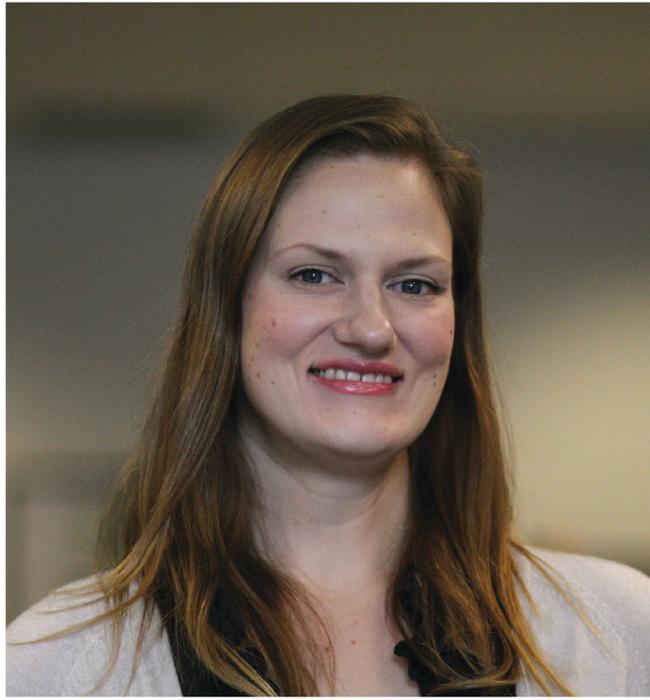
For the Year Ended June 30, 2013

(expressed in thousands)

	<u>Commissions/Fees</u>
Computer/Technology	
Aetea Information Technology	\$ 172
Fuze Digital Solutions, LLC	60
Martin Analysis and Programming, Inc.	313
Milestone Technology	<u>27</u>
Total Computer/Technology	<u>572</u>
Legal	
Buell Realtime Reporting, LLC	5
Calfo Harrigan Leyh & Eakes, LLP	522
Foster Pepper & Shefelman, PLLC	8
Freimund Jackson Tardif & Benedict Garratt, PLLC	132
Gallitano & O'Connor, LLP	29
Ice Miller, LLP	<u>46</u>
Total Legal	<u>742</u>
Management	
Cheiron, Inc.	115
CliftonLarsonAllen, LLP	66
CEM Benchmarking, Inc.	40
Kelly Services, Inc.	83
Mass Ingenuity, LLC	190
Solutions@Work	<u>18</u>
Total Management	<u>512</u>
Recordkeeping	
ICMA Retirement Corporation	<u>1,273</u>
Total Recordkeeping	<u>1,273</u>
Total Payments to Consultants	<u>\$ 3,099</u>

For fees paid to investment professionals, refer to the Investment section of this report.

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*My team members are very hard workers,
very accountable, very professional. You
know the job is going to be done right.*

Report on Investment Activity

Prepared by the Washington State Investment Board

Overview

The Washington State Investment Board (WSIB) manages retirement fund assets to maximize return at a prudent level of risk (Chapter 43.33A.110 RCW). Investment decisions are made within the framework of a Strategic Asset Allocation Policy, and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

The Retirement Funds, collectively called the Commingled Trust Fund (CTF), increased in value by \$6.2 billion during fiscal 2013 to \$67.9 billion. The CTF return was 12.4% for the fiscal year.

Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Additional general information about the CTF includes:

- **Participant Concentration** – The DRS Retirement Funds make up 99.7% of the CTF. Their respective concentrations are:
 - PERS 1 (10.8%)
 - PERS 2/3 DB and DC plans (36.1%)
 - SERS 2/3 DB and DC plans (6.2%)
 - PSERS 2 (0.3%)
 - TRS 1 (9.0%)
 - TRS 2/3 DB and DC plans (17.1%)
 - WSPRS 1/2 (1.4%)
 - LEOFF 1 (7.6%)
 - LEOFF 2 (11.2%)
 - Judicial (0.0%)
- **External Managers** – The WSIB engages approximately 140 partnerships and external managers to assist in the management of the CTF's investments.
- **Risk** – The various risks of the CTF portfolio include interest rate risk, credit risk, concentration risk, and foreign currency risk, as described in Note 1 of the Financial Section of this report. The WSIB has not created a total fund risk profile for the CTF.
- **Leverage** – The WSIB does not leverage the CTF portfolio as a whole. Individual securities within the CTF do have leverage; however, the WSIB does not capture this information on a total basis.
- **Earnings** – The CTF does not distribute earnings directly to the owner funds. The Retirement Fund plans are allowed to purchase or sell units in the pool, based on the fair value of the underlying assets, on the first business day of each month. The net asset value includes interest and dividend income which is recognized on a trade date basis, and purchases and sales of investments which are recorded on a trade date basis.
- **Expense** – The CTF's expense ratio for the year ended June 30, 2013 was 0.5415%.
- **Yield** – The CTF's fixed income portfolio has a yield of 3.27%.
- **Weighted Average Maturity** – The CTF fixed income portfolio has a weighted average maturity of 5.62 years. Additional maturity information is available in Note 1 of the Financial Section of this report.

Basis of Presentation of Investment Data

Investments are reported at fair value. Unrealized gains and losses are included as investment income.

The net assets of the Retirement Funds are valued on a monthly basis using the following sources:

Publicly Traded Securities (Corporate stock, Commingled Funds investment derivatives, and Fixed Income): Fair values are based on published market prices, quotations from national security exchanges,

and security pricing services as of each month-end closing of the New York Stock Exchange.

Limited Partnerships: The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity, real estate, and tangible assets) has been determined by management based on the individual investment's capital account balance, reported at fair value by the general partner, at the closest available reporting period, adjusted for subsequent contributions, distributions, management fees, and changes in value of foreign currency and published market prices for certain securities. The limited partnership's annual financial statements are audited by independent auditors.

Private Equity Limited Partnerships: The fair value of individual capital account balances is based on the valuations reported by private equity partnerships using the following methodologies to value the underlying portfolio companies:

- Valuations of publicly traded portfolio companies are based on active exchanges using quoted market prices as of the close of trading for each month-end.
- When a portfolio company investment does not have a readily available market price, but has a return that is determined by reference to an asset for which a market price is readily available, valuations are based on the closing market price of the reference asset on the valuation date, adjusted for factors that affect the fair value of the investment held.
- When the portfolio company investments are private holdings and are not traded on active security exchanges, valuation methodologies used consist primarily of income and market approaches. The income approach involves a discounted cash flow analysis based on portfolio companies' projections. The market approach involves valuing a company at a multiple of a specified financial measure (generally EBITDA) based on multiples at which comparable companies trade.

Real Estate Limited Partnerships: Real estate partnerships provide quarterly valuations, based on the most recent capital account balance, to WSIB management. Individual properties are valued by the partnerships at least annually, and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally valued every one to five years, depending upon the partnership. Structured finance investments receive quarterly value adjustments by the partners, generally applying the assumption that all such positions will be held to maturity. Annual audits of most partnerships include a review of compliance with the partnership's valuation policies.

Interest and dividend income is recognized when earned. Capital gains and losses are recognized on a trade-date basis. Purchases and sales of investments are also recorded on a trade-date basis. The investment results reported for these asset classes in the Investment Section reflect these practices.

Performance

The chart below shows the returns for the CTF on a total fund basis, as well as by asset class. Appropriate benchmark returns are provided for comparison purposes.

	Periods Ending 6/30/2013		
	1 Year	3 Year	5 Year
TOTAL FUND	12.36%	11.33%	3.81%
<i>Passive benchmark</i>	11.89%	10.34%	4.36%
Fixed Income	0.80%	4.56%	6.41%
<i>Barclays Capital Universal Index</i>	0.24%	4.09%	5.53%
Tangible	(1.75)%	2.27%	1.34%
<i>CPI (Lagged One Quarter) + 400 bp</i>	5.48%	6.24%	5.71%
Real Estate	17.86%	13.54%	0.89%
<i>8% Return Over Rolling 10 Years NCREIF Lagged One Quarter (for comparison purposes)</i>	10.52%	13.30%	2.32%
Public Equity	17.83%	13.30%	2.94%
<i>Dow Jones Wilshire Global Index</i>	17.45%	12.92%	3.09%
Private Equity	13.56%	14.12%	4.94%
<i>Russell 3000 (Lagged One Quarter) + 300 bp</i>	17.56%	15.97%	9.32%
Innovation	30.63%	(0.44)%	n/a
<i>Custom Benchmark</i>	0.32%	(2.12)%	n/a
Cash	0.16%	0.16%	0.40%
<i>90 Day T-bills</i>	0.13%	0.13%	0.32%

Performance information is compiled by the custodian, State Street Bank. Performance numbers are reported net of management fees, and are prepared using a time-weighted rate of return based on the current market value.

Asset Allocation

Investment performance is a result of two primary factors: individual asset selection and the allocation of the portfolio among asset classes (e.g. stocks, fixed income, real estate). Studies suggest that more than 90% of investment performance can be explained by asset allocation decision.

Accordingly, the WSIB sets a specific long-term target asset mix and adopts tight ranges around those targets to control the overall risk and return of the CTF. On a daily basis, the WSIB reviews the asset allocation in relation to the established ranges. The staff shifts assets whenever the allocation range for an asset exceeds the approved range or when cash is needed elsewhere. The WSIB reviews changes to the overall asset mix every three to four years.

The chart below shows the CTF's asset allocation as of June 30, 2013, as well as the long-term target allocations.

Current Asset Allocation and Long-Term Target Allocations

Asset Type	Target Allocation	Actual Allocation
Fixed Income	20.00%	22.63%
Tangible Assets	5.00%	1.52%
Real Estate	13.00%	13.62%
Public Equity	37.00%	37.71%
Private Equity	25.00%	23.81%
Innovation	0.00%	0.53%
Cash	0.00%	0.18%

Public Equity

The public equity program uses a global benchmark, the Morgan Stanley All Country World with USA Gross Investable Market Index, reflecting the globalization of capital markets. In a world in which American companies like Coca-Cola get most of their revenue from overseas and many so-called foreign companies serve mainly the U.S., distinctions between "U.S.

stocks" and "international stocks" have become increasingly blurred. The WSIB believes that the future success of the program depends on investment managers finding the most attractive opportunities wherever they are in the world.

Because U.S. equity markets are generally efficient and international equity markets are increasingly efficient, most of the WSIB's public equity investments are in low-cost, broad-based passive index funds. We employ both passive U.S. equity and passive international equity in order to maintain policy weights in both areas. All the global equity mandates in which investment firms can pick the most attractive stocks wherever they are in the world (U.S. or international), and all the emerging markets equity mandates are actively managed.

**Retirement Funds' Ten Largest Public Equity Holdings
As of 6/30/2013**

Exxon Mobil Corp.	0.97%	Philip Morris International Inc.	0.64%
Apple Inc.	0.81%	Wells Fargo & Co.	0.61%
Johnson & Johnson	0.65%	Royal Dutch Shell PLC	0.61%
Pfizer, Inc.	0.64%	Novartis AG	0.61%
Roche Holding AG	0.64%	Microsoft Corp.	0.58%

**Retirement Funds' Ten Largest Public Equity Exposures by Country
As of 6/30/2013**

United States	49.05%	Switzerland	3.42%
United Kingdom	9.22%	Germany	3.02%
Japan	7.53%	Australia	1.98%
Canada	3.35%	Hong Kong	1.97%
France	3.57%	Brazil	1.46%

U.S. Equity

The U.S. equity portfolio is structured to capture the returns of the broad U.S. equity market as measured by the Dow Jones Total Stock Market Index (TSMI). The index is comprised of all U.S. domiciled common equities for which pricing information is readily available, and currently represents approximately 5,000 companies. The portfolio is managed externally using a passive management strategy that tracks the index.

Non-U.S Equity

The non-U.S. equity portfolio is benchmarked to a broad non-U.S. equity benchmark, currently the MSCI All Country World ex U.S. Investable Market Index. Approximately 39% of the Public equity portfolio is invested in non-U.S. markets, 75% of which is invested in developed markets with the remaining portion invested in the emerging markets. Portfolios are managed by external managers employing primarily a passive approach in developed markets and solely active strategies in emerging markets.

Global Equity

The global equity portfolio is benchmarked to a broad global equity benchmark, currently the MSCI All Country World Index Investable Market Index with U.S. Gross. Approximately 23% of the public equity portfolio is invested in global equity strategies, which includes U.S. and non-U.S. markets. These strategies are managed by external managers employing active strategies.

Fixed Income

The fixed income portfolio is internally managed by WSIB staff with Barclays Capital Universal Index as the performance benchmark. The management strategy is primarily one of sector selection. The portfolio is structured to be over-or-under-weighted relative to the benchmark's sectors: primarily treasuries, agencies, credit, mortgage backed securities and asset backed securities. The duration of the portfolio is slightly shorter than that of the Barclays Capital Universal Index.

**Retirement Funds' Fixed Income Sector Distribution
As of 6/30/2013**

Investment Type	WSIB Fixed Income	Barclays Capital Universal Index
Treasury Inflation Protected Securities (TIPS)	0.00%	0.00%
U.S. Treasury	34.76%	30.85%
U.S. Credit	54.75%	38.45%
U.S. Agency	0.00%	3.93%
Pass Through Mortgages	3.84%	24.79%
Commercial Mtge. Backed Securities (CMBS)	1.48%	1.64%
Collateralized Mortgage Obligations (CMO)	2.18%	0.00%
Asset Backed Securities (ABS)	0.00%	0.34%
Cash	2.99%	0.00%

Private Equity

The private equity portfolio, originated in 1981, is primarily invested in partnerships that acquire or create ongoing businesses or operating companies. The WSIB has investments in all stages of the business life cycle, from private start-up technology companies to large multinational public concerns. These are long-term investments, typically 10 to 12 years in life. They are expected to generate investment returns well in excess of public equity securities.

Real Estate

The real estate portfolio is invested in a diversified group of properties including office buildings, retail facilities, apartments, warehouses and specialty properties. The majority of these investments have been made in partnerships with operating management groups. The WSIB invests in real estate both in the United States and internationally.

Tangible Assets

The Board added Tangible Assets to its asset allocation in November 2007, and adopted an investment policy for the new assets class in January 2008. The long-term allocation target is 5%, plus or minus 2%, and the benchmark is the Consumer Price Index (CPI) lagged one quarter plus 400 basis points. The categories of investments in this asset class are agriculture, commodities, infrastructure, natural resource rights and timber. As this is a new asset class, the WSIB is still working towards building to its allocated target.

Portfolio Holdings

A complete list of portfolio holdings is available by contacting:

Washington State Investment Board
2100 Evergreen Park Drive SW
PO Box 40916
Olympia WA 98504-0916
360.956.4600

Summary of Investment Policies

The Washington State Investment Board (WSIB) has been authorized by statute as having the investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk (RCW 43.33A.110).

Retirement Fund Asset Allocation

WSIB establishes asset allocation targets that must be considered at all times when making investment decisions. The asset mix may deviate from the target. Deviations greater than predetermined acceptable levels require rebalancing back to the target. When an asset class exceeds its range, the goal of rebalancing will be to meet the target allocation within consideration of the other remaining asset classes.

Retirement funds are invested in the Commingled Trust Funds (CTF). The CTF's performance benchmark objective is to exceed the return of a policy benchmark consisting of public market indices weighted according to asset allocation targets. The asset allocation for the CTF is formally reviewed every three or four years. WSIB reviews the asset allocation in relation to the established ranges periodically.

Public Markets Equity

The Public Markets equity program seeks to:

- Achieve the highest return possible from active management with passive as the default consistent with prudent risk management and the desire for downside protection;
- Maintain liquidity and transparency in public equity, given WSIB's allocation to illiquid markets and investment structures in other strategies and/or asset classes; and
- Provide diversification to the WSIB's overall investment program.

The public markets equity portion of the Retirement Funds invests in publicly traded equities globally, including equity securities in the U.S., developed non-U.S., and emerging markets. The program has a global benchmark, currently the MSCI All Country World Investable Market Index with U.S. Gross (MSCI ACWI IMI w/ U.S. Gross).

Fixed Income

The WSIB's fixed income investments are actively managed with the goal of exceeding the return of the Barclays Capital Universal Index over the long term. The major permissible investments include U.S. Treasuries and government agencies, Treasury Inflation Protection Securities (TIPS), mortgage-backed securities, asset-backed securities, and credit bonds, both investment grade in quality and below investment grade.

The portfolio is constrained by policy from investing more than 1% of the portfolio's par holdings in any single issuer with a quality rating below investment grade, and from having a duration (the sensitivity of the portfolio's market value to changes in the level of interest rates) that is more than 20% different than the duration of the Universal Index. In addition, the major sector allocations are limited to the following ranges:

U.S. Treasuries and Government Agencies	10-45%
Credit Bonds	10-60%
Asset-Backed Securities	0-10%
Commercial Mortgage-Backed Securities	0-10%
Mortgage-Backed Securities	5-45%

Private Equity Investing

The WSIB can invest in any appropriate private equity investment opportunity which has the potential for returns superior to traditional investment opportunities and which is not prohibited by the WSIB's policies or by law. As previously indicated, these investment types are divided into venture capital investments, corporate finance (including leveraged, management and employee buyouts), distressed, international and

mezzanine investments. Private equity investments are made through limited partnership vehicles.

To meet the return and plan objectives, the private equity portfolio has diversified investments in companies in a variety of stages of growth. The portfolio also includes a broad cross-section of opportunities in different industries and geographic regions.

Real Estate Program

The WSIB's real estate program is an externally managed pool of selected partnership investments, intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the WSIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the Board's long term return expectations for the asset class. The WSIB's real estate partnerships typically invest in private real estate assets that are held for long term income and appreciation. Many of the WSIB's investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions related to liquidation, acquisition and ongoing operational decisions for annual capital expenditures.

Volatility within the real estate portfolio is minimized through a combination of factors. First, the majority of the WSIB's partners own real estate assets in a private investment form which is not subject to public market volatility. Secondly, real estate capital is diversified among a host of partners with varying investment styles. Thirdly, partnership assets are invested in numerous economic regions, including foreign markets, and in various property types. Finally, WSIB partners invest at different points within the properties' capital structure and life cycle.

The WSIB's current benchmark for real estate is an 8% return over a rolling ten years. The National Council of Real Estate Investment Fiduciaries (NCREIF) property index lagged one quarter is still used for comparison purposes but is no longer the policy benchmark.

Tangible Assets

The WSIB can invest in any tangible asset investment opportunity demonstrating acceptable risk-adjusted returns provided such opportunities are not prohibited by Board policy or by law. The WSIB will seek to establish a prudent and disciplined approach to achieving a well-diversified portfolio of tangible asset investments targeting appropriate risk-adjusted returns for the asset class. Staff will make best efforts to obtain significant co-investment from their investment partners in order to improve alignment of interests.

Staff will prudently seek to diversify the portfolio cognizant of each partner's strategy and business plan. Investments will not be made solely to achieve product type or geographic diversification.

Investment Professionals

For the Year Ended June 30, 2013 (page 1 of 2)

The following investment professionals provided service to the Retirement Funds during Fiscal Year 2013:

PRIVATE EQUITY PARTNERS

ACCEL PARTNERS	GEOCAPITAL PARTNERS
ACTIS	GGV CAPITAL
ADVENT INTERNATIONAL	GILBERT GLOBAL EQUITY PARTNERS
AFFINITY EQUITY PARTNERS	GREAT HILL PARTNERS
ALTA COMMUNICATIONS	GREEN MOUNTAIN PARTNERS
AMPERSAND VENTURES	GRYPHON INVESTORS
APAX PARTNERS	GTCR
APEX INVESTMENT PARTNERS	H.I.G. VENTURES
AUSTIN VENTURES	HARBOURVEST PARTNERS
AVENUE CAPITAL GROUP	HEALTHCARE VENTURES
BANC FUNDS	HELLMAN & FRIEDMAN
BATTERY VENTURES	INDIGO CAPITAL PARTNERS
BC PARTNERS	INSIGHT VENTURE PARTNERS
BLACKSTONE GROUP	INTERSOUTH PARTNERS
BOSTON VENTURES	INTERWEST PARTNERS
BRIDGEPOINT CAPITAL	JLL PARTNERS
BUTLER CAPITAL PARTNERS	JMI EQUITY
CANAAN PARTNERS	KOHLBERG KRAVIS ROBERTS & CO.
CAPITAL RESOURCE PARTNERS	KSL CAPITAL PARTNERS
CDH INVESTMENTS	LEONARD GREEN & PARTNERS
CHARTERHOUSE CAPITAL PARTNERS	M/C VENTURE PARTNERS
CINVEN LTD.	MADISON DEARBORN PARTNERS
CLAYTON DUBILIER & RICE	MATLIN PATTERSON GLOBAL ADVISORS
CODE, HENNESSY & SIMMONS	MENLO VENTURES
COLLLISON, HOWE AND LENNOX	MOBIUS VENTURE CAPITAL
CYPRESS GROUP	MORGAN STANLEY VENTURE PARTNERS
DENHAM CAPITAL	NEW ENTERPRISE ASSOCIATES
DOUGHTY HANSON & CO.	NORDIC CAPITAL
EDGEWATER FUNDS	OAK INVESTMENT PARTNERS
EL DORADO VENTURES	OAKTREE CAPITAL MANAGEMENT
ELEVATION PARTNERS	OLYMPUS PARTNERS
ENDEAVOUR CAPITAL	OVP VENTURE PARTNERS
ESSEX WOODLANDS	PALAMON CAPITAL PARTNERS
EVERCORE CAPITAL PARTNERS	PERMIRA
EVERGREEN PACIFIC PARTNERS	POLARIS VENTURE PARTNERS
FIRST RESERVE CORP.	PRISM VENTURE PARTNERS
FISHER LYNCH CAPITAL	PROVIDENCE EQUITY PARTNERS
FLAGSHIP VENTURES	RICHLAND VENTURE PARTNERS
FORTRESS INVESTMENT GROUP	ROARK CAPITAL GROUP
FOUNTAINVEST PARTNERS	SILVER LAKE PARTNERS
FRANCISCO PARTNERS	SOUTHERN CROSS GROUP
FRAZIER & CO.	SPARK MANAGEMENT PARTNERS

Investment Professionals

For the Year Ended June 30, 2013 (page 2 of 2)

PRIVATE EQUITY PARTNERS (CONT.)

SPECTRUM EQUITY INVESTORS
SPROUT GROUP
SWANDER PACE CAPITAL
TA ASSOCIATES
TAILWIND CAPITAL PARTNERS
TECHNOLOGY CROSSOVER VENTURES
THE RIVERSIDE COMPANY
THREE ARCH PARTNERS
TOWERBROOK CAPITAL PARTNERS
TPG PARTNERS
TRIDENT CAPITAL PARTNERS
TRITON PARTNERS
U.S. VENTURE PARTNERS
UNION SQUARE VENTURES
UNITAS CAPITAL
VANTAGE POINT VENTURE PARTNERS
VARDE PARTNERS
VESTAR CAPITAL PARTNERS
VISION CAPITAL
VIVO VENTURES
WARBURG PINCUS
WELSH CARSON ANDERSON & STOWE
WORLDVIEW TECHNOLOGY PARTNERS

REAL ESTATE PARTNERS

CHEROKEE
CORPORATE PROPERTIES OF THE AMERICAS
EMERGING MARKETS FUND OF FUNDS
EVERGREEN INVESTMENT ADVISORS
FILLMORE CAPITAL PARTNERS
GLOBAL CO-INVESTMENT
HOMETOWN AMERICA
HUDSON ADVISORS
MORGAN STANLEY
PACIFIC REALTY
PBSC HOLDINGS
PRINCIPAL ENTERPRISE CAPITAL
HEMISFERIO SUL
TERRAMAR RETAIL CENTERS
WARBURG PINCUS
WASHINGTON HOLDINGS

TANGIBLE PARTNERS

ALINDA CAPITAL MARKETS
GLOBAL INFRASTRUCTURE PARTNERS
HIGHSTAR CAPITAL
RED KITE MANAGEMENT
SHERIDAN PRODUCTION PARTNERS
STONEPEAK INFRASTRUCTURE PARTNERS
THE CAMPBELL GROUP

PUBLIC EQUITY FUND MANAGERS

ABERDEEN ASSET MANAGEMENT PLC
ARROWSTREET CAPITAL, LP
BLACKROCK INSTITUTIONAL TRUST CO.
CAPITAL GUARDIAN TRUST CO.
DE SHAW INVESTMENT MANAGEMENT
GRANTHAM, MAYO, VAN OTTERLOO & CO. LLC
JPMORGAN ASSET MANAGEMENT, INC.
LAZARD ASSET MANAGEMENT LLC
LONGVIEW
MONDRIAN INVESTMENT PARTNERS LTD.
STATE STREET GLOBAL ADVISORS
WENTWORTH, HAUSER & VIOLICH
WILLIAM BLAIR & CO.

OVERLAY MANAGER

STATE STREET GLOBAL ADVISORS

OTHER

FINANCIAL CONTROL SYSTEMS (CONSULTING AND ACCOUNTING)
HAMILTON LANE ADVISORS (CONSULTING)
ICMA RETIREMENT CORPORATION (RECORDKEEPING)

Schedule of Investment Management Fees and Commissions

For the Year Ended June 30, 2013

(expressed in thousands)

	Fees Paid	Netted Fees*	Total Fees	Assets Under Management
Equity Securities:				
Public Equity - Emerging Markets	\$ 12,266	\$ 7,972	\$ 20,238	\$ 2,551,953
Active Equity - Global	24,604	-	24,604	7,074,085
Passive Equity - Global	971	-	971	15,969,958
Alternative Investments:				
Private Equity	158,892	36,896	195,788	16,024,492
Real Estate	13,525	21,750	35,275	9,356,864
Tangible Assets	19,179	-	19,179	1,029,315
SECURITIES LENDING EXPENSES	2,720	-	2,720	-
Cash Management	2,159	-	2,159	-
Other Fees:				
Consultants and Accounting	1,763	-	1,763	-
DCP Management Fees	4,473	-	4,473	-
JRA Management Fees	18	-	18	-
Legal Fees	980	-	980	-
PERS Plan 3 - SELF Management Fees	871	-	871	-
Research Services	1,940	-	1,940	-
SERS Plan 3 - SELF Management Fees	396	-	396	-
TRS Plan 3 - SELF Management Fees	2,453	-	2,453	-
WSIB Operating Costs	9,481	-	9,481	-
Miscellaneous Fees	233	-	233	-
Total Investment Expenses	<u>\$ 256,924</u>	<u>\$ 66,618</u>	<u>\$ 323,542</u>	<u>\$ 52,006,667</u>

*Netted fees are included in the unrealized gains (losses) in the accompanying financial statements.

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2013 (page 1 of 4)

(expressed in thousands)

Dealer	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Long-Term Volume Transacted	Short-Term Volume Transacted
ABG SECURITIES	\$ 849	\$ 2,143	\$ 10,268	\$ 17	\$ -	\$ -
AGRICOLE	-	-	-	-	41,893	-
ANZ	-	-	-	-	24,937	-
BANCBOSTON ROBERTSON STEPHENS	16,350	76,778	34,474	43	-	-
BANCO ITAU SA	699	3,610	6,639	11	79,797	-
BANCO PACT	42	-	976	2	-	-
BANCO SANTANDER	2,473	12,432	2,610	20	-	-
BANK OF AMERICA	-	-	-	-	45,422,416	-
BANK OF BOSTON	10	404	18	-	-	-
BANK VONTOBEL	91	-	2,573	4	-	-
BANQUE NATIONALE DE PARIS	4	-	134	-	-	-
BARCLAYS BANK	95	-	1,041	2	-	-
BARCLAYS CAPITAL, INC	20,020	396,095	337,042	92	435,140	-
BARCLAYS TRUST & BANKING CO	-	-	-	-	19,949	-
BARING SECURITIES	6,056	8,848	2,625	12	-	-
BATUCHA SECURITIES	16	86	398	1	-	-
BEAR, STEARNS & COMPANY	22,919	111,144	177,546	143	-	-
BERNSTEIN SANFORD	13,665	176,325	196,217	118	-	-
BNP SECURITIES	13,335	68,441	53,132	50	-	-
BROCKHOUSE & COOPER	12,588	145,154	155,228	99	-	-
BROWN, ALEX & SONS, INC	57	3,640	2	3	1,630,794	-
BTIG, LLC	1,602	-	27,810	29	-	-
BUNTING WARBURG, INC	49	1,582	1,621	1	-	-
CA CHEUVREUX NORTH AMERICA	1	-	-	-	-	-
CALYON SECURITIES	5	84	-	-	-	-
CANACCORD CAPITAL CORP	63	4,913	-	2	-	-
CANADIAN DEPOSITORY	6	-	-	-	-	-
CANTOR FITZGERALD & COMPANY	1,535	3,663	27,622	47	-	-
CAPP SECURITIES	41	-	(3)	-	-	-
CHASE MANHATTAN BANK	456	-	1,700	2	-	-
CHEVREUX DE VIRIEU	157	3,196	3,574	10	-	-
CHINA INTERNATIONAL	16,202	2,765	21,673	19	-	-
CIBC WORLD MARKETS CORP	459	-	18,778	7	-	-
CITATION GROUP	530	14,457	30,666	5	-	-
CITIBANK	381	-	401	-	4,319	-
CITIC SECURITIES BROKERAGE LTD	1,389	-	13,736	28	-	-
CITIGROUP	15,639	50,778	49,195	44	5,399,724	-
CONCORDIA SA	755	1,011	7,671	8	-	-
COWEN & COMPANY	2,726	24,894	34,500	23	-	-
CREDIT AGRIGOLE	5	71	-	-	-	-
CREDIT LYONNAIS	14,948	52,848	48,375	80	-	-

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2013 (page 2 of 4)

(expressed in thousands)

Dealer	Equity					Fixed Income	
	Volume	Buy Cost	Proceeds	Commissions	Long-Term	Short-Term	
	Transacted				Volume	Volume	
					Transacted	Transacted	
CREDIT SUISSE	\$ 14,364	\$ 41,936	\$ 28,234	\$ 68	\$ 420,266	\$ -	
CREDIT SUISSE FIRST BOSTON, LTD	10,493	68,475	131,221	156	194,186	-	
D.E. SHAW SECURITIES	1	69	-	-	-	-	
DAIWA SECURITIES GROUP	12,060	84,998	65,089	60	-	-	
DEUTSCHE BANK SECURITIES	51,779	115,528	95,266	216	11,153,611	-	
DEUTSCHE EQUITIES	163	1,407	-	2	-	-	
DEUTSCHE M	33	-	419	1	-	-	
DEUTSCH SECURITIES	3,304	-	10,057	11	-	-	
DEVELOPMENT SECURITIES CORP	52	-	2,947	1	-	-	
DSP MERRILL LYNCH	122	-	628	2	-	-	
EXANE BNP PARIBAS	527	4,493	15,848	25	-	-	
EXECUTION SERVICES, INC	188	18	1,129	1	-	-	
FATOR-DORIA & ATHERINO	365	518	4,957	5	-	-	
FERMAN - SELZ	10	-	377	-	-	-	
FIRST BOSTON CORPORATION	149,451	691,458	564,269	316	605,339	-	
FIRST HUNTINGTON COMPANY	1,420	12,042	27,558	10	-	-	
FIRST PACIFIC	1,729	1,916	7,061	4	-	-	
G-TRADE SERVICES	5,091	31,991	30,365	12	-	-	
GOLDMAN SACHS & COMPANY	12,475	64,449	54,988	141	2,487,460	-	
GOODBODY STOCKBROKERS	164	6,551	1,470	12	-	-	
GREENFIELD ARBITRAGE PARTNERS	23	-	-	-	1,301,740	-	
HANWA SECURITIES CO	30	-	8,895	7	-	-	
HONG KONG + SHANGHAI BANKING CO	82	902	-	-	-	-	
HSBC BANKBRASIL SA	24	-	168	-	-	-	
HSBC INVESTMENT BANK, PLC	4,875	13,605	10,315	12	-	-	
HSBC SECURITIES, INC	1,956	9,352	6,537	19	12,685,711	-	
INDIA INFOLINE LTD	65	-	294	1	-	-	
ING BARING SECURITIES	156	1,774	6,443	11	-	-	
INSTINET	77,198	359,539	333,722	276	-	-	
INTERACCIONES	823	-	1,464	1	-	-	
INVESTEC SECURITIES	529	7,470	2,541	15	-	-	
INVESTMENT TECHNOLOGY GROUP, INC	53,864	288,379	320,389	232	-	-	
ISI GROUP	11	1,168	-	-	-	-	
ITG INC	22,027	35,879	51,614	45	-	-	
J & E DAVY	11	897	-	1	-	-	
J.P. MORGAN & COMPANY	3,432	506	11,080	20	-	4,983	
J.P. MORGAN CHASE BANK	17	-	147	-	-	-	
J.P. MORGAN SECURITIES, INC	56,732	201,993	202,737	315	21,053,693	-	
JEFFERIES & COMPANY	479	25,697	14,226	49	998	-	
JESUP & LAMONT	-	-	-	-	91,023,320	-	
JMP SECURITIES	1,450	-	20,668	35	-	-	

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2013 (page 3 of 4)
(expressed in thousands)

Dealer	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Long-Term Volume Transacted	Short-Term Volume Transacted
JOH BERENBERG GOSSLER	\$ 44	\$ –	\$ 3,048	\$ 5	\$ –	\$ –
JONES & ASSOCIATES	4,198	–	75,431	118	–	–
JULIUS BAER	450	5,825	4,080	15	–	–
KEB SMITH BARNEY SECURITIES	18	2,431	943	3	–	–
KNIGHT EQUITY MRKTS INTERNATIONAL	1,259	42,372	24,297	34	–	–
KNIGHT SECURITIES	1,648	–	19,438	44	–	–
KOTAK SECURITIES	80	–	374	1	–	–
LEHMAN BROTHERS, INC	5,209	69,727	62,972	51	–	–
LIQUIDNET	2,371	47,724	65,155	46	–	–
LITWIN SECURITIES	211	–	3,448	3	–	–
LOOP CAPITAL	11,702	115,950	130,243	84	–	–
MACQUARIE EQUITIES	3,837	7,688	9,046	23	–	–
MACQUARIEBANK LIMITED	7,613	14,374	8,178	25	–	–
MAINFIRST	51	–	6,670	10	–	–
MALONEY & COMPANY	15,730	220,181	181,042	133	–	–
MERRILL LYNCH BANK AND TRUST	36	–	835	1	–	–
MERRILL LYNCH INTERNATIONAL	7,535	37,275	64,388	95	–	–
MERRILL LYNCH PIERCE	11,757	77,010	66,400	213	–	–
MITSUBISHI UJF SECURITIES	9	3,981	–	5	–	–
MONTGOMERY SECURITIES	–	–	–	–	378,405	–
MORGAN STANLEY & COMPANY	32,854	103,903	180,397	266	539,721	–
NOMURA BANK	–	–	–	–	21,944	–
NOMURA FINANCIAL ADVISORY	811	4,118	260	6	–	–
NOMURA SECURITIES INTL	1,182	9,050	25,280	31	–	–
NORMAN HUDSON & COMPANY	468	6,499	3,853	–	–	–
NUMIS SECURITIES	284	–	2,545	4	–	–
PARIBAS COMPANY	2,711	4,533	1,511	2	–	–
PENSERRA SECURITIES, LLC	11,812	119,224	142,846	86	–	–
PERSHING & COMPANY	1,252	4,005	9,374	13	–	–
PIONEER SECURITIES, INC	–	–	–	–	412,210	–
PULSE TRADING	–	27	–	–	–	–
RBC DOMINION SECURITIES	94	3,650	–	5	–	–
REDBURN PARTNERS	476	13,051	6,837	11	–	–
RENAISSANCE SECURITIES	38	1,675	301	3	–	–
ROYAL BANK OF CANADA	–	–	–	–	224,429	–
ROYAL BANK OF SCOTLAND	–	–	–	–	314,200	–
SALOMON BROTHERS	34,231	110,550	170,991	156	1,605,814	–
SANFORD BERNSTEIN	53,366	195,804	157,320	155	–	–
SANTANDER INVESTMENT SECURITIES	–	–	–	–	388,013	–
SCOTIA CAPITAL MARKET	386	7,255	17,897	15	–	–
SCOTIA MCLEOD	34	973	95	1	–	–
SG ASIA PTE	2	–	127	–	–	–
SG SECURITIES	86	–	77	–	–	–

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2013 (page 4 of 4)

(expressed in thousands)

Dealer	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Long-Term Volume Transacted	Short-Term Volume Transacted
SIS SEGAINTERSETTLE AG	\$ 38	\$ -	\$ 1,074	\$ 2	\$ -	\$ -
SOCIETE GENERALE SECURITIES	10,564	59,344	72,155	49	-	-
SPEAR, LEEDS & KELLOGG	26,953	45,591	19,728	63	-	-
STANDARD CHARTERED BANK	-	-	-	-	3,990,842	-
STATE STREET BANK & TRUST	37	48	48	-	3	3,564,569
STATE STREET GLOBAL ADVISORS	62	2,246	21	-	-	-
STERNE, AGEE & LEACH	433	-	5,987	10	-	-
STIFEL NICOLAUS & COMPANY	126	2,310	2,044	6	-	-
SWISS BANK	1,607	42,775	15,634	41	203,126	1
THOMAS C BOWLES & CO	222	5,999	5,060	-	-	-
TORONTO DOMINION SECURITIES	14	-	299	-	-	-
U.S. CLEARING	23	18	189	-	-	-
UBS SECURITIES	37,097	134,311	78,427	143	314,200	-
UBS WARBURG	149	333	171	-	-	-
UNITED SERVICES PLANNING ASSOC	-	-	-	-	54,519	-
USCC/SANTANDER	6	-	588	1	-	-
WARBURG DILLON READ, LLC	38,758	18,690	71,199	56	-	-
WEEDEN & COMPANY	20,750	266,857	224,743	162	-	-
XP INVESTIMENTOS SA	355	967	4,502	5	-	-
Total	\$ 1,004,832	\$ 5,046,716	\$ 5,248,933	\$ 5,205	\$ 202,432,719	\$ 3,569,553

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 1 of 7)

(expressed in thousands)

<u>Description</u>	<u>Rate</u>	<u>Maturity</u>	<u>Market Value</u>	<u>% of Total Market Value</u>
ASSET BACKED SECURITIES				
FNMA 95-W1 A7	8.200%	4/25/2025	\$ 11	—
TOTAL ASSET BACKED SECURITIES			11	—
RESIDENTIAL MORTGAGE BACKED SECURITIES				
FNMA	5.000%	12/1/2099	68,171	0.09%
FNMA TBA JUL 15 YR	2.500%	12/1/2099	66,290	0.09%
GNMA II	3.500%	12/1/2099	44,597	0.06%
FANNIE MAE	6.000%	6/25/2035	44,053	0.06%
FNMA	4.000%	7/25/2042	40,344	0.05%
FHLMC	3.500%	12/1/2099	37,051	0.05%
FREDDIE MAC	4.000%	12/1/2040	35,742	0.05%
FREDDIE MAC	6.000%	9/15/2035	25,100	0.03%
FREDDIE MAC	5.500%	10/15/2034	23,658	0.03%
FANNIE MAE	6.000%	1/1/2023	22,205	0.03%
Other			711,370	0.94%
TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES			1,118,581	1.48%
COMMERCIAL MORTGAGE-BACKED SECURITIES				
GS MORTGAGE SECURITIES CORP	5.553%	4/10/2038	43,590	0.06%
MORGAN STANLEY CAPITAL I	5.596%	3/12/2016	43,281	0.06%
BEAR STEARNS COMMERCIAL MORTGAGE	5.540%	9/11/2041	38,561	0.05%
CITIGROUP COMMERCIAL MORTGAGE	5.431%	10/15/2049	32,963	0.04%
CITIGROUP/DEUTSCHE BANK COMMERCIAL MORTGAGE	5.484%	1/15/2046	30,309	0.04%
UBS-BARCLAYS COMMERCIAL MORTGAGE	3.091%	8/10/2049	9,494	0.01%
GSMS 2010-C1 A1	3.679%	8/10/2043	8,854	0.01%
WELLS FARGO COMMERCIAL MORTGAGE	3.349%	10/15/2057	4,314	0.01%
MISSION TOWERS	7.500%	6/1/2018	714	—
SUTTER VILLAGE	7.500%	2/2/2018	320	—
Other			181	—
TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES			212,581	0.28%
CORPORATE BONDS - DOMESTIC DOLLAR DENOMINATED				
ANHEUSER-BUSCH INBEV WORLDWIDE	6.875%	11/15/2019	61,592	0.08%
JPMORGAN CHASE & CO	1.023%	5/2/2014	50,126	0.07%
TTX CO	4.900%	3/1/2015	41,754	0.06%
UNION PACIFIC RR CO	5.866%	7/2/2030	37,948	0.05%
NEWFIELD EXPLORATION CO	7.125%	5/15/2018	36,218	0.05%
PUGET SOUND ENERGY INC	6.500%	12/15/2020	33,513	0.05%
NORFOLK SOUTHERN CORP	6.000%	3/15/2105	32,850	0.04%
CRH AMERICA INC	8.125%	7/15/2018	30,324	0.04%
ENTERPRISE PRODUCTS	6.650%	4/15/2018	30,180	0.04%
KINDER MORGAN ENERGY PARTNERS	5.800%	3/1/2021	27,905	0.04%
Other			476,956	0.63%
TOTAL CORPORATE BONDS - DOMESTIC DOLLAR DENOMINATED			859,366	1.15%

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 2 of 7)

(expressed in thousands)

Description	Rate	Maturity	Market Value	% of Total Market Value
CORPORATE BONDS - DOMESTIC NON DOLLAR DENOMINATED				
JP MORGAN CHASE BANK NA	10.000%	1/3/2014	\$ 36,246	0.05%
ANHEUSER-BUSCH INBEV WORLDWIDE	9.750%	11/17/2015	<u>18,241</u>	<u>0.02%</u>
TOTAL CORPORATE BONDS - DOMESTIC NON DOLLAR DENOMINATED			<u>54,487</u>	<u>0.07%</u>
CORPORATE BONDS - FOREIGN NON DOLLAR DENOMINATED				
SACI FALABELLA	6.500%	4/30/2023	31,837	0.04%
AMERICA MOVIL SA DE CV	8.460%	12/18/2036	30,349	0.04%
AMBEV INTERNATIONAL FINANCE CO	9.500%	7/24/2017	27,239	0.04%
TURKIYE GARANTI BANKASI	7.375%	3/7/2018	18,982	0.03%
ITAU UNIBANCO HLDG SA/KY	10.500%	11/23/2015	18,150	0.02%
AKBANK TAS	7.500%	2/5/2018	18,037	0.02%
CIA DE ELE DO E DA BAHIA	11.750%	4/27/2016	17,970	0.02%
BRF SA	7.750%	5/22/2018	17,575	0.02%
COSAN LUXEMBOURG SA	9.500%	3/14/2018	17,180	0.02%
BRASIL TELECOM S/A	9.750%	9/15/2016	16,706	0.02%
Other			<u>55,767</u>	<u>0.07%</u>
TOTAL CORPORATE BONDS - FOREIGN NON DOLLAR DENOMINATED			<u>269,792</u>	<u>0.34%</u>
CORPORATE BONDS - FOREIGN DOLLAR DENOMINATED				
INVERSIONES CMPC	6.125%	11/5/2019	70,533	0.09%
CANADIAN OIL SANDS	7.750%	5/15/2019	61,393	0.08%
BFF INTERNATIONAL LTD	7.250%	1/28/2020	55,750	0.07%
RELIANCE HOLDINGS USA	4.500%	10/19/2020	53,956	0.07%
ENCANA CORP	5.900%	12/1/2017	53,918	0.07%
GTL TRADE FINANCE INC	7.250%	10/20/2017	53,859	0.07%
BANK OF CHINA HONG KONG	5.550%	2/11/2020	52,025	0.07%
WOODSIDE FINANCE LTD	8.750%	3/1/2019	50,888	0.07%
MEGA ADVANCE INVESTMENTS	5.000%	5/12/2021	50,748	0.07%
VOTO-VOTORANTIM	6.625%	9/25/2019	49,925	0.07%
Other			<u>3,365,149</u>	<u>4.45%</u>
TOTAL CORPORATE BONDS - FOREIGN DOLLAR DENOMINATED			<u>3,918,144</u>	<u>5.18%</u>
US GOVERNMENT TREASURIES				
US TREASURY N/B	1.125%	5/31/2019	435,543	0.58%
US TREASURY N/B	1.250%	8/31/2015	345,154	0.46%
US TREASURY N/B	0.875%	1/31/2017	298,731	0.40%
US TREASURY N/B	0.125%	12/31/2014	298,668	0.40%
US TREASURY N/B	0.125%	4/30/2015	298,079	0.40%
US TREASURY N/B	1.000%	7/15/2013	284,337	0.38%
US TREASURY N/B	1.000%	9/30/2016	256,050	0.34%
US TREASURY N/B	0.250%	2/28/2014	249,524	0.33%
US TREASURY N/B	2.625%	8/15/2020	208,394	0.28%
US TREASURY N/B	0.250%	2/28/2015	199,332	0.26%
Other			<u>2,114,717</u>	<u>2.80%</u>
TOTAL US GOVERNMENT TREASURIES			<u>4,988,529</u>	<u>6.63%</u>

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 3 of 7)

(expressed in thousands)

Description	Rate	Maturity	Market Value	% of Total Market Value
FOREIGN GOVERNMENT AND AGENCIES - DOLLAR DENOMINATED				
ECOPETROL SA 7.625% NTS	7.625%	7/23/2019	\$ 58,348	0.08%
PETROBRAS INTERNATIONAL FINANCE CO	5.875%	3/1/2018	54,102	0.07%
CENT ELET BRASILEIRAS SA	5.750%	10/27/2021	48,249	0.06%
PETROBRAS INTERNATIONAL FINANCE CO	6.125%	10/6/2016	43,750	0.06%
NEXEN INC	5.875%	3/10/2035	41,051	0.05%
RAS LAFFAN LNG III	6.332%	9/30/2027	40,654	0.05%
PERTAMINA PT	5.250%	5/23/2021	39,497	0.05%
BANCO DO BRASIL (CAYMAN)	6.000%	1/22/2020	38,240	0.05%
CNPC HK OVERSEAS CAPITAL	4.500%	4/28/2021	35,884	0.05%
CODELCO INC	3.750%	11/4/2020	33,971	0.04%
Other			810,993	1.07%
TOTAL FOREIGN GOVERNMENT AND AGENCIES - DOLLAR DENOMINATED			<u>1,244,739</u>	<u>1.63%</u>
FOREIGN GOVERNMENT AND AGENCIES - NON DOLLAR DENOMINATED				
NEW S WALES TREASURY CORP	5.500%	3/1/2017	98,479	0.13%
MALAYSIAN GOVERNMENT	4.012%	9/15/2017	67,631	0.09%
REPUBLIC OF COLUMBIA	4.375%	3/21/2013	56,804	0.08%
FEDERATIVE REPUBLIC OF BRAZIL	10.250%	1/10/2028	50,907	0.07%
QUEENSLAND TREASURY CORP	6.000%	9/14/2017	50,319	0.07%
THAILAND GOVERNMENT BOND	3.250%	6/16/2017	48,301	0.06%
REPUBLIC OF CHILE	5.500%	8/5/2020	44,837	0.06%
URUGUAY TREASURY	4.375%	12/15/2028	44,167	0.06%
QUEENSLAND TREASURY CORP	4.250%	7/21/2023	43,644	0.06%
REPUBLIC OF PHILIPPINES	6.250%	1/14/2036	29,368	0.04%
Other			351,431	0.46%
TOTAL FOREIGN GOVERNMENT AND AGENCIES - NON DOLLAR DENOMINATED			<u>885,888</u>	<u>1.18%</u>
SUPRANATIONAL - NON DOLLAR DENOMINATED				
INTERNATIONAL AMERICAN DEVELOPMENT BANK	4.750%	1/10/2014	74,282	0.10%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	4.250%	1/28/2015	58,874	0.08%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	5.750%	10/21/2019	49,596	0.07%
INTERNATIONAL FINANCE CORP	5.000%	12/21/2015	40,978	0.05%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	13.625%	5/9/2017	40,912	0.05%
INTERNATIONAL AMERICAN DEVELOPMENT BANK	6.500%	8/20/2019	30,802	0.04%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	6.000%	2/15/2017	24,653	0.03%
ASIAN DEVELOPMENT BANK	6.000%	1/20/2015	23,886	0.03%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	5.750%	2/17/2015	23,831	0.03%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	4.000%	8/15/2014	23,257	0.03%
Other			127,204	0.17%
TOTAL SUPRANATIONAL - NON DOLLAR DENOMINATED			<u>518,275</u>	<u>0.68%</u>

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 4 of 7)

(expressed in thousands)

<u>Description</u>	<u>Market Value</u>	<u>% of Total Market Value</u>
CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED		
PHILIP MORRIS INTERNATIONAL INC	\$ 84,366	0.11%
CYSCO SYSTEMS INC	62,657	0.08%
PFIZER INC	58,915	0.08%
ORACLE SYSTEMS CORP	57,646	0.08%
YUM BRANDS INC	54,249	0.07%
FIDELITY NATIONAL INFO SERVICE	49,031	0.06%
VIACOM INC NEW	45,262	0.06%
WELLS FARGO & CO NEW	44,059	0.06%
FISERV INC COM	42,171	0.06%
BANK OF NEW YORK MELLON CORP C	41,992	0.06%
Other	1,968,710	2.60%
TOTAL CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED	2,509,058	3.32%
CORPORATE STOCK - DOMESTIC NON DOLLAR DENOMINATED		
RESMED INC CDI RECEIPT	92	—
TOTAL CORPORATE STOCK - DOMESTIC NON DOLLAR DENOMINATED	92	—
CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED		
ROCHE HOLDINGS AG	162,804	0.22%
NOVARTIS AG	154,152	0.20%
NESTLE SA	149,030	0.20%
SANOFI SYNTHELABO	144,715	0.19%
VODAFONE GROUP	125,991	0.17%
GLAXOSMITHKLINE	109,333	0.15%
HSBC HOLDINGS	106,607	0.14%
COMPASS GROUP	100,109	0.13%
TOYOTA MOTOR CORP	98,435	0.13%
BRITISH AMERICAN TOBACCO	94,179	0.12%
Other	9,519,306	12.59%
TOTAL CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED	10,764,661	14.24%
CORPORATE STOCK - FOREIGN-DOLLAR DENOMINATED		
TAIWAN SEMICONDUCTOR MFG CO LTD	61,668	0.08%
SCHLUMBERGER LTD	58,602	0.08%
ACCENTURE PLC CLS 'A'	56,623	0.07%
COVIDIEN PLC	55,699	0.07%
TENARIS SA ADR	51,693	0.07%
DELPHI AUTOMOTIVE PLC	47,618	0.06%
AON PLC	44,164	0.06%
TE CONNECTIVITY LT COM	43,941	0.06%
BANCO BRADESCO SA	35,556	0.05%
TEVA PHARMACEUTICAL INDUSTRIES LTD	33,808	0.04%
Other	454,363	0.60%
TOTAL CORPORATE STOCK - FOREIGN DOLLAR DENOMINATED	943,735	1.24%

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 5 of 7)

(expressed in thousands)

Description	Market Value	% of Total Market Value
COMMINGLED INDEX FUNDS - DOMESTIC		
BTC US IMI FUND A4	9,706,014	12.84%
TOTAL COMMINGLED INDEX FUNDS - DOMESTIC	9,706,014	12.84%
COMMINGLED INDEX FUNDS - FOREIGN		
GMO TRUST	486,936	0.64%
EMERGING MARKETS GROWTH FUND I	423,290	0.56%
LAZARD FRERES CAPITAL MANAGEMENT	404,239	0.54%
EMERGING MARKETS EQUITY FOCUSED	357,970	0.47%
TOTAL COMMINGLED INDEX FUNDS - FOREIGN	1,672,435	2.21%
CASH AND MONEY MARKET		
SSGA STIF	1,125,437	1.49%
BLACKROCK FED FUND (30)	330,348	0.44%
UNITED STATES DOLLAR	23,712	0.03%
TOTAL CASH AND MONEY MARKET	1,479,497	1.96%
PRIVATE EQUITY		
KKR 2006 FUND	1,122,457	1.48%
KKR MILLENNIUM FUND	759,805	1.01%
WARBURG PINCUS X, LP	707,764	0.94%
TPG PARTNERS VI	566,102	0.75%
TPG PARTNERS V	497,353	0.66%
KKR EUROPEAN FUND III	464,822	0.61%
WARBURG PINCUS PRIVATE EQUITY IX	443,327	0.59%
KKR ASIA FUND, LP	438,083	0.58%
KKR EUROPEAN FUND II, LP	411,518	0.54%
NORDIC CAPITAL FUND VII	368,894	0.49%
Other	10,244,367	13.55%
TOTAL PRIVATE EQUITY	16,024,492	21.20%

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 6 of 7)

(expressed in thousands)

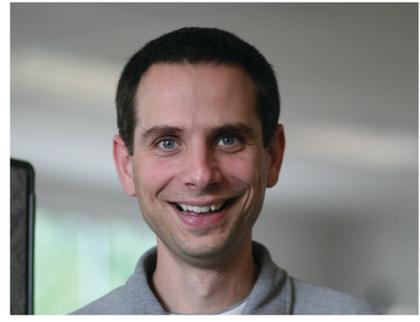
Description	Market Value	% of Total Market Value
REAL ESTATE		
EVERGREEN REAL ESTATE PARTNERS	\$ 1,682,404	2.23%
PRINCIPAL ENTERPRISE CAPITAL HOLDINGS	1,552,664	2.05%
FILLMORE STRATEGIC INVESTORS LLC	889,789	1.18%
CORPORATE PROPERTIES OF AMERICAS LLC	761,094	1.01%
HOMETOWN AMERICA LLC	488,945	0.65%
UNION SQUARE LP	482,102	0.64%
TERRAMAR RETAIL CENTER	443,120	0.59%
LONE STAR FUND VI, LP	335,420	0.44%
WASHINGTON HOLDINGS STRATEGIC FINANCE	294,050	0.39%
MS RE SPECIAL SIT FD III	269,371	0.36%
Other	2,157,905	2.85%
TOTAL REAL ESTATE	9,356,864	12.39%
TANGIBLE ASSETS		
ALINDA INFRASTRUCTURE FUND II	259,002	0.34%
HAWTHORNE TIMBER LLC	202,873	0.27%
ALINDA INFRASTRUCTURE FUND 1	139,107	0.18%
HIGHSTAR CAPITAL III	106,514	0.14%
GLOBAL INFRASTRUCTURE PRT II-A	96,715	0.13%
SHERIDAN PRODUCTION PARTNERS II-B	90,914	0.12%
SHERIDAN PRODUCTION PARTNERS I, LP	67,234	0.09%
STONEPEAK ASSOCIATES LLC	33,524	0.04%
RK MINE FINANCE (MASTER) FUND II	33,432	0.04%
TOTAL TANGIBLE ASSETS	1,029,315	1.35%
FOREIGN CURRENCY		
JAPAN-YEN	28,244	0.04%
BRITAIN-POUND	20,848	0.03%
E.M.U.-EURO	14,277	0.02%
CANADA-DOLLAR	12,377	0.02%
SWEDEN-KRONA	4,462	0.01%
AUSTRALIA-DOLLAR	4,453	0.01%
HONG KONG-DOLLAR	3,382	-
NORWAY-KRONE	2,549	-
SOUTH AFRICA-RAND	1,396	-
Other	4,120	0.01%
TOTAL FOREIGN CURRENCY	96,108	0.14%

Summary of Investments Owned As of June 30, 2013

Pension Trust Funds (page 7 of 7)

(expressed in thousands)

<u>Description</u>	<u>Market Value</u>	<u>% of Total Market Value</u>
IN PLAN 3 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS:		
RETIREMENT STRATEGY FUNDS (TARGET DATE FUNDS)		
RETIREMENT STRATEGY 2020	\$ 664,239	0.88%
RETIREMENT STRATEGY 2015	563,690	0.75%
RETIREMENT STRATEGY 2025	552,877	0.73%
RETIREMENT STRATEGY 2030	365,351	0.48%
RETIREMENT STRATEGY 2035	236,613	0.31%
RETIREMENT STRATEGY 2010	195,315	0.26%
RETIREMENT STRATEGY 2040	115,151	0.15%
RETIREMENT STRATEGY 2005	61,251	0.08%
RETIREMENT STRATEGY 2045	51,457	0.07%
Other	77,136	0.10%
TOTAL RETIREMENT STRATEGY FUNDS (TARGET DATE FUNDS)	<u>2,883,080</u>	<u>3.81%</u>
EQUITY INDEX FUNDS		
US LARGE CAP EQUITY INDEX	857,247	1.13%
US SMALL CAP EQUITY INDEX	318,638	0.42%
GLOBAL EQUITY INDEX	159,096	0.21%
EMERGING MARKETS EQUITY INDEX	109,866	0.15%
TOTAL EQUITY INDEX FUNDS	<u>1,444,847</u>	<u>1.91%</u>
GUARANTEED INVESTMENT CONTRACTS		
SAVINGS POOL	1,004,940	1.33%
TOTAL GUARANTEED INVESTMENT CONTRACTS	<u>1,004,940</u>	<u>1.33%</u>
BOND FUNDS		
WASHINGTON STATE BOND FUND	705,009	0.93%
US SOCIALLY RESPONSIBLE FUND	192,573	0.25%
TOTAL BOND FUNDS	<u>897,582</u>	<u>1.18%</u>
MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)		
WASHINGTON STATE MONEY MARKET FUND	513,081	0.68%
WSIB SHORT TERM INVESTMENT FUND	194	-
TOTAL MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)	<u>513,275</u>	<u>0.68%</u>
LIFE ANNUITY		
GE CAPITAL ASSURANCE	5	-
TOTAL LIFE ANNUITY	<u>5</u>	<u>-</u>
SECURITIES UNDER LENDING AGREEMENTS		
COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS	1,196,782	1.58%
TOTAL SECURITIES UNDER LENDING AGREEMENTS	<u>1,196,782</u>	<u>1.58%</u>
TOTAL INVESTMENTS	<u>\$ 75,593,175</u>	<u>100.00%</u>



We are investing a lot in team development, and that demonstrates our commitment to learning and growing together, which has been really great.



Office of the State Actuary

"Securing tomorrow's pensions today."

September 20, 2013

Ms. Marcie Frost
Director
Department of Retirement Systems
PO Box 48380
Olympia, Washington 98504-8380

SUBJECT: ACTUARIAL CERTIFICATION LETTER

Dear Marcie:

At your request, we prepared the following information for inclusion in the 2013 Comprehensive Annual Financial Report (CAFR):

1. Introductory Section.
 - ❖ Financial Information - Funding Paragraph.
2. Financial Section.
 - ❖ Number of Participating Members.
 - ❖ Note 2C: Funding Policy.
 - ❖ Funded Status and Funding Progress (one year).
 - ❖ Schedules of Funding Progress.
 - ❖ Additional Information for the Defined Benefit Plans.
 - ❖ Schedule of Contributions from Employers and Others.
3. Actuarial Section.
 - ❖ Schedules of Active Member Valuation Data.
 - ❖ Schedules of Retirees and Beneficiaries Added to and Removed from Rolls.
 - ❖ Summary of Actuarial Assumptions and Methods.
 - ❖ Solvency Tests.
 - ❖ Analyses of Selected Experience.
 - ❖ The Governmental Accounting Standards Board (GASB) 45 Requirements.



4. Statistical Section.

- ❖ Distribution of Membership.
- ❖ Schedule of Benefit Recipients by Type of Benefit.
- ❖ Schedule of Average Benefit Payments to Service Retirees in Year of Retirement.

The primary purpose of this information is to satisfy the actuarial reporting requirements of GASB and the Government Finance Officers Association (GFOA). Readers should not use this information for other purposes.

We perform annual actuarial valuations on the plans included in the CAFR. We performed the most recent actuarial valuation in 2013 with a valuation date of June 30, 2012.

GASB requires the disclosure of Annual Required Contributions (ARC) versus actual contributions collected. The ARC and actual contributions collected are likely based on contribution rates determined at different times. Because of these potential timing differences the percentage of ARC contributed may not represent a true comparison of the actual contributions collected and the contributions calculated by the Office of the State Actuary.

The state's funding policy is found in Chapter 41.45 RCW – Actuarial Funding of State Retirement Systems. It includes the objectives to:

- ❖ Continue to fully fund the retirement system Plans 2 and 3, and the Washington State Patrol Retirement System (WSPRS), as provided by law.
- ❖ Amortize fully the total cost of: the Public Employees Retirement System (PERS) Plan 1 and the Teachers' Retirement System (TRS) Plan 1 over a rolling ten-year period with minimum contribution rates starting in 2015; and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 1 not later than June 30, 2024.

All retirement system Plans 2 and 3, WSPRS, and LEOFF Plan 1 are fully funded as of the latest actuarial valuation (used for funding but not accounting purposes). The 2009 Legislature enacted the current funding method for PERS Plan 1 and TRS Plan 1. The funding method is based upon a variation of the Entry Age Normal cost method. Provided the state and participating employers make the contributions required by the funding method, they will fully amortize the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liability, as provided by law.



We prepared the required accounting disclosures in accordance with GASB statements 25, 27, 43, and 50. We prepared all other items in accordance with generally accepted actuarial principles and actuarial standards of practice as of the date of this letter.

We relied on participant data provided by your department to perform the latest actuarial valuation. We checked the data for reasonableness as appropriate based on the purpose of the valuation. The Washington State Investment Board, your department, and the Office of the State Treasurer provided financial and asset information. The financial and asset information was audited. The participant data was not audited. I relied on all the information provided as complete and accurate. In my opinion, this information is adequate and substantially complete for purposes of this valuation. Please see the Actuarial Certification Letter in the [2012 Actuarial Valuation Report](#) for additional information on the certification of the latest actuarial valuation results.

I certify, to the best of my knowledge, that the actuarial submissions in the 2013 CAFR meet the GFOA standards for actuarial reporting.

The undersigned, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Sincerely,

Matthew M. Smith, FCA, EA, MAAA
State Actuary

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Summary of Plan Provisions (page 1 of 2):

A narrative summary of retirement plans managed by DRS is provided in Section B of Note 2 in the Financial Section of this CAFR. A tabular summary of key plan provisions as of June 30, 2013 is provided below.

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
PERS Plan 1	State employees, elected officials, employees of local governments, legislative committees, community/technical colleges, classified employees of school districts, district/municipal court judges, and some employees of the Supreme, Appeals and Superior Courts. (By 9/30/77)	After five years of eligible service	After 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service	2% of average final compensation (AFC) per year of service, capped at 60% of AFC JBM Participants: 3.5% of AFC per year of service, capped at 75% of AFC
PERS Plan 2	Same as PERS Plan 1, except classified school district employees. (On or after 10/1/77 and new employees on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers; who chose Plan 2)	After five years of eligible service	At age 65 with five years of service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service JBM Participants: 3.5% of AFC per year of service, capped at 75% of AFC
PERS Plan 3	Same as PERS Plan 2. (On or after 10/1/77 and new employees on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers; who chose Plan 3)	Varies	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion) JBM Participants: 1.6% of AFC per year of service, capped at 37.5% of AFC The defined contribution portion depends on the member's contribution level and on investment performance.
SERS Plan 2	All classified employees of school districts or educational service districts. (By 8/31/00 and employees on or after 7/1/07 with no past PERS Plan 2 service who chose Plan 2)	After five years of eligible service	At age 65 with five years of service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service
SERS Plan 3	All classified employees of school districts or educational service districts. (On or after 9/1/00 and employees on or after 7/1/07 with no past PERS Plan 2 service who chose Plan 3)	Varies	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion) The defined contribution portion depends on the member's contribution level and on investment performance.
PSERS Plan 2	All full-time public safety officers at select state agencies, counties and cities except Seattle, Spokane and Tacoma. (On or after 7/1/06)	After five years of eligible service	At age 65 with five years of service, or at age 60 with 10 years of PSERS service, or at age 53 with 20 years of service reduced three percent for each year under age 60	2% of AFC per year of service
TRS Plan 1	All certificated public school employees who work in an instructional, administrative or supervisory capacity. (By 9/30/77)	After five years of eligible service	Any age with 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service	2% of AFC per year of service, capped at 60% of AFC JBM Participants: 3.5% of AFC per year of service, capped at 75% of AFC

Summary of Plan Provisions (page 2 of 2):

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
TRS Plan 2	Same as TRS Plan 1. (On or after 10/1/77 and by 6/30/96, and employees on or after 7/1/07 who chose Plan 2)	After five years of eligible service	At age 65 with five years of service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service
TRS Plan 3	Same as TRS Plan 1. (On or after 7/1/96, and employees on or after 7/1/07 who chose Plan 3)	Varies	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion) The defined contribution portion depends on the member's contribution level and on investment performance.
LEOFF Plan 1	All full-time, fully compensated law enforcement officers and fire fighters. (By 9/30/77)	After five years of eligible service	At age 50 with five years of service	20+ years of service: 2% of final average salary (FAS) per year of service 10-19 years of service: 1.5% of FAS per year of service 5-9 years of service: 1% of FAS per year of service
LEOFF Plan 2	All full-time, fully compensated law enforcement officers, fire fighters and emergency medical technicians. (On or after 10/1/77)	After five years of eligible service	At age 53 with five years of service, or a benefit at age 50 with 20 years of service reduced 3% for each year under age 53	2% of FAS per year of service
WSPRS Plan 1	Commissioned employees of the Washington State Patrol. (On or after 8/1/47 and by 12/31/02)	No requirement for active members; after five years of eligible service for inactive members	At age 55 or after 25 years of service	2% of average final salary (AFS) per year of service, capped at 75% of AFS.
WSPRS Plan 2	Same as WSPRS Plan 1. (On or after 1/1/03)	No requirement for active members; after five years of eligible service for inactive members	At age 55 or after 25 years of service	2% of AFS per year of service, capped at 75% of AFS.
JRS	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts. (On or after 8/9/71 and by 6/30/88 – New judges on or after 7/1/88 join PERS)	After 15 years of service	At age 60	15 years of service: 3.5% of FAS per year of service, capped at 75% of FAS. 10-14 years of service: 3% of FAS per year of service, capped at 75% of FAS
Judges	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts. (By 8/8/71)	After 12 years of service	At age 70 with 10 years of service or any age with 18 years of service	1/2 of the monthly salary

DRS publishes handbooks describing the rights and benefits for each system and plan, including disability and survivor benefits. These handbooks are provided to members by their employers. They are also available from DRS and are on the DRS website at www.drs.wa.gov.

Summary of Actuarial Assumptions and Methods

1. Actuarial Assumptions and Methods Selection:

Economic Assumptions and Methods:

Developed in accordance with Washington State law and the Pension Funding Council.

Demographic Assumptions and Methods:

Derived by the Washington State Office of the State Actuary (OSA) and based on the 2001-2006 Experience Studies (adopted July, 2008). Additional assumptions for subsequent events and law changes are current as of the 2012 actuarial valuation report.

2. Investment Return:

7.9% per annum for all systems except LEOFF Plan 2 (7.50%) and JRS/Judges (4.00%).

3. Mortality Tables (page 1 of 3):

Mortality rates are based on the RP-2000 Combined Healthy Table and Combined Disabled Table (except LEOFF Plan 1) published by the Society of Actuaries. OSA recognized future improvements in mortality by projecting the mortality rates using 50% of Scale AA (published by the Society of Actuaries) beginning with the 2007 valuation. JRS utilizes the PERS 1 mortality rates.

Probabilities of mortality are illustrated in the following tables.

Projected Healthy Mortality

Offsets Age	PERS				TRS				SERS		Offsets Age
	Plan 1 - 2018		Plan 2/3 - 2031		Plan 1 - 2018		Plan 2/3 - 2036		Plan 2/3 - 2030		
	-1 Male	-1 Female	-1 Male	-1 Female	-2 Male	-2 Female	-2 Male	-2 Female	0 Male	-2 Female	
20	0.0291%	0.0165%	0.0257%	0.0149%	0.0291%	0.0165%	0.0245%	0.0143%	0.0259%	0.0150%	20
25	0.0342%	0.0177%	0.0320%	0.0161%	0.0338%	0.0173%	0.0309%	0.0153%	0.0324%	0.0159%	25
30	0.0394%	0.0226%	0.0381%	0.0212%	0.0376%	0.0214%	0.0359%	0.0196%	0.0412%	0.0202%	30
35	0.0671%	0.0394%	0.0650%	0.0367%	0.0603%	0.0358%	0.0577%	0.0324%	0.0717%	0.0335%	35
40	0.0951%	0.0566%	0.0903%	0.0513%	0.0900%	0.0523%	0.0837%	0.0457%	0.0957%	0.0478%	40
45	0.1244%	0.0892%	0.1143%	0.0803%	0.1159%	0.0812%	0.1030%	0.0703%	0.1240%	0.0737%	45
50	0.1698%	0.1327%	0.1510%	0.1188%	0.1585%	0.1228%	0.1347%	0.1053%	0.1630%	0.1108%	50
55	0.2687%	0.2248%	0.2374%	0.2134%	0.2452%	0.2041%	0.2065%	0.1899%	0.2722%	0.1945%	55
60	0.5145%	0.4245%	0.4635%	0.4109%	0.4563%	0.3750%	0.3949%	0.3585%	0.5302%	0.3639%	60
65	0.9940%	0.8239%	0.9073%	0.7975%	0.8823%	0.7311%	0.7775%	0.6989%	1.0317%	0.7095%	65
70	1.7319%	1.4205%	1.5704%	1.3751%	1.5630%	1.2853%	1.3649%	1.2286%	1.7717%	1.2472%	70
75	2.9828%	2.3722%	2.7225%	2.2517%	2.6737%	2.1403%	2.3562%	1.9914%	3.0645%	2.0398%	75
80	5.2850%	3.8967%	4.9516%	3.7231%	4.7483%	3.5296%	4.3386%	3.3137%	5.5381%	3.3841%	80
85	9.3676%	6.5758%	8.9503%	6.3239%	8.4104%	5.9126%	7.8960%	5.6014%	9.9699%	5.7033%	85
90	16.0288%	11.5978%	15.6171%	11.3736%	14.5042%	10.4286%	13.9908%	10.1506%	17.2717%	10.2424%	90
95	24.5849%	17.9536%	24.2672%	17.7216%	22.9147%	16.7391%	22.5057%	16.4404%	25.9582%	16.5393%	95
100	32.9712%	23.1040%	32.9712%	23.1040%	31.4823%	22.3611%	31.4823%	22.3611%	34.4556%	22.3611%	100
105	39.2003%	27.9055%	39.2003%	27.9055%	38.3040%	26.6044%	38.3040%	26.6044%	39.7886%	26.6044%	105
110	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	110

3. Mortality Tables (page 2 of 3):

Projected Healthy Mortality

Offsets Age	PSERS		LEOFF				WSPRS		Offsets Age
	Plan 2 - 2038		Plan 1 - 2019		Plan 2 - 2034		Plan 1/2 - 2028		
	-1 Male	-1 Female	-1 Male	1 Female	-1 Male	1 Female	-1 Male	1 Female	
20	0.0240%	0.0141%	0.0288%	0.0165%	0.0249%	0.0146%	0.0264%	0.0153%	20
25	0.0309%	0.0154%	0.0340%	0.0188%	0.0316%	0.0169%	0.0325%	0.0176%	25
30	0.0375%	0.0204%	0.0393%	0.0280%	0.0378%	0.0260%	0.0384%	0.0268%	30
35	0.0638%	0.0353%	0.0669%	0.0462%	0.0645%	0.0425%	0.0654%	0.0440%	35
40	0.0878%	0.0487%	0.0948%	0.0671%	0.0892%	0.0599%	0.0914%	0.0627%	40
45	0.1092%	0.0759%	0.1236%	0.1048%	0.1121%	0.0929%	0.1166%	0.0975%	45
50	0.1417%	0.1119%	0.1683%	0.1577%	0.1469%	0.1388%	0.1551%	0.1460%	50
55	0.2220%	0.2075%	0.2662%	0.2872%	0.2307%	0.2704%	0.2443%	0.2770%	55
60	0.4381%	0.4038%	0.5104%	0.5544%	0.4524%	0.5340%	0.4748%	0.5420%	60
65	0.8637%	0.7837%	0.9871%	1.0445%	0.8883%	1.0060%	0.9266%	1.0213%	65
70	1.4898%	1.3512%	1.7189%	1.7689%	1.5353%	1.7038%	1.6063%	1.7295%	70
75	2.5919%	2.1894%	2.9620%	2.8695%	2.6657%	2.7021%	2.7805%	2.7679%	75
80	4.7808%	3.6329%	5.2585%	4.7507%	4.8777%	4.5073%	5.0266%	4.6032%	80
85	8.7333%	6.1923%	9.3349%	8.1706%	8.8566%	7.8106%	9.0449%	7.9526%	85
90	15.3997%	11.2547%	15.9968%	14.0538%	15.5235%	13.7409%	15.7111%	13.8652%	90
95	24.0979%	17.5980%	24.5603%	20.1512%	24.1945%	19.8510%	24.3402%	19.9705%	95
100	32.9712%	23.1040%	32.9712%	24.4834%	32.9712%	24.4834%	32.9712%	24.4834%	100
105	39.2003%	27.9055%	39.2003%	30.7811%	39.2003%	30.7811%	39.2003%	30.7811%	105
110	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	110

RP-2000 Mortality Rates 50% Scale AA
Combined Healthy Table

Age	Male	Female	Male	Female	Age
20	0.0345%	0.0191%	0.9500%	0.8000%	20
25	0.0376%	0.0207%	0.5000%	0.7000%	25
30	0.0444%	0.0264%	0.2500%	0.5000%	30
35	0.0773%	0.0475%	0.2500%	0.5500%	35
40	0.1079%	0.0706%	0.4000%	0.7500%	40
45	0.1508%	0.1124%	0.6500%	0.8000%	45
50	0.2138%	0.1676%	0.9000%	0.8500%	50
55	0.3624%	0.2717%	0.9500%	0.4000%	55
60	0.6747%	0.5055%	0.8000%	0.2500%	60
65	1.2737%	0.9706%	0.7000%	0.2500%	65
70	2.2206%	1.6742%	0.7500%	0.2500%	70
75	3.7834%	2.8106%	0.7000%	0.4000%	75
80	6.4368%	4.5879%	0.5000%	0.3500%	80
85	11.0757%	7.7446%	0.3500%	0.3000%	85
90	18.3408%	13.1682%	0.2000%	0.1500%	90
95	26.7491%	19.4509%	0.1000%	0.1000%	95
100	34.4556%	23.7467%	0.0500%	0.0500%	100
105	39.7886%	29.3116%	0.0000%	0.0000%	105
110	40.0000%	36.4617%	0.0000%	0.0000%	110

Mortality Tables (page 3 of 3):

Projected Disabled Mortality

Offsets Age	PERS				TRS				SERS		Offsets Age
	Plan 1 - 2018		Plan 2/3 - 2031		Plan 1 - 2018		Plan 2/3 - 2036		Plan 2/3 - 2030		
	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	
20	1.9008%	0.6447%	1.6790%	0.5808%	1.9008%	0.6447%	1.6007%	0.5579%	1.6951%	0.5855%	20
25	2.0624%	0.6565%	1.9323%	0.5992%	2.0624%	0.6565%	1.8844%	0.5785%	1.9420%	0.6034%	25
30	2.1577%	0.6807%	2.0886%	0.6378%	2.1577%	0.6807%	2.0626%	0.6220%	2.0938%	0.6410%	30
35	2.1577%	0.6746%	2.0886%	0.6279%	2.1577%	0.6746%	2.0626%	0.6108%	2.0938%	0.6314%	35
40	2.1000%	0.6506%	1.9934%	0.5899%	2.1000%	0.6506%	1.9538%	0.5681%	2.0014%	0.5944%	40
45	2.0071%	0.6447%	1.8440%	0.5808%	2.0071%	0.6447%	1.7848%	0.5579%	1.8560%	0.5855%	45
50	2.4623%	0.9892%	2.1893%	0.8853%	2.4623%	0.9892%	2.0925%	0.8483%	2.2092%	0.8929%	50
55	2.9847%	1.5392%	2.6364%	1.4611%	2.9847%	1.5392%	2.5135%	1.4321%	2.6617%	1.4670%	55
60	3.6383%	2.0877%	3.2775%	2.0208%	3.6383%	2.0877%	3.1485%	1.9957%	3.3040%	2.0259%	60
65	4.4215%	2.6791%	4.0356%	2.5934%	4.4215%	2.6791%	3.8963%	2.5611%	4.0640%	2.5998%	65
70	5.4652%	3.5977%	4.9557%	3.4825%	5.4652%	3.5977%	4.7726%	3.4392%	4.9931%	3.4912%	70
75	7.2319%	4.8595%	6.6008%	4.6127%	7.2319%	4.8595%	6.3730%	4.5212%	6.6473%	4.6313%	75
80	9.9936%	6.7889%	9.3631%	6.4864%	9.9936%	6.7889%	9.1314%	6.3737%	9.4102%	6.5092%	80
85	13.2943%	9.4928%	12.7019%	9.1292%	13.2943%	9.4928%	12.4812%	8.9930%	12.7465%	9.1566%	85
90	17.6916%	13.6316%	17.2371%	13.3681%	17.6916%	13.6316%	17.0655%	13.2682%	17.2717%	13.3882%	90
95	26.2717%	19.1037%	25.9322%	18.8569%	26.2717%	19.1037%	25.8028%	18.7628%	25.9582%	18.8758%	95
100	34.4556%	23.7467%	34.4556%	23.7467%	34.4556%	23.7467%	34.4556%	23.7467%	34.4556%	23.7467%	100
105	39.7886%	29.3116%	39.7886%	29.3116%	39.7886%	29.3116%	39.7886%	29.3116%	39.7886%	29.3116%	105
110	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	110

Offsets Age	PSERS		LEOFF				WSPRS		Offsets Age
	Plan 2 - 2038		Plan 1 - 2019		Plan 2 - 2034		Plan 1/2 - 2028		
	0 Male	0 Female	2 Male	2 Female	0 Male	0 Female	0 Male	0 Female	
20	1.5704%	0.5490%	0.0306%	0.0166%	1.6316%	0.5670%	1.7277%	0.5950%	20
25	1.8656%	0.5705%	0.0350%	0.0196%	1.9034%	0.5867%	1.9615%	0.6120%	25
30	2.0523%	0.6158%	0.0536%	0.0319%	2.0730%	0.6283%	2.1043%	0.6474%	30
35	2.0523%	0.6041%	0.0862%	0.0497%	2.0730%	0.6176%	2.1043%	0.6384%	35
40	1.9382%	0.5596%	0.1123%	0.0738%	1.9696%	0.5768%	2.0175%	0.6034%	40
45	1.7617%	0.5490%	0.1527%	0.1135%	1.8082%	0.5670%	1.8804%	0.5950%	45
50	2.0550%	0.8340%	0.2239%	0.1724%	2.1307%	0.8629%	2.2495%	0.9083%	50
55	2.4660%	1.4207%	0.3926%	0.3238%	2.5619%	1.4436%	2.7130%	1.4788%	55
60	3.0983%	1.9857%	0.7529%	0.6348%	3.1995%	2.0057%	3.3575%	2.0361%	60
65	3.8419%	2.5483%	1.4088%	1.1598%	3.9514%	2.5739%	4.1215%	2.6129%	65
70	4.7013%	3.4220%	2.3645%	1.9676%	4.8450%	3.4565%	5.0689%	3.5088%	70
75	6.2841%	4.4851%	4.1107%	3.1652%	6.4631%	4.5576%	6.7414%	4.6685%	75
80	9.0403%	6.3292%	7.3395%	5.2666%	9.2234%	6.4186%	9.5050%	6.5550%	80
85	12.3940%	8.9392%	12.7467%	9.1266%	12.5690%	9.0472%	12.8362%	9.2118%	85
90	16.9973%	13.2284%	20.8834%	15.3186%	17.1339%	13.3080%	17.3410%	13.4285%	90
95	25.7512%	18.7253%	29.4206%	21.1504%	25.8545%	18.8004%	26.0101%	18.9136%	95
100	34.4556%	23.7467%	37.1685%	25.4498%	34.4556%	23.7467%	34.4556%	23.7467%	100
105	39.7886%	29.3116%	40.0000%	32.2725%	39.7886%	29.3116%	39.7886%	29.3116%	105
110	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	110

4. Retirement (page 1 of 2):

Probabilities of service retirement are illustrated in the following tables.

Age	PERS						SERS				PSERS		Age
	Plan 1		Plan 2/3*				Plan 2/3*				Plan 2		
	Male	Female	Service Less Than 30 Years		Service Greater Than Or Equal To 30 Years		Service Less Than 30 Years		Service Greater Than Or Equal To 30 Years		Male	Female	
50	53%	34%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50
51	44%	34%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	51
52	44%	34%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	52
53	44%	30%	0%	0%	0%	0%	0%	0%	0%	0%	3%	3%	53
54	44%	47%	0%	0%	0%	0%	0%	0%	0%	0%	3%	3%	54
55	21%	22%	3%	3%	13%	14%	3%	3%	13%	14%	3%	3%	55
56	17%	17%	3%	3%	12%	12%	3%	3%	12%	12%	8%	8%	56
57	18%	18%	3%	3%	13%	13%	3%	3%	13%	13%	8%	8%	57
58	18%	17%	7%	3%	14%	13%	7%	3%	14%	13%	15%	11%	58
59	22%	32%	7%	3%	18%	28%	7%	3%	18%	28%	16%	12%	59
60	15%	17%	9%	9%	14%	15%	9%	9%	14%	15%	30%	36%	60
61	23%	21%	9%	12%	22%	20%	9%	12%	22%	20%	26%	26%	61
62	32%	29%	25%	22%	33%	29%	25%	22%	33%	29%	36%	36%	62
63	23%	21%	20%	20%	25%	25%	20%	20%	25%	25%	50%	50%	63
64	30%	26%	55%	55%	60%	60%	50%	50%	55%	55%	89%	89%	64
65	40%	39%	45%	45%	45%	45%	45%	45%	45%	45%	46%	31%	65
66	26%	22%	26%	25%	26%	25%	26%	25%	26%	25%	30%	30%	66
67	26%	23%	20%	22%	20%	22%	20%	22%	20%	22%	22%	26%	67
68	20%	22%	20%	23%	20%	23%	20%	23%	20%	23%	22%	26%	68
69	23%	25%	22%	21%	22%	21%	22%	21%	22%	21%	26%	22%	69
70	24%	20%	20%	23%	20%	23%	20%	23%	20%	23%	100%	100%	70
71	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	71
72	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	72
73	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	73
74	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	74
75	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	75
76	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	76
77	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	77
78	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	78
79	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	100%	100%	79
80	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	80

*Approximately 50% of those eligible to retire with at least 20, but less than 30 years of service in Plan 3 elect to defer their benefits.

4. Retirement (page 2 of 2):

Age	TRS										LEOFF			WSPRS	JRS	Age	
	Plan 1				Plan 2/3*						Plan 1		Plan 2	Plan 1/2			
	Service Not Equal To 30 Years		Service Equal To 30 Years		Service Less Than 30 Years		Service Equal To 30 Years		Service Greater Than 30 Years		Service Less Than 30 Years	Service Greater Than or Equal to 30 Years					
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female	Male & Female	Male & Female	
50	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	14%	5%	28%	0%	50
51	0%	0%	0%	29%	0%	0%	0%	0%	0%	0%	0%	7%	14%	4%	23%	0%	51
52	0%	19%	38%	33%	0%	0%	0%	0%	0%	0%	0%	7%	14%	4%	23%	0%	52
53	24%	19%	38%	33%	0%	0%	0%	0%	0%	0%	0%	7%	15%	9%	23%	0%	53
54	24%	19%	38%	33%	0%	0%	0%	0%	0%	0%	0%	11%	19%	11%	23%	0%	54
55	24%	21%	38%	33%	3%	2%	24%	21%	15%	13%		12%	20%	14%	23%	0%	55
56	24%	21%	33%	33%	3%	3%	23%	23%	17%	15%		12%	21%	14%	23%	0%	56
57	24%	21%	33%	34%	3%	7%	25%	25%	18%	16%		15%	24%	14%	23%	0%	57
58	24%	22%	38%	34%	3%	7%	31%	27%	20%	18%		16%	25%	19%	20%	0%	58
59	24%	27%	43%	34%	3%	7%	38%	29%	21%	24%		16%	26%	19%	23%	0%	59
60	24%	22%	43%	34%	11%	9%	41%	32%	23%	21%		23%	33%	19%	23%	1%	60
61	24%	24%	48%	44%	11%	12%	48%	43%	24%	24%		25%	34%	24%	25%	1%	61
62	38%	29%	58%	58%	25%	25%	60%	60%	40%	35%		25%	33%	24%	25%	14%	62
63	29%	23%	50%	50%	20%	25%	50%	50%	30%	30%		25%	31%	24%	27%	14%	63
64	27%	25%	50%	50%	50%	45%	55%	50%	55%	50%		25%	30%	24%	33%	18%	64
65	40%	44%	70%	60%	50%	45%	50%	45%	50%	45%		25%	30%	24%	100%	30%	65
66	40%	36%	70%	60%	40%	30%	40%	30%	40%	30%		25%	29%	24%	100%	33%	66
67	33%	26%	70%	60%	35%	25%	35%	25%	35%	25%		25%	28%	24%	100%	18%	67
68	28%	30%	70%	60%	30%	25%	30%	25%	30%	25%		25%	27%	24%	100%	18%	68
69	28%	28%	70%	60%	30%	40%	30%	40%	30%	40%		25%	27%	24%	100%	18%	69
70	23%	35%	100%	45%	30%	25%	30%	25%	30%	25%		100%	100%	100%	100%	22%	70
71	20%	20%	100%	45%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	22%	71
72	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	22%	72
73	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	22%	73
74	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	22%	74
75	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	100%	75
76	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	100%	76
77	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	100%	77
78	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	100%	78
79	20%	20%	100%	100%	50%	25%	50%	25%	50%	25%		100%	100%	100%	100%	100%	79
80	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		100%	100%	100%	100%	100%	80

*Approximately 50% of those eligible to retire with at least 20, but less than 30 years of service in Plan 3 elect to defer their benefits.

5. Disablement:

Probabilities of disablement are illustrated in the following tables.

Age	PERS				SERS		PSERS		Age
	Plan 1*		Plan 2/3		Plan 2/3		Plan 2		
	Male	Female	Male	Female	Male	Female	Male	Female	
20	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	20
25	0.0000%	0.0000%	0.0052%	0.0000%	0.0000%	0.0000%	0.0052%	0.0000%	25
30	0.0000%	0.0000%	0.0115%	0.0056%	0.0000%	0.0048%	0.0115%	0.0056%	30
35	0.0310%	0.0319%	0.0156%	0.0194%	0.0081%	0.0176%	0.0156%	0.0194%	35
40	0.0762%	0.0710%	0.0235%	0.0275%	0.0258%	0.0164%	0.0235%	0.0275%	40
45	0.1481%	0.1431%	0.0476%	0.0467%	0.0568%	0.0201%	0.0476%	0.0467%	45
50	0.2542%	0.3023%	0.0922%	0.1003%	0.1102%	0.0797%	0.0922%	0.1003%	50
55	0.8240%	0.6411%	0.2630%	0.2782%	0.3175%	0.2166%	0.2630%	0.2782%	55
60	1.1701%	0.6502%	0.7603%	0.7681%	0.7200%	0.5888%	0.7603%	0.7681%	60
65	1.1701%	0.5495%	1.0244%	1.0271%	1.2600%	0.4069%	1.0244%	1.0271%	65
70	1.1701%	0.5495%	1.0244%	1.0271%	0.1260%	0.1538%	1.0244%	1.0271%	70
75	1.1701%	0.5495%	1.0244%	1.0271%	0.0126%	0.0581%	1.0244%	1.0271%	75
80	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	80

*10% of all PERS Plans 1 disabilities are assumed to be duty related.

Age	TRS				LEOFF		WSPRS	JRS	Age
	Plan 1		Plan 2/3		Plan 1**	Plan 2	Plan 1/2**		
	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female		
20	0.0013%	0.0014%	0.0003%	0.0003%	0.1000%	0.0124%	0.0256%	***	20
25	0.0091%	0.0092%	0.0024%	0.0019%	0.1000%	0.0319%	0.0353%	***	25
30	0.0187%	0.0190%	0.0048%	0.0040%	0.7968%	0.0779%	0.0488%	***	30
35	0.0321%	0.0326%	0.0083%	0.0068%	1.4888%	0.1345%	0.0675%	***	35
40	0.0428%	0.0434%	0.0111%	0.0091%	2.3471%	0.2266%	0.0933%	***	40
45	0.0944%	0.0957%	0.0244%	0.0201%	4.0000%	0.2994%	0.1290%	***	45
50	0.1634%	0.1656%	0.0422%	0.0347%	7.0000%	0.5635%	0.1783%	***	50
55	0.3347%	0.3393%	0.1118%	0.0750%	9.0000%	0.7955%	0.2465%	***	55
60	0.4686%	0.4750%	0.2500%	0.1875%	10.0000%	1.0041%	0.3408%	***	60
65	0.7213%	0.7311%	0.2362%	0.1552%	10.0000%	1.1769%	0.0000%	***	65
70	0.7213%	0.7311%	0.0334%	0.0283%	0.0000%	0.0000%	0.0000%	***	70
75	0.7213%	0.7311%	0.0047%	0.0052%	0.0000%	0.0000%	0.0000%	***	75
80	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	***	80

**LEOFF Plan 1 and WSPRS disability retirements are assumed to continue after service retirement eligibility, except for LEOFF Plan 1 members with more than 30 years.

*** JRS assumes a 1% rate of disability at all ages after ten years of service.

6. Termination:

Other Terminations of Employment: Probabilities of termination are illustrated in the following table.

Years of Service	PERS		SERS		PSERS		TRS		LEOFF		WSPRS	JRS	Years of Service
	All Plans		All Plans		Plan 2		All Plans		Plan 1	Plan 2	All Plans		
	Male	Female	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female	Male & Female	
0	26.2397%	26.7698%	25.5974%	19.9030%	26.2397%	26.7698%	10.7968%	10.8867%	10.7153%	10.7033%	3.3365%	2.0000%	0
1	15.4534%	16.7747%	15.8775%	13.1281%	15.4534%	16.7747%	9.2756%	9.7130%	4.8178%	4.8058%	2.8665%	2.0000%	1
2	10.0683%	11.7007%	11.6915%	10.2908%	10.0683%	11.7007%	5.9747%	7.2137%	2.4604%	2.4484%	2.5639%	2.0000%	2
3	7.5236%	9.2904%	9.9510%	7.8600%	7.5236%	9.2904%	4.3174%	5.9168%	2.1731%	2.1611%	2.3870%	2.0000%	3
4	6.3052%	7.6024%	8.1055%	6.7558%	6.3052%	7.6024%	4.1379%	5.0333%	2.0554%	2.0434%	2.2614%	2.0000%	4
5	5.4443%	6.6544%	7.0001%	6.2423%	5.4443%	6.6544%	3.6574%	4.5110%	1.9806%	1.9686%	1.5865%	2.0000%	5
6	4.5887%	6.0712%	6.1045%	5.5595%	4.5887%	6.0712%	3.1921%	4.0204%	1.9379%	1.9259%	1.5069%	2.0000%	6
7	4.2956%	5.4587%	5.6497%	5.2581%	4.2956%	5.4587%	2.4566%	3.4185%	1.9344%	1.9224%	1.4396%	2.0000%	7
8	3.8441%	5.0026%	4.9878%	4.9707%	3.8441%	5.0026%	2.2431%	2.9563%	1.7982%	1.7862%	1.3813%	2.0000%	8
9	3.6120%	4.4536%	4.7679%	4.7491%	3.6120%	4.4536%	2.1313%	2.4037%	1.7549%	1.7429%	1.3299%	2.0000%	9
10	3.4062%	4.0754%	4.3892%	4.5725%	3.4062%	4.0754%	2.0225%	2.3050%	1.7151%	1.7031%	1.0034%	0.0000%	10
11	3.1228%	3.7102%	4.0911%	4.4832%	3.1228%	3.7102%	1.9121%	2.1650%	1.5263%	1.5143%	0.9618%	0.0000%	11
12	3.0279%	3.3673%	3.8637%	4.4156%	3.0279%	3.3673%	1.8631%	1.9982%	1.5122%	1.5002%	0.9238%	0.0000%	12
13	2.8580%	3.2309%	3.6863%	4.4032%	2.8580%	3.2309%	1.3880%	1.6962%	1.4522%	1.4402%	0.8889%	0.0000%	13
14	2.7921%	3.1248%	3.2877%	4.2560%	2.7921%	3.1248%	1.3353%	1.6596%	1.1562%	1.1442%	0.8566%	0.0000%	14
15	2.6640%	2.9525%	3.0517%	4.2740%	2.6640%	2.9525%	1.2356%	1.5984%	1.0816%	1.0696%	0.6999%	0.0000%	15
16	2.4254%	2.7411%	2.8186%	3.9160%	2.4254%	2.7411%	1.1763%	1.5336%	1.0571%	1.0451%	0.6718%	0.0000%	16
17	2.1960%	2.4231%	2.5793%	3.6424%	2.1960%	2.4231%	1.0705%	1.3331%	0.8522%	0.8402%	0.6453%	0.0000%	17
18	1.9650%	2.1981%	2.2867%	3.4565%	1.9650%	2.1981%	1.0276%	1.2106%	0.8696%	0.8576%	0.6204%	0.0000%	18
19	1.6561%	1.9927%	2.0112%	3.2224%	1.6561%	1.9927%	0.9342%	1.1378%	0.8644%	0.8524%	0.5968%	0.0000%	19
20	1.3551%	1.7270%	1.8112%	2.8822%	1.3551%	1.7270%	0.8641%	1.0689%	0.8773%	0.8653%	0.3269%	0.0000%	20
21	1.1848%	1.4418%	1.7086%	2.7134%	1.1848%	1.4418%	0.7229%	0.8065%	0.8544%	0.8424%	0.3056%	0.0000%	21
22	1.0082%	1.2500%	1.5797%	2.5300%	1.0082%	1.2500%	0.7090%	0.7507%	0.8178%	0.8058%	0.2853%	0.0000%	22
23	0.8454%	1.0608%	1.5356%	2.0548%	0.8454%	1.0608%	0.6964%	0.7282%	0.7594%	0.7474%	0.2659%	0.0000%	23
24	0.7544%	0.8007%	1.5275%	1.9208%	0.7544%	0.8007%	0.6974%	0.6871%	0.7248%	0.7128%	0.2473%	0.0000%	24
25	0.6909%	0.6627%	1.1837%	1.5628%	0.6909%	0.6627%	0.6776%	0.6864%	0.6671%	0.6551%	0.0000%	0.0000%	25
26	0.5537%	0.5548%	1.0103%	1.1826%	0.5537%	0.5548%	0.6634%	0.6591%	0.7674%	0.7554%	0.0000%	0.0000%	26
27	0.6646%	0.5862%	0.7945%	0.8882%	0.6646%	0.5862%	0.6491%	0.6487%	0.7033%	0.6913%	0.0000%	0.0000%	27
28	0.5876%	0.4781%	0.4945%	0.7339%	0.5876%	0.4781%	0.5385%	0.5369%	0.6222%	0.6102%	0.0000%	0.0000%	28
29	0.5174%	0.4290%	0.4945%	0.7339%	0.5174%	0.4290%	0.4563%	0.4634%	0.1841%	0.1721%	0.0000%	0.0000%	29
30+	0.4516%	0.3866%	0.4945%	0.7339%	0.4516%	0.3866%	0.3953%	0.3817%	0.1646%	0.1526%	0.0000%	0.0000%	30+

7. Future Salaries (page 1 of 2):

The following tables indicate the scale of relative salary values used to estimate future salaries for valuation purposes. In addition to increases in salary due to promotions and longevity, there is an assumed 3.75% per annum rate of increase in the general salary level of the membership. The salary ratio describes the final salary over the current salary.

Step Salary Increases

Years of Service	PERS		SERS		PSERS		TRS		LEOFF		WSPRS		Years of Service
	All Plans		All Plans		Plan 2		All Plans		All Plans		All Plans		
	Percent Increase	Salary Ratio											
0	6.1%	1.370	6.9%	1.385	6.1%	1.370	5.8%	1.584	11.0%	1.840	7.1%	1.626	0
1	6.1%	1.291	6.9%	1.295	6.1%	1.291	5.8%	1.497	11.0%	1.657	7.1%	1.519	1
2	4.8%	1.217	3.9%	1.212	4.8%	1.217	4.3%	1.415	7.7%	1.493	5.9%	1.418	2
3	3.8%	1.161	2.9%	1.166	3.8%	1.161	4.1%	1.357	6.1%	1.386	5.2%	1.339	3
4	2.9%	1.119	2.3%	1.133	2.9%	1.119	3.5%	1.303	4.0%	1.307	5.2%	1.273	4
5	2.2%	1.087	2.2%	1.108	2.2%	1.087	3.1%	1.259	2.8%	1.256	5.2%	1.210	5
6	1.5%	1.064	1.6%	1.084	1.5%	1.064	2.8%	1.221	2.0%	1.222	4.5%	1.150	6
7	1.1%	1.048	1.3%	1.067	1.1%	1.048	2.6%	1.188	1.6%	1.198	0.8%	1.100	7
8	0.9%	1.037	1.2%	1.053	0.9%	1.037	2.4%	1.158	1.5%	1.179	0.8%	1.092	8
9	0.7%	1.027	0.9%	1.041	0.7%	1.027	2.2%	1.131	1.4%	1.162	0.8%	1.083	9
10	0.5%	1.020	0.8%	1.031	0.5%	1.020	2.0%	1.107	1.7%	1.146	0.8%	1.074	10
11	0.4%	1.015	0.7%	1.023	0.4%	1.015	1.9%	1.085	1.3%	1.127	0.8%	1.066	11
12	0.3%	1.011	0.4%	1.016	0.3%	1.011	1.7%	1.065	1.3%	1.112	0.4%	1.057	12
13	0.2%	1.008	0.4%	1.012	0.2%	1.008	1.5%	1.047	1.3%	1.098	0.4%	1.053	13
14	0.2%	1.006	0.3%	1.008	0.2%	1.006	1.0%	1.031	1.3%	1.084	0.4%	1.049	14
15	0.2%	1.004	0.1%	1.005	0.2%	1.004	0.8%	1.021	1.3%	1.070	0.4%	1.045	15
16	0.2%	1.002	0.1%	1.004	0.2%	1.002	0.4%	1.013	1.1%	1.056	0.4%	1.041	16
17	0.0%	1.000	0.1%	1.003	0.0%	1.000	0.1%	1.009	1.1%	1.045	0.4%	1.037	17
18	0.0%	1.000	0.1%	1.002	0.0%	1.000	0.1%	1.008	1.1%	1.033	0.4%	1.032	18
19	0.0%	1.000	0.1%	1.001	0.0%	1.000	0.1%	1.007	1.1%	1.022	0.4%	1.028	19
20	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.1%	1.006	1.1%	1.011	0.4%	1.024	20
21	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.1%	1.005	0.0%	1.000	0.4%	1.020	21
22	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.1%	1.004	0.0%	1.000	0.4%	1.016	22
23	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.1%	1.003	0.0%	1.000	0.4%	1.012	23
24	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.1%	1.002	0.0%	1.000	0.4%	1.008	24
25	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.1%	1.001	0.0%	1.000	0.4%	1.004	25
26	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	26
27	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	27
28	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	28
29	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	29
30+	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	30+

7. Future Salaries (page 2 of 2):

Relative Salary Values

	PERS/SERS/ PSERS	TRS	LEOFF 1	LEOFF 2	WSPRS	JRS
Annual Percent Increase	4.74%	4.58%	5.05%	5.05%	4.74%	3.75%
Attributed to Growth In Active Group Size	0.95%	0.80%	1.25%	1.25%	0.95%	0.00%
Attributed to the Effects of Inflation on Salaries	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

8. Other Specific Assumptions that have a Material Impact on Valuation Results:

- Members of the following plans increase their Average Final Compensation by an average stated below by cashing out sick leave or annual leave pay, or by increasing overtime: PERS Plan 1 up to 4.5%, TRS Plan 1 up to 1.0%, and WSPRS Plan 1 up to 7.5%.
- Post-retirement cost-of-living increases are assumed to be 3.0% each year for all plans including: LEOFF Plan 1 at 3.0%, and qualifying PERS Plan 1/TRS Plan 1 receive a COLA on minimum benefit levels.
- LEOFF Plan 2 members are assumed to disable or die due to duty-related injury or illness at a rate which varies with age. For more details, contact the Office of the State Actuary.
- Other assumptions include the probability of a vested terminated member not withdrawing his or her contributions from the plan, the probability of being married, military service, single life annuity refund on death, and beneficiary age. More details on these and other assumptions can be obtained from the Office of the State Actuary.

9. Change in Assumptions

Assumption Changes:

None.

Method Changes:

- We now spread the entry age normal cost as a level percentage over a member's career, rather than over the period from entry to the last decrement age where each benefit is available.
- For the entry age used in the EAN calculation, the member's career begins with their age at entry into the current plan, rather than the age they entered service in any state plan.

10. Actuarial Cost Method:

Valuation assets are at market value with annual gains and losses recognized on a graded scale over an eight-year period. Additionally, the actuarial value of assets may not exceed 130%, nor drop below 70%, of the market value of assets. JRS and Judges use the market value of assets for valuation assets.

PERS Plan 1, TRS Plan 1, LEOFF Plan 1, JRS and Judges:

Funding (Actual Contributions): A variation of the Entry Age Normal (EAN) Cost Method is used for PERS Plan 1 and TRS Plan 1. The contribution toward the UAAL has been developed in the valuation as a level

percentage of expected future covered payrolls which will amortize the UAAL over a rolling ten-year period. PERS Plan 1 amortizes the UAAL over all PERS, SERS, and PSERS payroll, including projected system growth. TRS Plan 1 amortizes the UAAL over all TRS payroll, including projected system growth. The UAAL rates have contribution rate ceilings effective 2009-2015. After 2015, PERS Plan 1 has a minimum UAAL rate of 3.50%, and TRS Plan 1 has a minimum UAAL rate of 5.75%. No contributions are required when the LEOFF Plan 1 is fully funded. JRS and Judges are funded on a pay-as-you-go basis.

Disclosure (Annual Required Contributions): The funding method described in the previous paragraph for PERS Plan 1 and TRS Plan 1 is not an acceptable method for the GASB Statement Number 25 disclosures since it includes payroll outside the plan. In order to meet GASB Statement Number 25 requirements, the Entry Age Cost Method has been used for these plans. The UAAL is amortized as a level dollar amount over the applicable amortization period. PERS Plan 1 and TRS Plan 1 use a rolling ten-year amortization period. We report annual required contributions for JRS and Judges under the Entry Age Cost Method with a rolling five-year amortization period. For all other plans that use the Aggregate funding method, we calculate the annual required contributions as the contribution rate under the Aggregate method (excluding minimum contribution rates) collected over covered payroll.

PERS Plan 2/3, SERS Plan 2/3, TRS Plan 2/3, PSERS Plan 2, LEOFF Plan 2, and WSPRS:

The Aggregate Actuarial Cost Method is used to calculate the contribution rates. Under this method the unfunded actuarial present value of fully projected benefits is amortized over the projected earnings of the active group. The entire contribution is normal cost, and no UAAL exists. All gains and losses are amortized over future salaries of current active members. PERS Plan 2/3, TRS Plan 2/3, SERS Plan 2/3 and PSERS Plan 2 minimum contribution rates are based upon 80% of the Entry Age Normal Cost Rate (EANC). WSPRS minimum contribution rates are based upon 70% of the EANC. Similarly, LEOFF Plan 2 minimum contribution rates are based upon 90% of the EANC.

11. Change in Funding Policy:

None

12. Material Changes in Benefit Provisions and Contribution Rates:

The GASB disclosure contribution rates are based on the latest actuarial valuations as of June 30, 2012.

The following laws, enacted in 2013, had an impact on the latest actuarial valuation:

- District Court Judges (Chapter 22, Laws of 2013)
- Health Insurance Access (Chapter 287, Laws of 2013)

Additional Actuarial Schedules

Schedule of Active Member Valuation Data: PERS Plan 1

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	6,635	\$370.8	\$55,878	0.1%
6/30/11	7,733	431.8	55,842	(0.9)%
6/30/10	9,007	507.3	56,324	0.5%
6/30/09	10,354	580.2	56,034	2.4%
6/30/08	11,663	638.5	54,743	5.0%
6/30/07	12,975	676.4	52,130	2.1%

Schedule of Active Member Valuation Data: PERS Plan 2

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	115,877	\$6,688.2	\$57,718	1.2%
6/30/11	117,096	6,679.4	57,042	1.3%
6/30/10	119,826	6,748.3	56,317	2.0%
6/30/09	121,800	6,723.9	55,204	4.1%
6/30/08	123,285	6,537.5	53,028	6.5%
6/30/07	120,625	6,004.6	49,779	2.9%

Schedule of Active Member Valuation Data: PERS Plan 3

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	28,078	\$1,504.4	\$53,579	0.6%
6/30/11	27,588	1,468.9	53,245	1.1%
6/30/10	27,693	1,458.0	52,647	1.2%
6/30/09	27,081	1,408.4	52,006	4.3%
6/30/08	26,720	1,331.7	49,840	5.7%
6/30/07	24,422	1,152.0	47,172	1.5%

Schedule of Active Member Valuation Data: SERS Plan 2

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	20,846	\$594.0	\$28,494	0.1%
6/30/11	20,784	591.4	28,453	0.6%
6/30/10	20,358	576.0	28,293	0.8%
6/30/09	20,197	567.0	28,072	3.5%
6/30/08	19,264	522.4	27,118	2.2%
6/30/07	17,767	471.4	26,531	4.3%

Schedule of Active Member Valuation Data: SERS Plan 3

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	30,712	\$884.8	\$28,810	1.1%
6/30/11	31,548	898.6	28,483	1.3%
6/30/10	31,981	899.0	28,110	0.9%
6/30/09	32,277	899.5	27,869	5.7%
6/30/08	32,510	857.1	26,364	7.4%
6/30/07	33,058	811.4	24,544	2.7%

Schedule of Active Member Valuation Data: PSERS Plan 2

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	4,250	\$238.0	\$55,999	0.7%
6/30/11	4,187	232.8	55,597	3.0%
6/30/10	4,210	227.4	54,003	4.9%
6/30/09	4,340	223.4	51,476	2.5%
6/30/08	3,981	200.0	50,231	3.1%
6/30/07	2,755	134.2	48,710	(2.0)%

Schedule of Active Member Valuation Data: TRS Plan 1

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	3,019	\$228.5	\$75,681	(0.4)%
6/30/11	3,740	284.2	75,994	1.4%
6/30/10	4,591	344.0	74,930	0.3%
6/30/09	5,204	388.8	74,707	4.7%
6/30/08	6,061	432.4	71,340	6.0%
6/30/07	6,331	426.1	67,310	3.9%

Schedule of Active Member Valuation Data: TRS Plan 2

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	10,849	\$668.8	\$61,648	(2.2)%
6/30/11	10,285	648.2	63,025	(0.6)%
6/30/10	9,442	598.8	63,423	(1.3)%
6/30/09	9,174	589.3	64,239	1.9%
6/30/08	8,103	510.8	63,043	1.3%
6/30/07	6,752	420.1	62,213	5.2%

Schedule of Active Member Valuation Data: TRS Plan 3

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	51,489	\$3,408.1	\$66,191	0.5%
6/30/11	52,178	3,436.7	65,866	2.3%
6/30/10	52,292	3,366.7	64,382	1.3%
6/30/09	53,010	3,367.9	63,534	6.9%
6/30/08	52,360	3,110.6	59,408	6.3%
6/30/07	51,856	2,897.6	55,879	6.1%

Schedule of Active Member Valuation Data: LEOFF Plan 1

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	186	\$18.8	\$100,828	2.8%
6/30/11	250	24.5	98,078	1.4%
6/30/10	301	29.1	96,686	3.2%
6/30/09	356	33.3	93,679	6.4%
6/30/08	421	37.1	88,070	5.8%
6/30/07	513	42.7	83,262	3.3%

Schedule of Active Member Valuation Data: LEOFF Plan 2

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	16,720	\$1,560.1	\$93,308	2.2%
6/30/11	16,805	1,534.7	91,322	2.8%
6/30/10	16,775	1,490.1	88,828	4.4%
6/30/09	16,951	1,442.5	85,097	5.2%
6/30/08	16,626	1,344.9	80,889	5.6%
6/30/07	16,099	1,233.7	76,632	2.8%

Schedule of Active Member Valuation Data: WSPRS Plan 1

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	712	\$57.1	\$80,263	0.4%
6/30/11	767	61.3	79,983	(0.3)%
6/30/10	806	64.6	80,197	0.1%
6/30/09	830	66.5	80,115	4.4%
6/30/08	851	65.3	76,751	6.7%
6/30/07	885	63.6	71,907	3.3%

Schedule of Active Member Valuation Data: WSPRS Plan 2

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	354	\$23.1	\$65,165	1.7%
6/30/11	315	20.2	64,103	0.7%
6/30/10	281	17.9	63,660	1.7%
6/30/09	264	16.5	62,583	9.3%
6/30/08	234	13.4	57,233	5.7%
6/30/07	152	8.2	54,162	3.6%

Schedule of Active Member Valuation Data: JRS

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/12	2	\$0.3	\$148,832	(3.3)%
6/30/11	3	0.5	153,962	1.4%
6/30/10	5	0.8	151,908	0.7%
6/30/09	9	1.4	150,870	6.0%
6/30/08	10	1.4	142,328	5.9%
6/30/07	11	1.5	134,386	2.2%

Note: Averages are based on actual, not rounded amounts.
Source: Washington State Office of the State Actuary

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: PERS Plan 1

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	1,643	\$42,344,185	2,235	\$33,066,677	52,672	\$1,169,187,194	\$22,198	1.5%
6/30/11	1,829	49,678,585	2,307	31,131,283	53,264	1,151,599,650	21,621	3.6%
6/30/10	1,891	48,714,779	2,296	30,635,880	53,742	1,112,108,596	20,693	3.5%
6/30/09	1,824	47,679,971	2,258	28,065,463	54,147	1,073,997,138	19,835	3.7%
6/30/08	2,138	54,916,521	2,243	27,122,179	54,581	1,035,876,249	18,979	4.6%
6/30/07	1,555	41,444,329	1,703	19,287,556	54,686	989,949,533	18,102	2.5%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: PERS Plan 2

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	3,685	\$67,895,490	576	\$5,893,503	27,820	\$386,547,451	\$13,895	20.6%
6/30/11	3,206	59,754,016	538	5,248,298	24,711	320,615,736	12,975	23.2%
6/30/10	2,732	45,416,589	479	4,302,408	22,043	260,152,502	11,802	21.8%
6/30/09	2,461	37,668,755	469	3,848,756	19,790	213,544,944	10,791	22.0%
6/30/08	2,215	27,458,079	376	2,944,525	17,798	175,102,432	9,838	19.4%
6/30/07	1,363	16,027,735	285	2,398,926	15,959	146,703,879	9,193	10.3%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: PERS Plan 3

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	377	\$3,768,015	15	\$95,645	1,750	\$14,165,571	\$8,095	36.6%
6/30/11	289	2,750,573	15	115,610	1,388	10,366,918	7,469	36.8%
6/30/10	211	1,847,618	17	105,335	1,114	7,575,590	6,800	33.1%
6/30/09	188	1,431,296	11	68,324	920	5,691,504	6,186	34.6%
6/30/08	153	973,585	9	39,824	743	4,227,474	5,690	31.2%
6/30/07	120	767,458	7	36,995	599	3,222,482	5,380	29.4%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: SERS Plan 2

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	685	\$7,196,654	71	\$556,280	4,437	\$39,304,032	\$8,858	22.0%
6/30/11	560	5,481,726	48	331,627	3,823	32,224,861	8,429	21.8%
6/30/10	482	4,325,732	41	339,774	3,311	26,455,961	7,990	20.9%
6/30/09	454	3,836,380	32	197,969	2,870	21,890,772	7,627	23.0%
6/30/08	450	3,526,561	28	186,696	2,448	17,799,193	7,271	26.1%
6/30/07	231	1,721,633	20	112,108	2,026	14,110,609	6,965	13.0%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: SERS Plan 3

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	636	\$3,285,871	27	\$105,484	3,214	\$14,992,908	\$4,665	28.5%
6/30/11	553	3,038,825	21	73,455	2,605	11,667,747	4,479	37.2%
6/30/10	332	1,614,718	18	51,140	2,073	8,504,426	4,102	25.6%
6/30/09	346	1,552,969	12	36,518	1,759	6,768,866	3,848	31.9%
6/30/08	325	1,370,967	15	57,309	1,425	5,130,021	3,600	37.5%
6/30/07	178	695,857	6	14,025	1,115	3,730,124	3,345	22.7%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: PSERS Plan 2*

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	12	\$46,142	–	\$–	27	\$85,628	\$3,171	117.6%
6/30/11	8	25,844	–	–	15	39,355	2,624	192.3%
6/30/10	5	10,383	–	–	7	13,465	1,924	339.7%
6/30/09	1	2,409	–	–	2	3,062	1,531	368.9%
6/30/08	1	653	–	–	1	653	653	0.0%
6/30/07	–	–	–	–	–	–	–	–

*PSERS 2 became effective July 1, 2006

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: TRS Plan 1

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	1,007	\$32,011,915	1,071	\$19,959,639	36,054	\$877,408,017	\$24,336	1.6%
6/30/11	1,161	37,444,310	1,058	18,622,578	36,118	863,605,633	23,911	4.0%
6/30/10	947	27,363,548	964	16,376,709	36,015	829,998,363	23,046	3.2%
6/30/09	1,193	33,860,034	1,040	16,463,852	36,032	804,572,786	22,329	3.9%
6/30/08	1,564	43,927,319	1,069	16,443,154	35,879	774,340,924	21,582	5.2%
6/30/07	370	6,636,490	731	11,088,213	35,384	735,750,464	20,793	(0.7)%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: TRS Plan 2

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	424	\$9,371,702	21	\$336,553	3,060	\$55,682,494	\$18,197	20.8%
6/30/11	362	7,470,573	25	307,667	2,657	46,085,043	17,345	21.3%
6/30/10	249	5,208,999	33	383,886	2,320	37,984,977	16,373	17.7%
6/30/09	246	4,939,050	21	265,215	2,104	32,273,082	15,339	20.2%
6/30/08	244	4,076,287	29	323,867	1,879	26,844,925	14,287	19.5%
6/30/07	105	1,426,931	15	141,168	1,664	22,470,949	13,504	6.2%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: TRS Plan 3

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	896	\$10,668,293	26	\$207,788	3,804	\$38,191,899	\$10,040	39.3%
6/30/11	714	8,168,048	15	132,216	2,934	27,425,422	9,347	44.5%
6/30/10	454	4,632,283	10	73,282	2,235	18,983,833	8,494	34.9%
6/30/09	408	4,058,520	9	60,319	1,791	14,073,479	7,858	43.2%
6/30/08	360	3,056,652	11	78,741	1,392	9,828,264	7,061	47.1%
6/30/07	115	826,838	5	17,533	1,043	6,680,207	6,405	13.9%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: LEOFF Plan 1

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	162	\$9,325,170	249	\$9,732,437	7,845	\$350,199,616	\$44,640	3.0%
6/30/11	136	7,331,503	212	8,121,870	7,932	340,160,704	42,885	0.5%
6/30/10	167	9,065,821	246	9,545,410	8,008	338,503,613	42,271	0.3%
6/30/09	156	8,226,656	203	7,267,042	8,087	337,505,287	41,734	4.7%
6/30/08	189	9,377,706	216	7,617,139	8,134	322,365,013	39,632	4.3%
6/30/07	153	7,238,334	164	5,380,231	8,161	309,181,019	37,885	4.2%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: LEOFF Plan 2

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	355	\$16,447,618	26	\$705,284	2,344	\$81,874,896	\$34,930	25.1%
6/30/11	389	15,718,562	13	333,059	2,015	65,459,659	32,486	33.8%
6/30/10	285	10,278,954	13	332,332	1,639	48,926,257	29,851	29.2%
6/30/09	243	8,478,268	10	216,179	1,367	37,876,404	27,708	31.0%
6/30/08	227	6,985,801	17	279,908	1,134	28,904,921	25,489	33.7%
6/30/07	153	4,353,299	8	144,930	924	21,611,590	23,389	24.3%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: WSPRS Plan 1

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	59	\$2,674,231	19	\$715,514	915	\$41,147,922	\$44,970	6.6%
6/30/11	42	1,918,898	18	476,475	875	38,597,849	44,112	5.1%
6/30/10	33	1,549,594	16	489,562	851	36,718,045	43,147	6.0%
6/30/09	15	710,502	12	377,080	834	34,636,899	41,531	4.0%
6/30/08	28	1,152,618	18	541,668	831	33,303,079	40,076	4.8%
6/30/07	22	801,594	9	182,796	821	31,779,147	38,708	2.1%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: JRS

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	4	\$317,799	9	\$670,577	119	\$9,584,381	\$80,541	(1.7)%
6/30/11	4	285,689	5	400,572	124	9,745,840	78,595	0.1%
6/30/10	10	700,776	9	626,362	125	9,733,805	77,870	3.5%
6/30/09	4	276,433	7	497,241	124	9,401,392	75,818	0.4%
6/30/08	4	267,383	7	374,274	127	9,359,660	73,698	1.7%
6/30/07	3	160,260	5	392,686	130	9,201,726	70,783	(2.5)%

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls: Judges

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/12	–	\$–	1	\$18,329	12	\$481,349	\$40,116	(3.7)%
6/30/11	–	–	–	–	13	499,719	38,440	0.0%
6/30/10	–	–	–	–	13	499,719	38,440	0.0%
6/30/09	–	–	–	–	13	499,719	38,440	0.0%
6/30/08	–	–	2	–	13	499,719	38,440	(13.6)%
6/30/07	–	–	–	75,233	15	578,135	38,542	0.0%

Source: Washington State Office of the State Actuary

Solvency Test: PERS Plan 1
(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$740.8	\$10,685.6	\$707.0	\$12,133.4	\$8,520.6	100%	73%	0%
6/30/11	818.7	10,677.5	852.1	12,348.4	8,883.4	100%	76%	0%
6/30/10	912.6	10,232.0	1,096.0	12,240.7	9,293.0	100%	82%	0%
6/30/09	989.9	11,269.4	1,703.2	13,962.6	9,775.6	100%	78%	0%
6/30/08	1,055.8	10,963.4	1,881.7	13,901.0	9,852.9	100%	80%	0%
6/30/07	1,120.4	10,575.9	2,044.2	13,740.5	9,715.5	100%	81%	0%

Note: Totals may not agree due to rounding and percentages are based on actual, not rounded totals.
Source: Washington State Office of the State Actuary

Solvency Test: PERS Plan 2/3
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$3,878.2	\$6,710.3	\$12,064.0	\$22,652.6	\$22,652.6	100%	100%	100%
6/30/11	3,605.7	5,756.8	11,634.2	20,996.7	20,996.7	100%	100%	100%
6/30/10	3,388.0	4,753.4	11,332.7	19,474.1	19,474.1	100%	100%	100%
6/30/09	3,132.0	4,038.0	11,090.4	18,260.4	18,260.4	100%	100%	100%
6/30/08	2,760.9	3,447.1	10,484.7	16,692.7	16,692.7	100%	100%	100%
6/30/07	2,464.6	2,966.5	9,456.7	14,887.9	14,887.9	100%	100%	100%

Note: Totals may not agree due to rounding.
Source: Washington State Office of the State Actuary

Solvency Test: SERS Plan 2/3
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$295.3	\$1,018.0	\$1,787.0	\$3,100.3	\$3,100.3	100%	100%	100%
6/30/11	279.8	862.1	1,730.3	2,872.1	2,872.1	100%	100%	100%
6/30/10	266.2	713.8	1,684.1	2,664.1	2,664.1	100%	100%	100%
6/30/09	251.5	613.7	1,637.9	2,503.2	2,503.2	100%	100%	100%
6/30/08	226.5	523.7	1,552.4	2,302.6	2,302.6	100%	100%	100%
6/30/07	207.1	431.4	1,494.9	2,133.4	2,133.4	100%	100%	100%

Note: Totals may not agree due to rounding and percentages are based on actual, not rounded totals.
Source: Washington State Office of the State Actuary

Solvency Test: PSERS Plan 2
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$76.5	\$9.2	\$94.8	\$180.5	\$180.5	100%	100%	100%
6/30/11	62.0	6.1	72.6	140.7	140.7	100%	100%	100%
6/30/10	46.9	4.2	51.7	102.9	102.9	100%	100%	100%
6/30/09	32.4	2.0	34.8	69.2	69.2	100%	100%	100%
6/30/08	18.1	0.9	19.7	38.7	38.7	100%	100%	100%
6/30/07	6.7	0.2	6.9	13.7	13.7	100%	100%	100%

Note: Totals may not agree due to rounding.
Source: Washington State Office of the State Actuary

Solvency Test: TRS Plan 1
(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$509.9	\$7,952.4	\$534.4	\$8,996.7	\$7,144.5	100%	83%	0%
6/30/11	598.1	7,934.2	662.4	9,194.7	7,485.0	100%	87%	0%
6/30/10	663.6	7,586.5	870.0	9,120.0	7,791.3	100%	94%	0%
6/30/09	725.6	8,821.7	1,264.8	10,812.1	8,146.2	100%	84%	0%
6/30/08	790.2	8,564.6	1,399.1	10,753.9	8,262.3	100%	87%	0%
6/30/07	766.4	8,670.1	1,389.0	10,825.6	8,302.3	100%	87%	0%

Note: Totals may not agree due to rounding.
Source: Washington State Office of the State Actuary

Solvency Test: TRS Plan 2/3
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$402.9	\$1,831.7	\$5,523.4	\$7,757.9	\$7,757.9	100%	100%	100%
6/30/11	382.6	1,516.3	5,241.7	7,140.6	7,140.6	100%	100%	100%
6/30/10	366.3	1,224.5	5,002.5	6,593.3	6,593.3	100%	100%	100%
6/30/09	349.7	1,032.2	4,778.1	6,160.0	6,160.0	100%	100%	100%
6/30/08	322.2	883.1	4,475.8	5,681.0	5,681.0	100%	100%	100%
6/30/07	302.6	790.8	4,183.7	5,277.0	5,277.0	100%	100%	100%

Note: Totals may not agree due to rounding.
Source: Washington State Office of the State Actuary

Solvency Test: LEOFF Plan 1
(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$33.5	\$3,945.9	\$134.5	\$4,113.9	\$5,561.6	100%	100%	100%
6/30/11	43.3	3,898.6	196.2	4,138.0	5,565.3	100%	100%	100%
6/30/10	49.5	4,090.6	245.9	4,386.0	5,560.9	100%	100%	100%
6/30/09	55.4	4,149.8	281.2	4,486.5	5,612.1	100%	100%	100%
6/30/08	62.3	3,997.4	308.0	4,367.7	5,592.5	100%	100%	100%
6/30/07	72.4	3,916.3	351.5	4,340.2	5,297.7	100%	100%	100%

Note: Totals may not agree due to rounding and percentages are based on actual, not rounded totals.
Source: Washington State Office of the State Actuary

Solvency Test: LEOFF Plan 2
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$1,925.9	\$1,427.7	\$3,868.3	\$7,221.9	\$7,221.9	100%	100%	100%
6/30/11	1,782.2	1,166.1	3,672.3	6,620.7	6,620.7	100%	100%	100%
6/30/10	1,615.0	924.7	3,503.0	6,042.7	6,042.7	100%	100%	100%
6/30/09	1,479.5	682.5	3,402.1	5,564.2	5,564.2	100%	100%	100%
6/30/08	1,319.7	547.5	3,185.5	5,052.7	5,052.7	100%	100%	100%
6/30/07	1,178.3	451.7	2,729.6	4,359.6	4,359.6	100%	100%	100%

Note: Totals may not agree due to rounding and percentages are based on actual, not rounded totals.
Source: Washington State Office of the State Actuary

Solvency Test: WSPRS Plan 1/2
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$70.8	\$576.1	\$334.9	\$981.7	\$981.7	100%	100%	100%
6/30/11	69.0	541.2	339.3	949.5	949.5	100%	100%	100%
6/30/10	66.4	496.5	356.7	919.6	919.6	100%	100%	100%
6/30/09	62.4	474.5	363.5	900.4	900.4	100%	100%	100%
6/30/08	56.0	460.5	353.2	869.7	869.7	100%	100%	100%
6/30/07	50.8	444.2	304.9	799.9	799.9	100%	100%	100%

Note: Totals may not agree due to rounding.
Source: Washington State Office of the State Actuary

Solvency Test: JRS
(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$1.0	\$100.4	\$2.5	\$103.9	\$3.5	100%	2%	0%
6/30/11	1.5	104.3	3.6	109.3	5.1	100%	3%	0%
6/30/10	2.2	78.5	3.1	83.8	3.8	100%	2%	0%
6/30/09	3.7	76.1	9.5	89.3	1.8	50%	0%	0%
6/30/08	3.7	78.2	9.7	91.5	1.0	26%	0%	0%
6/30/07	3.7	75.3	6.0	85.0	0.5	15%	0%	0%

Note: Totals may not agree due to rounding and percentages are based on actual, not rounded totals.
This is a relatively small fund administered by DRS which is funded on a pay-as-you-go basis.
Source: Washington State Office of the State Actuary

Solvency Test: Judges
(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/12	\$-	\$3.6	\$-	\$3.6	\$1.9	n/a	52%	n/a
6/30/11	-	3.9	-	3.9	2.3	n/a	61%	n/a
6/30/10	-	3.2	-	3.2	2.8	n/a	87%	n/a
6/30/09	-	3.4	-	3.4	3.3	n/a	97%	n/a
6/30/08	-	3.5	-	3.5	3.6	n/a	100%	n/a
6/30/07	-	3.9	-	3.9	4.0	n/a	100%	n/a

Note: Percentages are based on actual, not rounded totals.
This is a relatively small fund administered by DRS which is funded on a pay-as-you-go basis.
Source: Washington State Office of the State Actuary

Note on PERS Plan 2/3, SERS Plan 2/3, PSERS Plan 2, TRS Plan 2/3, LEOFF Plan 2 and WSPRS Plan 1/2: The actuarial accrued liability (AAL) presented in these charts reflects the actual actuarial valuation method (Aggregate Cost) used to calculate the annual required contributions for these plans. This Aggregate Cost method does not separately amortize unfunded actuarial liabilities and, by definition, sets the accrued liabilities equal to the assets. Therefore, the funded status is always 100%. These AAL amounts differ from those presented in the schedules of funded status and funding progress included in the Notes to the Financial Statements in the Financial Section, where a different valuation method (Entry Age) was used as a surrogate.

Analysis of Selected Experience: PERS Plan 1
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (340.4)	\$ (397.7)	\$ (668.0)	\$ (298.2)	\$ 151.6	\$ 186.0
Salary Gains	47.9	59.9	54.2	10.9	(59.2)	30.7
Termination of Employment	0.5	0.1	1.2	(0.2)	(0.4)	7.2
Return to Work from Terminated Status	(3.2)	(6.4)	(8.0)	(9.7)	(49.1)	(14.4)
Gain (or Loss) During Year from Selected Experience	<u>\$ (295.2)</u>	<u>\$ (344.1)</u>	<u>\$ (620.6)</u>	<u>\$ (297.2)</u>	<u>\$ 42.9</u>	<u>\$ 209.5</u>

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: PERS Plan 2/3
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (295.6)	\$ (404.3)	\$ (619.2)	\$ (134.3)	\$ 273.4	\$ 327.6
Salary Gains	663.9	731.7	577.8	185.9	(326.1)	124.2
Termination of Employment	129.3	118.3	18.0	21.1	47.8	131.1
Return to Work from Terminated Status	(58.3)	(44.1)	(50.2)	(47.8)	(97.1)	(86.8)
Gain (or Loss) During Year from Selected Experience	<u>\$ 439.3</u>	<u>\$ 401.6</u>	<u>\$ (73.6)</u>	<u>\$ 24.9</u>	<u>\$ (102.0)</u>	<u>\$ 496.1</u>

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: SERS Plan 2/3
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (69.6)	\$ (80.5)	\$ (115.1)	\$ (33.2)	\$ 39.1	\$ 46.3
Salary Gains	94.1	75.1	84.5	(27.4)	(27.5)	9.6
Termination of Employment	20.3	8.3	3.1	5.8	11.0	16.1
Return to Work from Terminated Status	(3.5)	(5.2)	(5.5)	(6.2)	(8.4)	(74.3)
Gain (or Loss) During Year from Selected Experience	<u>\$ 41.3</u>	<u>\$ (2.3)</u>	<u>\$ (33.0)</u>	<u>\$ (61.0)</u>	<u>\$ 14.2</u>	<u>\$ (2.3)</u>

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: PSERS Plan 2
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (0.4)	\$ 0.4	\$ (1.2)	\$ 0.4	\$ (0.3)	\$ –
Salary Gains	17.7	14.9	10.3	8.5	(5.1)	1.3
Termination of Employment	7.7	4.2	4.7	(7.4)	0.4	(1.0)
Return to Work from Terminated Status	–	–	–	–	(0.9)	–
Gain (or Loss) During Year from Selected Experience	\$ 25.0	\$ 19.5	\$ 13.8	\$ 1.5	\$ (5.9)	\$ 0.3

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: TRS Plan 1
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (262.3)	\$ (247.3)	\$ (502.1)	\$ (287.8)	\$ 26.1	\$ 24.9
Salary Gains	45.5	36.5	60.7	(17.4)	(28.9)	4.3
Termination of Employment	(0.3)	0.2	0.9	1.5	0.7	(7.5)
Return to Work from Terminated Status	(2.2)	(4.4)	(7.3)	(6.0)	(23.6)	(6.8)
Gain (or Loss) During Year from Selected Experience	\$ (219.3)	\$ (215.0)	\$ (447.8)	\$ (309.7)	\$ (25.7)	\$ 14.9

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: TRS Plan 2/3
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (142.0)	\$ (180.6)	\$ (266.8)	\$ (120.1)	\$ 66.8	\$ 88.5
Salary Gains	389.0	252.6	341.3	(67.3)	(52.7)	20.6
Termination of Employment	130.0	85.5	92.9	71.7	54.8	56.5
Return to Work from Terminated Status	(39.9)	(43.7)	(37.5)	(63.0)	(85.4)	(139.7)
Gain (or Loss) During Year from Selected Experience	\$ 337.1	\$ 113.8	\$ 129.9	\$ (178.7)	\$ (16.5)	\$ 25.9

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: LEOFF Plan 1
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (86.9)	\$ (84.2)	\$ (144.8)	\$ (88.1)	\$ 196.4	\$ 217.8
Salary Gains	4.3	6.2	1.9	(4.5)	(2.2)	4.8
Termination of Employment	–	(0.1)	(0.1)	0.1	(0.1)	(0.1)
Return to Work from Terminated Status	–	(0.2)	0.5	(4.3)	(2.7)	(1.0)
Gain (or Loss) During Year from Selected Experience	\$ (82.6)	\$ (78.3)	\$ (142.5)	\$ (96.8)	\$ 191.4	\$ 221.5

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: LEOFF Plan 2
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (4.5)	\$ (1.9)	\$ (68.7)	\$ 19.4	\$ 135.8	\$ 159.7
Salary Gains	186.3	164.7	91.1	6.5	(29.7)	61.2
Termination of Employment	9.0	2.5	25.8	11.8	2.9	4.4
Return to Work from Terminated Status	(4.5)	(16.8)	(12.6)	(7.9)	(22.6)	(43.9)
Gain (or Loss) During Year from Selected Experience	\$ 186.3	\$ 148.5	\$ 35.6	\$ 29.8	\$ 86.4	\$ 181.4

*Actuarial value of assets
 Source: Washington State Office of the State Actuary

Analysis of Selected Experience: WSPRS Plan 1/2
 Selected Gains and Losses During Years Ended 2007 to 2012
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2012	2011	2010	2009	2008	2007
Investment Gains*	\$ (6.7)	\$ (8.5)	\$ (20.5)	\$ (6.2)	\$ 28.4	\$ 32.0
Salary Gains	12.5	18.8	19.0	(0.7)	(5.9)	5.5
Termination of Employment	2.5	0.1	(1.0)	1.2	1.1	0.1
Return to Work from Terminated Status	(0.3)	(0.2)	(0.5)	(0.5)	–	(49.7)
Gain (or Loss) During Year from Selected Experience	\$ 8.0	\$ 10.2	\$ (3.0)	\$ (6.2)	\$ 23.6	\$ (12.1)

*Actuarial value of assets
 Source: Washington State Office of the State Actuary



Overall, I am so proud of the people in my workgroup. My team members are highly motivated, professional and very successful at collaborating with other team members and delivering professional work.

Statistical Section

This part of the Department of Retirement Systems' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about DRS' overall financial health.

Contents	Page
Financial Trends	140
These schedules contain trend information to help the reader understand how DRS' financial performance and well-being have changed over time.	
Demographic Information	156
These schedules contain demographic and historical information regarding membership and employer participation in the pension plans offered by DRS.	
Operating Information	174
These schedules contain detailed payment information to enhance the reader's understanding of the benefit services provided by DRS.	
Deferred Compensation Information	202
These schedules contain comprehensive information to enhance the reader's understanding of this optional program.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule of Changes in Fiduciary Net Position: PERS Plan 1

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 266,270	\$ 257,197	\$ 145,585	\$ 154,023	\$ 325,248	\$ 221,787	\$ 118,660	\$ 29,601	\$ 22,360	\$ 22,789
Employee Contributions	21,362	24,317	28,767	33,152	37,791	41,925	44,775	48,457	52,246	57,196
Investment Income (Loss) ¹	863,182	86,377	1,523,415	980,360	(2,373,373)	(114,595)	2,086,563	1,534,382	1,163,797	1,319,155
Transfers	38	97	90	1	1	343	519	68	242	310
Miscellaneous ²	12,024	10,269	12,705	11,566	10,700	13,262	9,513	7,719	10,048	10,147
<i>Total Additions</i>	1,162,876	378,257	1,710,562	1,179,102	(1,999,633)	162,722	2,260,030	1,620,227	1,248,693	1,409,597
Deductions by Type:										
Benefits	1,181,380	1,173,683	1,149,522	1,111,386	1,070,929	1,027,934	978,995	929,423	880,874	828,765
Refunds	3,998	4,554	3,470	4,946	5,071	5,573	6,215	6,553	5,143	5,628
Transfers	710	265	362	140	2,021	159	31	369	966	4
Administrative Expenses	4,773	3,522	3,213	3,885	4,401	4,739	4,763	4,754	4,903	4,917
<i>Total Deductions</i>	1,190,861	1,182,024	1,156,567	1,120,357	1,082,422	1,038,405	990,004	941,099	891,886	839,314
Total Changes in Fiduciary Net Position	\$ (27,985)	\$ (803,767)	\$ 553,995	\$ 58,745	\$ (3,082,055)	\$ (875,683)	\$ 1,270,026	\$ 679,128	\$ 356,807	\$ 570,283

Fiduciary Net Position:

Beginning of Year	7,376,714	8,180,481	7,626,486	7,567,741	10,649,796	11,525,479	10,255,453	9,576,325	9,219,518	8,649,235
End of Year	\$ 7,348,729	\$ 7,376,714	\$ 8,180,481	\$ 7,626,486	\$ 7,567,741	\$ 10,649,796	\$ 11,525,479	\$ 10,255,453	\$ 9,576,325	\$ 9,219,518
<i>Employer Contributions: Percent of Covered Payroll</i>	75.5%	64.4%	29.5%	26.9%	49.7%	31.1%	15.6%	3.6%	2.5%	2.3%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: PERS Plan 2/3
(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 389,020	\$ 385,253	\$ 328,258	\$ 327,460	\$ 439,744	\$ 318,740	\$ 242,544	\$ 149,579	\$ 74,720	\$ 69,377
Employee Contributions	315,755	310,160	263,885	264,231	368,127	268,573	207,144	127,800	63,806	60,953
Investment Income (Loss) ¹	2,556,131	284,681	3,468,458	1,868,154	(4,058,631)	(224,724)	3,054,707	2,020,702	1,415,136	1,453,909
Transfers	293	270	4,036	11,611	722	316	292	239	254	251
Miscellaneous ²	29,922	24,765	26,818	15,749	14,157	17,245	11,825	10,655	9,609	9,749
<i>Total Additions</i>	3,291,121	1,005,129	4,091,455	2,487,205	(3,235,881)	380,150	3,516,512	2,308,975	1,563,525	1,594,239
Deductions by Type:										
Benefits	460,074	376,999	310,943	251,765	207,319	170,317	143,802	121,096	102,742	86,174
Refunds	35,679	35,716	33,686	31,425	26,442	26,574	26,465	26,476	24,086	27,082
Transfers	5,538	2,180	8,528	5,407	8,903	70,935	3,904	4,296	4,718	22,918
Administrative Expenses	10,560	9,082	8,325	8,643	8,277	9,889	7,344	6,599	5,960	5,779
<i>Total Deductions</i>	511,851	423,977	361,482	297,240	250,941	277,715	181,515	158,467	137,506	141,953
Total Changes in Fiduciary Net Position	\$ 2,779,270	\$ 581,152	\$ 3,729,973	\$ 2,189,965	\$ (3,486,822)	\$ 102,435	\$ 3,334,997	\$ 2,150,508	\$ 1,426,019	\$ 1,452,286
Fiduciary Net Position:										
Beginning of Year	20,679,788	20,098,636	16,368,663	14,178,698	17,665,520	17,563,085	14,228,088	12,077,580	10,651,561	9,199,275
End of Year	\$ 23,459,058	\$ 20,679,788	\$ 20,098,636	\$ 16,368,663	\$ 14,178,698	\$ 17,665,520	\$ 17,563,085	\$ 14,228,088	\$ 12,077,580	\$ 10,651,561
<i>Employer Contributions: Percent of Covered Payroll</i>	5.8%	5.8%	4.0%	4.0%	5.4%	4.1%	3.5%	2.2%	1.2%	1.2%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: PERS Plan 3

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 99,007	\$ 95,172	\$ 94,129	\$ 92,665	\$ 90,808	\$ 82,707	\$ 71,712	\$ 64,776	\$ 59,029	\$ 53,208
Employee Contributions	202,907	5,375	279,224	135,026	(277,949)	(46,281)	208,475	127,023	82,859	96,185
Investment Income (Loss) ¹	1,539	1,432	1,546	4,926	2,095	68,408	1,572	1,213	1,337	21,143
Transfers	248	259	246	197	199	201	231	219	500	696
Miscellaneous	303,701	102,238	375,145	232,814	(184,847)	105,035	281,990	193,231	143,725	171,232
<i>Total Additions</i>										
Deductions by Type:										
Benefits	697	322	164	80	51	23	-	-	-	-
Refunds	68,671	66,245	59,143	41,723	40,202	38,291	35,254	35,539	25,533	26,581
Transfers	428	338	612	4,926	429	261	439	239	162	251
Administrative Expenses	248	258	246	197	199	201	231	220	500	523
<i>Total Deductions</i>	70,044	67,163	60,165	46,926	40,881	38,776	35,924	35,998	26,195	27,355
Total Changes in Fiduciary Net Position	\$ 233,657	\$ 35,075	\$ 314,980	\$ 185,888	\$ (225,728)	\$ 66,259	\$ 246,066	\$ 157,233	\$ 117,530	\$ 143,877
Fiduciary Net Position:										
Beginning of Year	1,724,427	1,689,352	1,374,372	1,188,484	1,414,212	1,347,953	1,101,887	944,654	827,124	683,247
End of Year	\$ 1,958,084	\$ 1,724,427	\$ 1,689,352	\$ 1,374,372	\$ 1,188,484	\$ 1,414,212	\$ 1,347,953	\$ 1,101,887	\$ 944,654	\$ 827,124
<i>Employer Contributions: Percent of Covered Payroll²</i>	n/a	n/a	n/a							

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Employer contributions for PERS Plan 3 are reported in the PERS Plan 2/3 schedule.

Schedule of Changes in Fiduciary Net Position: SERS Plan 2/3
(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 78,400	\$ 74,640	\$ 62,316	\$ 62,090	\$ 63,526	\$ 52,139	\$ 45,950	\$ 30,419	\$ 10,160	\$ 9,076
Employee Contributions	26,018	24,095	19,247	20,105	26,062	20,726	17,371	11,818	4,166	3,501
Investment Income (Loss) ¹	348,956	38,452	473,113	255,525	(560,165)	(29,922)	435,696	287,224	201,723	203,668
Transfers	6	11	413	431	2,050	2,118	1,998	2,589	1,959	1,631
Miscellaneous ²	782	1,635	1,719	1,521	1,517	1,398	1,301	1,313	1,316	1,562
<i>Total Additions</i>	<u>454,162</u>	<u>138,833</u>	<u>556,808</u>	<u>339,672</u>	<u>(467,010)</u>	<u>46,459</u>	<u>502,316</u>	<u>333,363</u>	<u>219,324</u>	<u>219,438</u>
Deductions by Type:										
Benefits	66,426	53,630	43,338	34,449	28,307	22,627	17,641	13,500	10,114	6,692
Refunds	2,655	2,516	2,492	2,125	2,125	2,045	2,516	2,477	2,191	2,025
Transfers	330	454	423	8,141	956	89,481	275	434	568	545
Administrative Expenses	137	1,403	1,484	1,384	1,327	1,267	1,124	1,069	990	1,080
<i>Total Deductions</i>	<u>69,548</u>	<u>58,003</u>	<u>47,737</u>	<u>46,099</u>	<u>32,715</u>	<u>115,420</u>	<u>21,556</u>	<u>17,480</u>	<u>13,863</u>	<u>10,342</u>
Total Changes in Fiduciary Net Position	\$ 384,614	\$ 80,830	\$ 509,071	\$ 293,573	\$ (499,725)	\$ (68,961)	\$ 480,760	\$ 315,883	\$ 205,461	\$ 209,096
Fiduciary Net Position:										
Beginning of Year*	2,827,286	2,746,456	2,237,385	1,943,812	2,443,537	2,512,498	2,031,738	1,715,855	1,510,394	1,301,298
End of Year	<u>\$ 3,211,900</u>	<u>\$ 2,827,286</u>	<u>\$ 2,746,456</u>	<u>\$ 2,237,385</u>	<u>\$ 1,943,812</u>	<u>\$ 2,443,537</u>	<u>\$ 2,512,498</u>	<u>\$ 2,031,738</u>	<u>\$ 1,715,855</u>	<u>\$ 1,510,394</u>
<i>Employer Contributions: Percent of Covered Payroll</i>	12.1%	12.2%	3.8%	3.8%	4.0%	3.4%	3.3%	2.3%	0.8%	0.8%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes Fiduciary Net Position: SERS Plan 3

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 59,257	\$ 59,021	\$ 60,313	\$ 60,328	\$ 59,422	\$ 58,381	\$ 54,175	\$ 49,767	\$ 46,738	\$ 43,833
Employee Contributions	147,193	10,372	209,367	108,480	(230,415)	(27,970)	169,969	105,308	69,954	78,458
Investment Income (Loss) ¹	466	407	500	445	455	89,449	239	334	290	484
Transfers	230	245	238	193	196	202	225	213	175	270
Miscellaneous	207,146	70,045	270,418	169,446	(170,342)	120,062	224,608	155,622	117,157	123,045
<i>Total Additions</i>										
Deductions by Type:										
Benefits	463	302	182	91	62	8	—	—	—	—
Refunds	65,643	60,929	53,242	33,916	42,041	39,815	32,077	24,946	21,478	12,364
Transfers	190	163	597	416	520	183	289	121	148	290
Administrative Expenses	230	245	237	193	195	202	225	212	175	226
<i>Total Deductions</i>	66,526	61,639	54,258	34,616	42,818	40,208	32,591	25,279	21,801	12,880
Total Changes in Fiduciary Net Position	\$ 140,620	\$ 8,406	\$ 216,160	\$ 134,830	\$(213,160)	\$ 79,854	\$ 192,017	\$ 130,343	\$ 95,356	\$ 110,165

Fiduciary Net Position:

Beginning of Year*	1,277,848	1,269,442	1,053,282	918,452	1,131,612	1,051,758	859,741	729,398	634,042	523,877
End of Year	\$ 1,418,468	\$ 1,277,848	\$ 1,269,442	\$ 1,053,282	\$ 918,452	\$ 1,131,612	\$ 1,051,758	\$ 859,741	\$ 729,398	\$ 634,042

Employer Contributions: Percent of Covered Payroll²

	n/a									
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¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Employer contributions for SERS Plan 3 are reported in the SERS Plan 2/3 schedule.

Schedule of Changes in Fiduciary Net Position: PSERS Plan 2

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 15,650	\$ 15,285	\$ 15,591	\$ 15,238	\$ 14,510	\$ 11,700	\$ 6,612	**	**	**
Employee Contributions	15,798	15,228	15,353	15,213	14,557	11,740	6,664	**	**	**
Investment Income (Loss) ¹	22,468	2,778	21,255	7,358	(9,383)	(765)	813	**	**	**
Transfers	4	8	5	32	-	3	-	**	**	**
Miscellaneous ²	81	141	124	45	30	14	6	**	**	**
<i>Total Additions</i>	54,001	33,440	52,328	37,886	19,714	22,692	14,095	**	**	**
Deductions by Type:										
Benefits	148	70	35	17	5	-	-	**	**	**
Refunds	2,186	1,921	1,780	928	466	152	23	**	**	**
Transfers	4	6	3	2	3	2	-	**	**	**
Administrative Expenses	1	70	82	50	40	26	27	**	**	**
<i>Total Deductions</i>	2,339	2,067	1,900	997	514	180	50	**	**	**
Total Changes in Fiduciary Net Position	\$ 51,662	\$ 31,373	\$ 50,428	\$ 36,889	\$ 19,200	\$ 22,512	\$ 14,045	**	**	**
Fiduciary Net Position:										
<i>Beginning of Year</i>	174,447	143,074	92,646	55,757	36,557	14,045	-	**	**	**
End of Year	\$ 226,109	\$ 174,447	\$ 143,074	\$ 92,646	\$ 55,757	\$ 36,557	\$ 14,045	**	**	**
<i>Employer Contributions: Percent of Covered Payroll</i>	6.3%	6.5%	6.7%	6.5%	6.5%	6.5%	6.5%	**	**	**

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

**PSERS Plan 2 became effective July 1, 2006.

Schedule of Changes in Fiduciary Net Position: TRS Plan I

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 118,569	\$ 111,937	\$ 96,803	\$ 112,731	\$ 178,850	\$ 113,089	\$ 60,462	\$ 15,077	\$ 8,793	\$ 11,385
Employee Contributions	11,369	14,098	17,631	20,930	23,810	26,480	29,995	33,790	38,087	42,706
Investment Income (Loss) ¹	720,704	73,203	1,279,513	813,504	(1,979,081)	(93,982)	1,762,480	1,292,574	981,556	1,112,120
Transfers	-	38	1	5	27	5	84	78	168	147
Miscellaneous ²	8,207	6,228	10,792	6,827	7,011	7,870	8,546	8,941	8,607	7,338
<i>Total Additions</i>	858,849	205,504	1,404,740	953,997	(1,769,383)	53,462	1,861,567	1,350,460	1,037,211	1,173,696
Deductions by Type:										
Benefits	914,610	913,864	899,819	859,250	850,262	844,986	802,344	763,613	741,118	692,243
Refunds	1,989	1,552	1,820	1,504	1,260	1,000	1,878	1,042	1,180	1,792
Transfers	578	223	159	118	1,449	82	3	314	817	-
Administrative Expenses	3,965	2,699	2,686	3,125	3,266	3,646	3,752	3,790	3,894	3,926
<i>Total Deductions</i>	921,142	918,338	904,484	863,997	856,237	849,714	807,977	768,759	747,009	697,961
Total Changes in Fiduciary Net Position	\$ (62,293)	\$ (712,834)	\$ 500,256	\$ 90,000	\$ (2,625,620)	\$ (796,252)	\$ 1,053,590	\$ 581,701	\$ 290,202	\$ 475,735

Fiduciary Net Position:

Beginning of Year	6,191,483	6,904,317	6,404,061	6,314,061	8,939,681	9,735,933	8,682,343	8,100,642	7,810,440	7,334,705
End of Year	\$ 6,129,190	\$ 6,191,483	\$ 6,904,317	\$ 6,404,061	\$ 6,314,061	\$ 8,939,681	\$ 9,735,933	\$ 8,682,343	\$ 8,100,642	\$ 7,810,440

Employer Contributions: Percent of Covered Payroll 61.6% 47.7% 27.7% 26.9% 37.3% 21.5% 10.3% 2.3% 1.2% 1.4%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: TRS Plan 2/3

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 228,974	\$ 213,852	\$ 168,264	\$ 164,959	\$ 160,793	\$ 109,523	\$ 102,180	\$ 75,353	\$ 33,767	\$ 29,921
Employee Contributions	34,494	29,829	21,881	21,126	23,277	14,739	12,227	8,990	3,549	3,108
Investment Income (Loss) ¹	877,562	96,411	1,175,293	629,396	(1,383,054)	(73,457)	1,078,134	712,495	500,432	503,551
Transfers	34	16	850	724	547	339	201	261	500	439
Miscellaneous ²	4,178	5,476	5,416	4,551	4,429	4,432	3,951	3,385	3,827	4,154
<i>Total Additions</i>	<u>1,145,242</u>	<u>345,584</u>	<u>1,371,704</u>	<u>820,756</u>	<u>(1,194,008)</u>	<u>55,576</u>	<u>1,196,693</u>	<u>800,484</u>	<u>542,075</u>	<u>541,173</u>
Deductions by Type:										
Benefits	116,662	91,400	72,138	55,654	44,795	36,016	28,534	22,351	17,118	13,416
Refunds	2,914	2,169	2,281	2,868	2,189	2,190	2,726	2,399	3,110	2,858
Transfers	858	652	390	369	2,670	168,866	440	963	1,278	1,003
Administrative Expenses	2,830	4,020	4,273	3,932	3,824	3,629	3,067	2,781	3,027	2,940
<i>Total Deductions</i>	<u>123,264</u>	<u>98,241</u>	<u>79,082</u>	<u>62,823</u>	<u>53,478</u>	<u>210,701</u>	<u>34,767</u>	<u>28,494</u>	<u>24,533</u>	<u>20,217</u>
Total Changes in Fiduciary Net Position	\$ 1,021,978	\$ 247,343	\$ 1,292,622	\$ 757,933	\$ (1,247,486)	\$ (155,125)	\$ 1,161,926	\$ 771,990	\$ 517,542	\$ 520,956
Fiduciary Net Position:										
Beginning of Year	7,087,246	6,839,903	5,547,281	4,789,348	6,036,834	6,191,959	5,030,033	4,258,043	3,740,501	3,219,545
End of Year	\$ 8,109,224	\$ 7,087,246	\$ 6,839,903	\$ 5,547,281	\$ 4,789,348	\$ 6,036,834	\$ 6,191,959	\$ 5,030,033	\$ 4,258,043	\$ 3,740,501
<i>Employer Contributions: Percent of Covered Payroll</i>	30.9%	32.0%	4.0%	4.1%	4.1%	3.0%	3.0%	2.4%	1.1%	1.1%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: TRS Plan 3

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Contributions	262,293	255,867	257,718	254,197	247,891	234,661	213,878	195,910	183,645	173,052
Investment Income (Loss) ¹	627,742	34,065	866,178	424,811	(864,630)	(177,645)	630,495	371,615	241,093	307,012
Transfers	839	618	650	598	971	168,817	581	619	604	892
Miscellaneous	775	811	767	610	605	597	712	639	175	292
<i>Total Additions</i>	891,649	291,361	1,125,313	680,216	(615,163)	226,430	845,666	568,783	425,517	481,248
Deductions by Type:										
Benefits	1,569	1,149	542	257	128	45	18	-	-	-
Refunds	176,052	150,404	115,571	71,665	76,166	84,776	62,810	41,908	35,582	25,932
Transfers	522	520	1,368	1,084	550	512	254	296	634	380
Administrative Expenses	775	811	767	610	605	597	712	639	175	250
<i>Total Deductions</i>	178,918	152,884	118,248	73,616	77,449	85,930	63,794	42,843	36,391	26,562
Total Changes in Fiduciary Net Position	\$ 712,731	\$ 138,477	\$ 1,007,065	\$ 606,600	\$ (692,612)	\$ 140,500	\$ 781,872	\$ 525,940	\$ 389,126	\$ 454,686
Fiduciary Net Position:										
Beginning of Year	5,170,849	5,032,372	4,025,307	3,418,707	4,111,319	3,970,819	3,188,947	2,663,007	2,273,881	1,819,195
End of Year	\$ 5,883,580	\$ 5,170,849	\$ 5,032,372	\$ 4,025,307	\$ 3,418,707	\$ 4,111,319	\$ 3,970,819	\$ 3,188,947	\$ 2,663,007	\$ 2,273,881
<i>Employer Contributions: Percent of Covered Payroll²</i>	n/a									

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Employer contributions for TRS Plan 3 are reported in the TRS Plan 2/3 schedule.

Schedule of Changes in Fiduciary Net Position: LEOFF Plan I
(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 555	\$ 2	\$ 3	\$ 49	\$ 216	\$ 8	\$ 56	\$ 70	\$ 9	\$ 1
Employee Contributions	-	-	-	1	154	-	50	61	(2)	-
State Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (Loss) ¹	586,475	61,152	937,507	566,844	(1,353,904)	(68,055)	1,152,792	818,343	604,304	665,380
Transfers	-	-	-	112	173	-	-	102	-	-
Miscellaneous ²	4,300	3,393	3,130	3,913	2,658	3,185	3,109	2,736	2,651	2,896
<i>Total Additions</i>	<u>591,330</u>	<u>64,547</u>	<u>940,640</u>	<u>570,919</u>	<u>(1,350,703)</u>	<u>(64,862)</u>	<u>1,156,007</u>	<u>821,312</u>	<u>606,962</u>	<u>668,277</u>
Deductions by Type:										
Benefits	351,796	343,438	338,775	338,231	327,033	313,530	300,452	288,209	279,957	272,118
Refunds	14	435	48	14	193	150	11	3	5	133
Transfers	484	176	331	83	998	56	2	201	526	27
Administrative Expenses	2,882	2,064	1,891	2,146	2,339	2,417	2,544	2,405	2,455	2,450
<i>Total Deductions</i>	<u>355,176</u>	<u>346,113</u>	<u>341,045</u>	<u>340,474</u>	<u>330,563</u>	<u>316,153</u>	<u>303,009</u>	<u>290,818</u>	<u>282,943</u>	<u>274,728</u>
Total Changes in Fiduciary Net Position	\$ 236,154	\$ (281,566)	\$ 599,595	\$ 230,445	\$ (1,681,266)	\$ (381,015)	\$ 852,998	\$ 530,494	\$ 324,019	\$ 393,549
Fiduciary Net Position:										
Beginning of Year	4,904,387	5,185,953	4,586,358	4,355,913	6,037,179	6,418,194	5,565,196	5,034,702	4,710,683	4,317,134
End of Year	<u>\$ 5,140,541</u>	<u>\$ 4,904,387</u>	<u>\$ 5,185,953</u>	<u>\$ 4,586,358</u>	<u>\$ 4,355,913</u>	<u>\$ 6,037,179</u>	<u>\$ 6,418,194</u>	<u>\$ 5,565,196</u>	<u>\$ 5,034,702</u>	<u>\$ 4,710,683</u>
<i>Employer Contributions: Percent of Covered Payroll</i>	3.4%	0.0%	0.0%	0.2%	0.5%	0.0%	0.1%	0.1%	0.0%	0.0%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: LEOFF Plan 2

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 82,397	\$ 80,480	\$ 79,733	\$ 76,998	\$ 77,849	\$ 73,364	\$ 58,191	\$ 48,472	\$ 32,780	\$ 30,773
Employee Contributions	135,797	132,584	131,252	128,154	128,206	115,567	95,552	79,780	53,913	50,698
State Contributions	54,246	52,770	52,024	51,376	51,137	45,926	37,928	31,666	21,266	20,193
Investment Income (Loss) ¹	825,071	92,867	1,084,240	568,518	(1,223,154)	(70,257)	892,480	576,139	393,129	391,911
Transfers	1,833	10	2,936	1,010	1,218	117	—	1	17	—
Miscellaneous ²	9,351	9,220	7,754	7,447	4,466	2,987	3,905	4,273	2,440	2,371
<i>Total Additions</i>	<u>1,108,695</u>	<u>367,931</u>	<u>1,357,939</u>	<u>833,503</u>	<u>(960,278)</u>	<u>167,704</u>	<u>1,088,056</u>	<u>740,331</u>	<u>503,545</u>	<u>495,946</u>

Deductions by Type:

Benefits	100,532	78,153	61,876	46,158	36,615	27,505	20,813	14,433	8,978	6,043
Refunds	8,677	11,214	8,181	10,947	7,223	7,639	7,995	7,115	7,765	5,720
Transfers	226	282	147	205	1,146	49	32	250	331	—
Administrative Expenses	2,566	3,672	3,309	3,416	2,288	2,298	2,073	1,842	1,659	1,490
<i>Total Deductions</i>	<u>112,001</u>	<u>93,321</u>	<u>73,513</u>	<u>60,726</u>	<u>47,272</u>	<u>37,491</u>	<u>30,913</u>	<u>23,640</u>	<u>18,733</u>	<u>13,253</u>
Total Changes in Fiduciary Net Position	\$ 996,694	\$ 274,610	\$ 1,284,426	\$ 772,777	\$ (1,007,550)	\$ 130,213	\$ 1,057,143	\$ 716,691	\$ 484,812	\$ 482,693

Fiduciary Net Position:

Beginning of Year	6,640,693	6,366,083	5,081,657	4,308,880	5,316,430	5,186,217	4,129,074	3,412,383	2,927,571	2,444,878
End of Year	\$ 7,637,387	\$ 6,640,693	\$ 6,366,083	\$ 5,081,657	\$ 4,308,880	\$ 5,316,430	\$ 5,186,217	\$ 4,129,074	\$ 3,412,383	\$ 2,927,571

Employer Contributions: Percent of Covered Payroll 5.1% 5.1% 5.2% 5.1% 5.3% 5.5% 4.8% 4.2% 3.1% 3.1%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: WSPRS Plan 1/2

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 6,478	\$ 6,454	\$ 5,251	\$ 5,271	\$ 6,371	\$ 6,064	\$ 3,278	\$ 3,133	\$ -	\$ 1
Employee Contributions	5,396	5,376	4,166	4,173	5,501	5,239	3,278	3,134	1,316	1,322
Investment Income (Loss) ¹	106,664	11,481	158,571	91,335	(210,676)	(10,992)	171,393	118,855	86,150	92,736
Transfers	574	54	415	10	331	89	163	8	98	121
Miscellaneous ²	1,692	2,010	1,385	1,399	500	478	385	409	381	452
<i>Total Additions</i>	120,804	25,375	169,788	102,188	(197,973)	878	178,497	125,539	87,945	94,632
Deductions by Type:										
Benefits	43,521	40,368	38,387	36,116	34,522	32,963	31,393	30,666	27,606	25,724
Refunds	304	262	315	127	211	269	291	125	173	303
Transfers	88	32	22	14	160	8	-	29	70	-
Administrative Expenses	538	392	356	364	354	391	381	408	358	347
<i>Total Deductions</i>	44,451	41,054	39,080	36,621	35,247	33,631	32,065	31,228	28,207	26,374
Total Changes in Fiduciary Net Position	\$ 76,353	\$ (15,679)	\$ 130,708	\$ 65,567	\$(233,220)	\$ (32,753)	\$ 146,432	\$ 94,311	\$ 59,738	\$ 68,258
Fiduciary Net Position:										
Beginning of Year	879,220	894,899	764,191	698,624	931,844	964,597	818,165	723,854	664,116	595,858
End of Year	\$ 955,573	\$ 879,220	\$ 894,899	\$ 764,191	\$ 698,624	\$ 931,844	\$ 964,597	\$ 818,165	\$ 723,854	\$ 664,116
<i>Employer Contributions: Percent of Covered Payroll</i>	7.9%	7.9%	6.4%	6.4%	7.7%	7.7%	4.5%	4.5%	0.0%	0.0%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: JRS
(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 12	\$ 31	\$ 46	\$ 79	\$ 105	\$ 112	\$ 111	\$ 115	\$ 155	\$ 197
Employee Contributions	12	31	46	79	104	112	111	115	155	196
State Contributions	10,100	8,100	10,860	11,570	10,200	9,600	9,539	6,601	5,995	5,995
Investment Income ¹	(11)	13	8	11	48	98	139	61	73	54
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous ²	2	1	2	2	1	1	-	-	1	3
<i>Total Additions</i>	10,115	8,176	10,962	11,741	10,458	9,923	9,900	6,892	6,379	6,445

Deductions by Type:										
Benefits	9,697	9,764	9,738	9,723	9,583	9,514	9,356	9,247	8,761	8,404
Refunds	-	-	-	-	7	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	2	2	2	2	1	-	-	-	1	2
<i>Total Deductions</i>	9,699	9,766	9,740	9,725	9,591	9,514	9,356	9,247	8,762	8,406
Total Changes in Fiduciary Net Position	\$ 416	\$ (1,590)	\$ 1,222	\$ 2,016	\$ 867	\$ 409	\$ 544	\$ (2,355)	\$ (2,383)	\$ (1,961)

Fiduciary Net Position:										
Beginning of Year	3,471	5,061	3,839	1,823	956	547	3	2,358	4,741	6,702
End of Year	\$ 3,887	\$ 3,471	\$ 5,061	\$ 3,839	\$ 1,823	\$ 956	\$ 547	\$ 3	\$ 2,358	\$ 4,741

Employer Contributions: Percent of Covered Payroll 7.5% 7.5% 7.5% 7.5% 7.5% 7.5% 7.5% 7.5% 7.5% 7.5%

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.
²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: JUDGES

(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Contributions	-	-	-	-	-	-	-	-	-	-
State Contributions	-	-	-	-	300	300	300	300	500	500
Investment Income ¹	(5)	19	11	48	141	179	184	139	86	20
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous ²	-	1	1	1	2	1	2	2	2	3
<i>Total Additions</i>	(5)	20	12	49	143	180	486	441	588	523

Deductions by Type:

Benefits	474	482	499	500	501	545	581	624	641	685
Refunds	-	-	-	-	-	-	-	-	13	-
Transfers	-	-	-	-	1	-	-	-	1	-
Administrative Expenses	1	1	1	1	1	2	1	2	2	2
<i>Total Deductions</i>	475	483	500	501	503	547	582	626	657	687
Total Changes in Fiduciary Net Position	\$ (480)	\$ (463)	\$ (488)	\$ (452)	\$ (360)	\$ (367)	\$ (96)	\$ (185)	\$ (69)	\$ (164)

Fiduciary Net Position:

Beginning of Year	1,872	2,335	2,823	3,275	3,635	4,002	4,098	4,283	4,352	4,516
End of Year	\$ 1,392	\$ 1,872	\$ 2,335	\$ 2,823	\$ 3,275	\$ 3,635	\$ 4,002	\$ 4,098	\$ 4,283	\$ 4,352

Employer Contributions: Percent of Covered Payroll

n/a

n/a

n/a

n/a

n/a

n/a

n/a

n/a

n/a

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position : JRA
(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Employer Contributions	\$ 32	\$ 38	\$ 43	\$ 43	\$ 42	\$ 70	\$ 427	\$ 635	\$ 602	\$ 570
Employee Contributions	32	38	43	43	42	71	430	635	601	570
Investment Income (Loss) ¹	1,015	(29)	1,940	985	(1,910)	(906)	2,452	1,532	760	1,438
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2	5	5	3	12	6	5	11	15	18
<i>Total Additions</i>	1,081	52	2,031	1,074	(1,814)	(759)	3,314	2,813	1,978	2,596

Deductions by Type:										
Benefits	1,071	810	445	389	461	6,540	110	207	411	282
Refunds	-	-	-	1	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
<i>Total Deductions</i>	1,071	810	445	390	461	6,540	110	207	411	282
Total Changes in Fiduciary Net Position	\$ 10	\$ (758)	\$ 1,586	\$ 684	\$ (2,275)	\$ (7,299)	\$ 3,204	\$ 2,606	\$ 1,567	\$ 2,314

Fiduciary Net Position:										
Beginning of Year	12,269	13,027	11,441	10,757	13,032	20,331	17,127	14,521	12,954	10,640
End of Year	\$ 12,279	\$ 12,269	\$ 13,027	\$ 11,441	\$ 10,757	\$ 13,032	\$ 20,331	\$ 17,127	\$ 14,521	\$ 12,954

Employer Contributions: Percent of Covered Payroll² n/a n/a n/a n/a n/a n/a n/a n/a n/a n/a

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²Covered payroll figures are not available for this plan.

Schedule of Changes in Fiduciary Net Position: DCP
(dollars in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Additions by Source:										
Participant Contributions	\$ 182,305	\$ 178,449	\$ 186,734	\$ 185,120	\$ 184,544	\$ 188,735	\$ 175,055	\$ 168,000	\$ 160,029	\$ 147,660
Investment Income (Loss) ¹	263,381	(12,292)	451,033	203,075	(344,592)	(169,322)	314,273	204,021	100,727	204,100
Charges for Services	1,566	1,677	1,610	1,780	1,405	838	689	1,079	335	206
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous	527	794	1,461	1,145	690	853	854	1,536	2,302	2,578
<i>Total Additions</i>	447,779	168,628	640,838	391,120	(157,953)	21,084	490,871	374,636	263,393	354,544
Deductions by Type:										
Refunds	178,638	171,741	149,010	108,578	106,645	135,877	127,198	109,318	83,741	73,485
Transfers	—	—	—	—	2	—	3	—	—	—
Administrative Expenses	1,568	1,594	1,735	1,512	1,468	1,488	1,445	1,256	1,344	1,373
<i>Total Deductions</i>	180,206	173,335	150,745	110,090	108,115	137,365	128,646	110,574	85,085	74,858
Total Changes in Fiduciary Net Position	\$ 267,573	\$ (4,707)	\$ 490,093	\$ 281,030	\$ (266,068)	\$ (116,281)	\$ 362,225	\$ 264,062	\$ 178,308	\$ 279,686
Fiduciary Net Position:										
Beginning of Year	2,935,732	2,940,439	2,450,346	2,169,316	2,435,384	2,551,665	2,189,440	1,925,378	1,747,070	1,467,384
End of Year	\$ 3,203,305	\$ 2,935,732	\$ 2,940,439	\$ 2,450,346	\$ 2,169,316	\$ 2,435,384	\$ 2,551,665	\$ 2,189,440	\$ 1,925,378	\$ 1,747,070
<i>Employer Contributions: Percent of Covered Payroll²</i>	n/a									

¹Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

²All DCP contributions are made by the participants.

Distribution of Membership

For the Years Ended June 30, 2008-2012 and September 30, 2003-2007

Active Members by System and Plan:

Plan		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PERS 1	Percent	2.29%	2.64%	3.03%	3.43%	3.86%	4.41%	4.85%	5.50%	6.16%	6.89%
	Individuals	6,635	7,733	9,007	10,354	11,663	12,975	14,213	15,962	17,829	19,740
	Avg. Age	61	61	60	59	59	58	57	57	56	55
PERS 2	Percent	40.00%	39.92%	40.27%	40.35%	40.81%	41.00%	40.39%	40.81%	40.97%	40.93%
	Individuals	115,877	117,096	119,826	121,800	123,285	120,625	118,341	118,400	118,572	117,262
	Avg. Age	48	48	48	47	47	46	46	46	45	45
PERS 3	Percent	9.69%	9.41%	9.31%	8.97%	8.85%	8.30%	7.67%	7.31%	6.86%	6.12%
	Individuals	28,078	27,588	27,693	27,081	26,720	24,422	22,473	21,216	19,855	17,548
	Avg. Age	44	43	43	42	42	42	42	42	42	42
SERS 2	Percent	7.20%	7.09%	6.84%	6.69%	6.38%	6.04%	6.30%	6.68%	7.06%	7.51%
	Individuals	20,846	20,784	20,358	20,197	19,264	17,767	18,464	19,387	20,424	21,504
	Avg. Age	51	51	51	51	51	51	51	50	49	48
SERS 3	Percent	10.60%	10.76%	10.75%	10.69%	10.76%	11.24%	11.04%	10.67%	10.17%	9.67%
	Individuals	30,712	31,548	31,981	32,277	32,510	33,058	32,354	30,963	29,430	27,710
	Avg. Age	50	50	49	49	48	47	47	46	46	46
PSERS 2	Percent	1.47%	1.43%	1.42%	1.44%	1.32%	0.94%	0.71%	-	-	-
	Individuals	4,250	4,187	4,210	4,340	3,981	2,755	2,073	-	-	-
	Avg. Age	40	40	39	38	37	38	39	-	-	-
TRS 1	Percent	1.04%	1.27%	1.54%	1.72%	2.01%	2.15%	2.52%	2.96%	3.41%	3.90%
	Individuals	3,019	3,740	4,591	5,204	6,061	6,331	7,382	8,592	9,862	11,175
	Avg. Age	62	62	61	60	59	58	58	57	56	55
TRS 2	Percent	3.74%	3.51%	3.17%	3.04%	2.68%	2.30%	2.38%	2.48%	2.58%	2.67%
	Individuals	10,849	10,285	9,442	9,174	8,103	6,752	6,983	7,205	7,470	7,637
	Avg. Age	46	46	48	48	49	52	51	51	50	49
TRS 3	Percent	17.77%	17.79%	17.57%	17.56%	17.33%	17.63%	18.22%	17.74%	17.03%	16.50%
	Individuals	51,489	52,178	52,292	53,010	52,360	51,856	53,371	51,473	49,302	47,263
	Avg. Age	46	45	45	44	43	43	42	42	42	41
LEOFF 1	Percent	0.06%	0.08%	0.10%	0.12%	0.14%	0.17%	0.20%	0.25%	0.29%	0.35%
	Individuals	186	250	301	356	421	513	596	723	848	991
	Avg. Age	61	60	60	59	58	57	56	56	55	54
LEOFF 2	Percent	5.77%	5.73%	5.64%	5.62%	5.50%	5.47%	5.37%	5.23%	5.10%	5.08%
	Individuals	16,720	16,805	16,775	16,951	16,626	16,099	15,718	15,168	14,754	14,560
	Avg. Age	43	43	42	42	41	41	41	41	40	40
WSPRS 1	Percent	0.25%	0.26%	0.27%	0.28%	0.28%	0.30%	0.31%	0.33%	0.34%	0.36%
	Individuals	712	767	806	830	851	885	906	941	997	1,045
	Avg. Age	45	45	44	43	42	41	41	40	39	39
WSPRS 2	Percent	0.12%	0.11%	0.09%	0.09%	0.08%	0.05%	0.04%	0.03%	0.02%	0.01%
	Individuals	354	315	281	264	234	152	116	81	60	34
	Avg. Age	32	32	32	31	30	31	30	30	29	29
JRS	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%
	Individuals	2	3	5	9	10	11	11	13	19	21
	Avg. Age	66	69	69	69	67	66	66	65	63	63
Judges	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	-	-	-	-	-	-	-	-	-	-
	Avg. Age	n/a									
Totals	Percent	100.00%									
	Individuals	289,729	293,279	297,568	301,847	302,089	294,201	293,001	290,124	289,422	286,490

Source: Washington State Office of the State Actuary
 Figures are as of the latest valuation date for each year.

Distribution of Membership

For the Years Ended June 30, 2008-2012 and September 30, 2003-2007

Inactive and Retired Members by System and Plan:

Plan		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PERS 1	Percent	27.70%	29.18%	30.63%	31.87%	33.11%	34.34%	35.47%	37.53%	39.14%	40.64%
	Individuals	54,266	55,053	55,721	56,272	56,852	57,342	57,509	57,628	57,561	57,514
	Avg. Age	74	74	74	73	73	73	73	72	72	72
PERS 2	Percent	26.93%	26.06%	25.04%	24.14%	23.23%	22.34%	21.88%	20.46%	19.62%	19.08%
	Individuals	52,773	49,167	45,556	42,614	39,890	37,302	35,485	31,412	28,860	26,993
	Avg. Age	62	62	61	60	60	59	59	59	59	58
PERS 3	Percent	2.92%	2.69%	2.46%	2.29%	2.12%	1.91%	1.74%	1.39%	1.02%	0.61%
	Individuals	5,718	5,068	4,482	4,045	3,647	3,183	2,817	2,136	1,506	856
	Avg. Age	57	56	55	54	53	52	51	50	49	48
SERS 2	Percent	4.81%	4.61%	4.44%	4.26%	3.99%	3.61%	3.36%	2.93%	2.40%	1.86%
	Individuals	9,429	8,697	8,069	7,514	6,845	6,019	5,442	4,499	3,525	2,638
	Avg. Age	62	61	60	58	58	57	56	56	55	54
SERS 3	Percent	4.67%	4.24%	3.86%	3.57%	3.28%	2.87%	2.60%	2.08%	1.71%	1.38%
	Individuals	9,142	7,993	7,015	6,308	5,628	4,796	4,210	3,196	2,516	1,954
	Avg. Age	60	60	59	58	57	56	56	55	54	53
PSERS 2	Percent	0.04%	0.01%	0.01%	0.00%	0.00%	-	-	-	-	-
	Individuals	87	16	7	2	1	-	-	-	-	-
	Avg. Age	48	59	58	63	66	-	-	-	-	-
TRS 1	Percent	18.65%	19.45%	20.18%	20.88%	21.45%	22.41%	22.80%	23.83%	24.54%	25.09%
	Individuals	36,531	36,699	36,716	36,875	36,839	37,420	36,969	36,592	36,099	35,504
	Avg. Age	73	73	72	72	71	71	71	70	70	70
TRS 2	Percent	2.76%	2.69%	2.63%	2.59%	2.57%	2.57%	2.54%	2.53%	2.47%	2.44%
	Individuals	5,408	5,080	4,787	4,576	4,418	4,288	4,116	3,887	3,637	3,450
	Avg. Age	64	63	62	61	60	59	58	57	56	54
TRS 3	Percent	5.37%	4.84%	4.41%	4.04%	3.84%	3.48%	3.07%	2.52%	2.24%	1.98%
	Individuals	10,524	9,134	8,017	7,136	6,592	5,811	4,978	3,864	3,302	2,803
	Avg. Age	59	58	58	57	56	55	54	53	52	50
LEOFF 1	Percent	4.00%	4.20%	4.40%	4.58%	4.74%	4.89%	5.04%	5.31%	5.52%	5.70%
	Individuals	7,845	7,933	8,009	8,089	8,135	8,165	8,177	8,156	8,117	8,068
	Avg. Age	71	70	70	69	68	68	67	67	66	65
LEOFF 2	Percent	1.55%	1.42%	1.33%	1.16%	1.04%	0.93%	0.85%	0.74%	0.65%	0.53%
	Individuals	3,033	2,670	2,420	2,039	1,783	1,553	1,376	1,144	953	755
	Avg. Age	57	56	55	54	54	53	52	52	51	51
WSPRS 1	Percent	0.53%	0.53%	0.53%	0.54%	0.55%	0.56%	0.56%	0.58%	0.59%	0.59%
	Individuals	1,035	992	970	956	947	933	918	894	862	828
	Avg. Age	66	65	65	65	64	64	64	63	63	63
WSPRS 2	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-
	Individuals	8	6	6	4	2	1	-	-	-	-
	Avg. Age	36	37	35	33	32	29	-	-	-	-
JRS	Percent	0.06%	0.07%	0.07%	0.07%	0.07%	0.08%	0.08%	0.09%	0.09%	0.09%
	Individuals	119	124	125	124	128	131	133	133	129	132
	Avg. Age	80	80	79	79	79	78	77	77	76	76
Judges	Percent	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	12	13	13	13	13	15	15	16	16	17
	Avg. Age	83	83	82	81	80	79	79	78	78	78
Totals	Percent	100.00%									
	Individuals	195,930	188,645	181,913	176,567	171,720	166,959	162,145	153,557	147,083	141,512

Source: Washington State Office of the State Actuary
 Figures are as of the latest valuation date for each year.

Principal Participating Employers by Plan: PERS 1
Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
State of Washington*	3,588	1	48.3%	State of Washington	9,478	1	49.7%
King County	426	2	5.7%	King County	593	2	3.1%
Seattle SD 001	122	3	1.6%	KC Metro	522	3	2.7%
Snohomish County	99	4	1.3%	Seattle SD 001	272	4	1.4%
Pierce County	94	5	1.3%	Pierce County	242	5	1.3%
Thurston County	92	6	1.2%	Snohomish County	196	6	1.0%
Whatcom County	65	7	1.0%	Tacoma SD 010	141	7	0.7%
Yakima County	54	8	0.7%	Spokane County	136	8	0.7%
Spokane County	47	9	0.6%	Clark County	125	9	0.7%
Spokane Public Schools	41	10	0.6%	Spokane Public Schools	120	10	0.6%
All other**	2,795		37.7%	All other	7,242		38.1%
Total (572 employers)	7,423		100.0%	Total (707 employers)	19,067		100.0%

*In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	214	1,253
Counties/Municipalities	165	921
Other Political Subdivisions	183	621
Total	562	2,795

**2004 calendar year statistics.

*Includes 135 component units of the State.

Principal Participating Employers by Plan: PERS 2
Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
State of Washington*	62,041	1	51.9%	State of Washington	67,445	1	53.3%
King County	9,850	2	8.2%	King County	5,194	2	4.1%
Pierce County	2,106	3	1.8%	KC Metro	4,218	3	3.3%
Snohomish County	1,865	4	1.6%	Pierce County	2,689	4	2.1%
Spokane County	1,335	5	1.1%	Snohomish County	2,301	5	1.8%
Clark County	1,116	6	0.9%	Spokane County	1,576	6	1.3%
Port of Seattle	914	7	0.8%	Clark County	1,323	7	1.1%
Snohomish County PUD 01	864	8	0.7%	King County Public Health Dept.	1,203	8	1.0%
Energy Northwest	831	9	0.7%	Energy Northwest	975	9	0.8%
City of Bellevue	811	10	0.7%	Kitsap County	904	10	0.7%
All other**	37,689		31.6%	All other	38,697		30.5%
Total (768 employers)	119,422		100.0%	Total (722 employers)	126,525		100.0%

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	-	-
Counties/Municipalities	270	21,178
Other Political Subdivisions	488	16,511
Total	758	37,689

**2004 calendar year statistics.

*Includes 167 component units of the State.

Principal Participating Employers by Plan: PERS 3
Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
State of Washington*	18,338	1	63.3%	State of Washington	13,638	1	64.9%
King County	1,852	2	6.4%	King County	640	2	3.0%
Pierce County	425	3	1.5%	KC Metro	459	3	2.2%
Energy Northwest	366	4	1.3%	Energy Northwest	339	4	1.6%
Snohomish County	326	5	1.1%	Pierce County	285	5	1.4%
Metropolitan Park Dist. of Tacoma	253	6	0.9%	Snohomish County	203	6	1.0%
Spokane County	216	7	0.7%	Yakima County	187	7	0.9%
Clark County	197	8	0.7%	King County Public Health Dept.	186	8	0.9%
Yakima County	194	9	0.7%	Clark County	158	9	0.8%
Kitsap County	181	10	0.6%	City of Everett	147	10	0.7%
All other**	6,619		22.8%	All other	4,780		22.6%
Total (508 employers)	28,967		100.0%	Total (385 employers)	21,022		100.0%

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	-	-
Counties/Municipalities	202	3,606
Other Political Subdivisions	296	3,013
Total	498	6,619

**2004 calendar year statistics.

*Includes 157 component units of the State.

Principal Participating Employers by Plan: SERS 2
Current Year and Nine Years Prior

2013				2004*			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	3,222	1	3.6%	Seattle SD 001	1,087	1	5.0%
Tacoma SD 010	1,965	2	2.2%	Tacoma SD 010	804	2	3.7%
North Thurston Public SD 003	1,894	3	2.1%	Spokane Public Schools	588	3	2.7%
Spokane Public Schools	1,856	4	2.0%	Vancouver SD 037	564	4	2.6%
Bellingham SD 501	1,761	5	1.9%	Kent SD 415	536	5	2.5%
Lake Washington SD 414	1,657	6	1.8%	Highline SD 401	507	6	2.3%
Olympia SD 111	1,509	7	1.7%	Edmonds SD 015	430	7	2.0%
Edmonds SD 015	1,488	8	1.6%	Federal Way SD 210	420	8	1.9%
Evergreen SD 114	1,478	9	1.6%	Lake Washington SD 414	403	9	1.8%
Issaquah SD 411	1,418	10	1.6%	Northshore SD 417	381	10	1.7%
All other**	72,592		79.9%	All other	16,160		73.8%
Total (302 employers)	90,840		100.0%	Total (386 employers)	21,880		100.0%

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	292	72,592
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
Total	292	72,592

**August 31, 2004 statistics.

Principal Participating Employers by Plan: SERS 3

Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	1,194	1	3.1%	Seattle SD 001	968	1	3.1%
Kent SD 415	1,065	2	2.8%	Kent SD 415	917	2	2.9%
Evergreen SD 114	961	3	2.5%	Spokane Public Schools	835	3	2.7%
Spokane Public Schools	852	4	2.2%	Evergreen SD 114	797	4	2.6%
Tacoma SD 010	787	5	2.0%	Tacoma SD 010	715	5	2.3%
Edmonds SD 015	762	6	2.0%	Lake Washington SD 414	667	6	2.1%
Lake Washington SD 414	762	7	2.0%	Edmonds SD 015	644	7	2.1%
Vancouver SD 037	717	8	1.9%	Northshore SD 417	607	8	1.9%
Bethel SD 403	685	9	1.8%	Vancouver SD 037	606	9	1.9%
Federal Way SD 210	676	10	1.7%	Federal Way SD 210	605	10	1.9%
All other**	<u>29,942</u>		<u>78.0%</u>	All other	<u>23,860</u>		<u>76.5%</u>
Total (301 employers)	<u><u>38,403</u></u>		<u><u>100.0%</u></u>	Total (301 employers)	<u><u>31,221</u></u>		<u><u>100.0%</u></u>

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	291	29,942
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
Total	<u><u>291</u></u>	<u><u>29,942</u></u>

**August 31, 2004 statistics

Principal Participating Employers by Plan: PSERS 2

Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
State of Washington*	2,489	1	54.7%				
King County	323	2	7.1%				
Pierce County	202	3	4.5%				
Snohomish County	187	4	4.1%				
Spokane County	124	5	2.7%				
Thurston County	122	6	2.7%				
Benton County	91	7	2.0%				
South Correctional Entity	83	8	1.8%				
Clark County	82	9	1.8%				
Yakima County	74	10	1.6%				
All other**	<u>771</u>		<u>17.0%</u>				
Total (67 employers)	<u><u>4,548</u></u>		<u><u>100.0%</u></u>				

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	-	-
Counties/Municipalities	57	771
Other Political Subdivisions	-	-
Total	<u><u>57</u></u>	<u><u>771</u></u>

**PSERS 2 was not available in 2004.

*Includes nine component units of the State.

Principal Participating Employers by Plan: TRS 1
Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
State of Washington*	557	1	6.1%	Seattle SD 001	635	1	5.6%
Seattle SD 001	363	2	4.0%	State of Washington	578	2	5.1%
Tacoma SD 010	274	3	3.0%	Tacoma SD 010	443	3	3.9%
North Thurston Public SD 003	198	4	2.2%	Spokane Public Schools	355	4	3.1%
Edmonds SD 015	185	5	2.0%	Lake Washington SD 414	283	5	2.5%
Lake Washington SD 414	183	6	2.0%	Northshore SD 417	273	6	2.4%
Northshore SD 417	179	7	2.0%	Evergreen SD 114	242	7	2.1%
Olympia SD 111	159	8	1.8%	Kent SD 415	241	8	2.1%
Evergreen SD 114	146	9	1.6%	Vancouver SD 037	241	9	2.1%
Vancouver SD 037	141	10	1.6%	Edmonds SD 015	192	10	1.7%
All other**	6,671		73.7%	All other	7,892		69.4%
Total (296 employers)	<u>9,056</u>		<u>100.0%</u>	Total (297 employers)	<u>11,375</u>		<u>100.0%</u>

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	286	6,671
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
Total	<u>286</u>	<u>6,671</u>

**August 31, 2004 statistics.

*Includes 49 component units of the State.

Principal Participating Employers by Plan: TRS 2
Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	1,520	1	3.2%	Seattle SD 001	581	1	7.6%
Evergreen SD 114	991	2	2.1%	Tacoma SD 010	389	2	5.1%
Tacoma SD 010	958	3	2.0%	Spokane Public Schools	292	3	3.8%
Spokane Public Schools	855	4	1.8%	Kent SD 415	162	4	2.1%
Lake Washington SD 414	851	5	1.8%	Highline SD 401	152	5	2.0%
Battle Ground SD 119	850	6	1.8%	Edmonds SD 015	151	6	2.0%
Tumwater SD 033	823	7	1.8%	Federal Way SD 210	150	7	2.0%
Bellingham SD 501	776	8	1.7%	Lake Washington SD 414	148	8	1.9%
Olympia SD 111	732	9	1.6%	Bethel SD 403	142	9	1.8%
Mead SD 354	697	10	1.5%	Vancouver SD 037	142	10	1.8%
All other**	37,777		80.7%	All other	5,363		69.9%
Total (305 employers)	<u>46,830</u>		<u>100.0%</u>	Total (279 employers)	<u>7,672</u>		<u>100.0%</u>

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington*	1	132
School Districts	294	37,645
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
Total	<u>295</u>	<u>37,777</u>

**August 31, 2004 statistics.

*Includes 36 component units of the State.

Principal Participating Employers by Plan: TRS 3

Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 010	2,905	1	4.4%	Seattle SD 001	2,327	1	4.6%
Spokane Public Schools	1,866	2	2.8%	Spokane Public Schools	1,526	2	3.0%
Evergreen SD 114	1,723	3	2.6%	Tacoma SD 010	1,493	3	2.9%
Tacoma SD 010	1,677	4	2.5%	Kent SD 415	1,420	4	2.8%
Lake Washington SD 414	1,636	5	2.5%	Evergreen SD 114	1,328	5	2.6%
Kent SD 415	1,489	6	2.2%	Lake Washington SD 414	1,211	6	2.4%
Edmonds SD 015	1,349	7	2.0%	Federal Way SD 210	1,141	7	2.3%
Federal Way SD 210	1,310	8	2.0%	Edmonds SD 015	1,100	8	2.2%
Vancouver SD 037	1,215	9	1.8%	Vancouver SD 037	1,091	9	2.2%
Highline SD 401	1,210	10	1.8%	Puyallup SD 003	961	10	1.9%
All other**	50,285		75.4%	All other	37,000		73.1%
Total (304 employers)	<u>66,665</u>		<u>100.0%</u>	Total (303 employers)	<u>50,598</u>		<u>100.0%</u>

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington*	1	469
School Districts	293	49,816
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
Total	<u>294</u>	<u>50,285</u>

**August 31, 2004 statistics.

*Includes 38 component units of the State.

Principal Participating Employers by Plan: LEOFF 1

Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	50	1	34.2%	City of Seattle	192	1	20.4%
City of Bellevue	9	2	6.2%	City of Spokane	77	2	8.2%
City of Spokane	9	3	6.2%	City of Tacoma	73	3	7.7%
City of Bellingham	5	4	3.4%	City of Bellingham	42	4	4.5%
Pierce County FPD 03	4	5	2.7%	City of Bellevue	33	5	3.5%
Snohomish County FPD 01	4	6	2.7%	King County	33	6	3.5%
City of Everett	3	7	2.1%	City of Everett	25	7	2.7%
King County	3	8	2.1%	Spokane County	22	8	2.3%
City of Mount Vernon	3	9	2.1%	City of Renton	18	9	1.9%
City of Tacoma	3	10	2.1%	City of Kent	16	10	1.7%
All other**	53		36.2%	All other	412		43.6%
Total (51 employers)	<u>146</u>		<u>100.0%</u>	Total (122 employers)	<u>943</u>		<u>100.0%</u>

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington	-	-
School Districts	-	-
Counties/Municipalities	33	43
Other Political Subdivisions	8	10
Total	<u>41</u>	<u>53</u>

**2004 calendar year statistics.

Principal Participating Employers by Plan: LEOFF 2
Current Year and Nine Years Prior

2013				2004**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	2,233	1	13.3%	City of Seattle	2,047	1	13.8%
King County	708	2	4.2%	City of Tacoma	697	2	4.7%
City of Tacoma	683	3	4.1%	King County	681	3	4.6%
City of Spokane	541	4	3.2%	City of Spokane	539	4	3.6%
City of Bellevue	374	5	2.2%	Pierce County	363	5	2.4%
City of Vancouver	369	6	2.2%	City of Bellevue	343	6	2.3%
City of Everett	348	7	2.1%	City of Vancouver	339	7	2.3%
Pierce County	296	8	1.7%	City of Everett	337	8	2.3%
Snohomish County	268	9	1.6%	Snohomish County	246	9	1.7%
City of Bellingham	253	10	1.5%	City of Kent	245	10	1.7%
All other**	10,751		63.9%	All other	9,020		60.6%
Total (367 employers)	16,824		100.0%	Total (359 employers)	14,857		100.0%

**In 2013, "all other" consisted of:

Type	Number	Employees
State of Washington*	1	234
School Districts	—	—
Counties/Municipalities	202	6,565
Other Political Subdivisions	154	3,952
Total	357	10,751

*Includes eight component units of the State.

**2004 calendar year statistics.

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2013 (page 1 of 10)

Air Quality Authorities

Benton Clean Air Auth.
 NW Clean Air Auth.
 Olympic Region Clean Air Agency
 Puget Sound Clean Air Agency
 Spokane Regional Clean Air Auth.
 SW Clean Air Agency
 Yakima Regional Clean Air Auth.

Airports, Airport Boards

Centralia-Chehalis Airport Board
 Snohomish Co. Airport
 Spokane International Airport
 Walla Walla Regional Airport

Area Agencies on Aging

Aging & Adult Care of Central WA
 Aging & Long-Term Care of Eastern WA
 Olympic Area Agency on Aging

Associations, Unions

Inlandboatmens' Union of the Pacific
 King Co. Directors Association
 Public School Employees of WA
 Sound Cities Association
 WA Association of County Officials
 WA Federation of State Employees

Cemetery Districts

Cowlitz Co. Cemetery Dist. 1, 2 & 5
 Pend Oreille Cemetery Dist. 1
 Skagit Co. Cemetery Dist. 2

Cities & Towns

Aberdeen
 Airway Heights
 Algona
 Anacortes
 Arlington
 Asotin
 Auburn
 Bainbridge Island
 Battle Ground
 Darrington (Town of)
 Davenport

Dayton
 Deer Park
 Des Moines
 DuPont
 Duvall
 East Wenatchee
 Eatonville (Town of)
 Edgewood
 Edmonds
 Electric City (Town of)
 Ellensburg
 Elma
 Elmer City (Town of)
 Entiat
 Enumclaw
 Ephrata
 Everett
 Everson
 Federal Way
 Ferndale
 Fife
 Fircrest
 Forks
 Friday Harbor (Town of)
 Garfield (Town of)
 George
 Gig Harbor
 Gold Bar
 Goldendale
 Grand Coulee
 Grandview
 Granger (Town of)
 Granite Falls (Town of)
 Harrington (Town of)
 Hoquiam
 Hunts Point (Town of)
 Ilwaco
 Issaquah
 Kalama
 Kelso
 Kenmore
 Beaux Arts Village
 Bellevue
 Bellingham
 Benton City
 Bingen
 Black Diamond
 Blaine
 Bonney Lake

Bothell
 Bremerton
 Brewster
 Bridgeport (Town of)
 Brier
 Buckley
 Burien
 Burlington
 Camas
 Carbonado (Town of)
 Carnation
 Cashmere
 Castle Rock
 Cathlamet (Town of)
 Centralia
 Chehalis
 Chelan
 Cheney
 Chewelah
 Clarkston
 Cle Elum
 Clyde Hill
 Colfax
 College Place
 Colton (Town of)
 Colville
 Conconully (Town of)
 Concrete (Town of)
 Connell
 Cosmopolis
 Coulee City (Town of)
 Coulee Dam (Town of)
 Coupeville (Town of)
 Creston (Town of)
 Cusick (Town of)
 Kennewick
 Kent
 Kettle Falls
 Kirkland
 Kittitas
 La Center
 La Conner (Town of)
 Lacey
 Lake Forest Park
 Lake Stevens
 Lakewood
 Langley
 Leavenworth
 Liberty Lake

Employers Covered by DRS-Administered Retirement Systems
As of June 30, 2013 (page 2 of 10)

Cities & Towns (continued)

Lind (Town of)
 Long Beach
 Longview
 Lynden
 Lynnwood
 Mabton
 Mansfield (Town of)
 Maple Valley
 Marysville
 Mattawa (City of)
 McCleary
 Medical Lake
 Medina
 Mercer Island
 Metaline Falls (Town of)
 Mill Creek
 Millwood (Town of)
 Milton
 Monroe
 Montesano
 Morton
 Moses Lake
 Mossyrock
 Mount Vernon
 Mountlake Terrace
 Moxee
 Mukilteo
 Naches (Town of)
 Napavine
 Newcastle
 Newport
 Nooksack
 Normandy Park
 North Bend
 North Bonneville
 Oak Harbor
 Oakesdale (Town of)
 Oakville
 Ocean Shores
 Odessa (Town of)
 Okanogan
 Olympia
 Omak
 Oroville
 Orting
 Othello
 Pacific
 Palouse

Pasco
 Pateros
 Pe Ell
 Port Angeles
 Port Orchard
 Port Townsend
 Poulsbo
 Prosser
 Pullman
 Puyallup
 Quincy
 Rainier
 Raymond
 Reardan (Town of)
 Redmond
 Renton
 Republic
 Richland
 Ridgefield
 Ritzville
 Riverside
 Rock Island
 Rosalia (Town of)
 Roslyn
 Roy
 Royal City
 Ruston (Town of)
 Sammamish
 Seatac
 Seattle
 Sedro Woolley
 Selah
 Sequim
 Shelton
 Shoreline
 Skykomish (Town of)
 Snohomish
 Snoqualmie
 Soap Lake
 South Bend
 South Cle Elum (Town of)
 Spangle (Town of)
 Spokane
 Spokane Valley
 Sprague
 Springdale (Town of)
 Stanwood
 Steilacoom (Town of)
 Stevenson

Sultan
 Sumas
 Sumner
 Sunnyside
 Tacoma
 Tekoa
 Tenino
 Tieton
 Toledo
 Tonasket
 Toppenish
 Tukwila
 Tumwater
 Twisp (Town of)
 Union Gap
 Uniontown (Town of)
 University Place
 Vancouver
 Waitsburg
 Walla Walla
 Wapato
 Warden
 Washougal
 Washtucna (Town of)
 Waterville (Town of)
 Wenatchee
 West Richland
 Westport
 White Salmon (Town of)
 Wilbur (Town of)
 Winlock
 Winthrop (Town of)
 Woodinville
 Woodland
 Woodway (Town of)
 Yacolt (Town of)
 Yakima
 Yarrow Point (Town of)
 Yelm
 Zillah

Conservation Districts

Cascadia
 Clallam
 Columbia
 Cowlitz
 King
 Kittitas
 Okanogan

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2013 (page 3 of 10)

Conservation Districts

(continued)

Pacific
Pend Oreille
Snohomish
Spokane Co.
Stevens Co.
Thurston
Wahkiakum

Councils

Cowlitz-Wahkiakum Council of Governments
Grays Harbor Council of Governments
Lewis, Mason, Thurston Council of Governments
Northwest Regional Council
Pacific Mountain Workforce Development Council
Pacific Council of Governments
Puget Sound Regional Council
Skagit Council of Governments
South Central Workforce Council
SW WA Council Government on Aging and Disability
Thurston Regional Planning Council
Wenatchee Valley Transportation Council
Whatcom Council of Governments

Counties

Adams
Asotin
Benton
Chelan
Clallam
Clark
Columbia
Cowlitz
Douglas
Ferry
Franklin
Garfield
Grant
Grays Harbor
Island
Jefferson

King
Kitsap
Kittitas
Klickitat
Lewis
Lincoln
Mason
Okanogan
Pacific
Pend Oreille
Pierce
San Juan
Skagit
Skamania
Snohomish
Spokane
Stevens
Thurston
Wahkiakum
Walla Walla
Whatcom
Whitman
Yakima

Development Authorities/ Districts

Bellingham Public Development Auth.
Cultural Development Auth. of King Co.
Tricounty Economic Development Dist.
Walla Walla Joint Comm. Development Auth.

Educational Service Districts

E.S.D. 105
E.S.D. 112
E.S.D. 113
E.S.D. 123
North Central WA E.S.D.
Northeast E.S.D. 101
Northwest Regional E.S.D.
Olympic E.S.D.
Puget Sound E.S.D.

Emergency Services & Communication Districts

Emergency Services Coordinating Agency
Franklin Co. Emergency Mgmt.
Grays Harbor Communications
Island Co. Emergency Services Communication Ctr.
Jefferson Co. 911 Communications
KITTCOM
Mason Co. Emergency Communications
Multi Agency Communications Center
NE King Co. Public Safety Communication Agency
North Country Emergency Medical Service
RIVERCOM
San Juan Island Emergency Medical Service
Skagit 911 (SECOM)
Skagit Co. EMS Commission
Snocom Medic-7
Snohomish Co. Emergency Radio System
South Beach Ambulance Service
South Sound 911
Thurston 911 Communications
Valley Communication Center

Fire Protection Districts

Adams Co. FPD 5
Asotin Co. FPD 1
Bainbridge Island Fire Dept.
Benton Co. FPDs 1, 2, 4 & 6
Central Kitsap Fire & Rescue
Central Whidbey Island Fire & Rescue
Chelan Co. FPDs 1, 3, 5, 6, 7 & 9
Clallam Co. FPDs 2, 3 & 5
Clark Co. Fire & Rescue
Clark Co. FPDs 3, 5, 6, 10 & 13
Columbia Co. FPD 3
Cowlitz Co. FPDs 1, 2, 3, 5 & 6
Cowlitz-Skamania Co. FPD 7
Douglas Co. FPD 2
Douglas-Okanogan Co. FPD 15
East County Fire & Rescue
Franklin Co. FPD 3
Garfield Co. FPD 1

Employers Covered by DRS-Administered Retirement Systems As of June 30, 2013 (page 4 of 10)

Fire Protection Districts (continued)

Grant Co. FPDs 3, 5, 8 & 10
 Grays Harbor Co. FPDs 2 & 5
 Island Co. FPD 1
 Jefferson Co. FPDs 1, 2, 3 & 4
 Kent Fire Dept. Regional Fire Auth.
 King Co. FPDs 2, 10, 16, 20, 27, 28, 34, 40, 43, 44, 45 & 50
 Kitsap Co. FPD 18
 Kittitas Co. FPDs 1 & 2
 Klickitat Co. FPDs 3 & 7
 Lake Stevens Fire
 Lewis Co. FPDs 2, 3, 5, 6, 10, 14 & 15
 Marysville Fire Dist. 12
 Mason Co. FPDs 2, 3, 4, 5, 6 & 13
 North County Regional Fire Auth.
 North Highline Fire Dist.
 North Kitsap Fire & Rescue
 North Whidbey Fire & Rescue
 Okanogan Co. FPD 6
 Pacific Co. FPD 1
 Pend Oreille FPDs 2 & 4
 Pierce Co. FPDs 3, 5, 6, 10, 13, 16, 17, 18, 21, 22, 23 & 27
 Prosser FPD 3
 Riverside Fire Auth.
 San Juan Co. FPDs 2, 3, 4 & 5
 Shoreline Fire Dept.
 Skagit Co. FPDs 6 & 8
 Snohomish Co. FPDs 1, 3, 4, 5, 7, 15, 17, 19, 22, 26 & 28
 South East Thurston Fire Auth.
 South King Fire & Rescue
 South Kitsap Fire & Rescue
 South Pend Oreille Fire & Rescue
 South Whatcom Fire Auth.
 South Whidbey Fire & EMS
 Snoqualmie Pass Fire & Rescue
 Spokane Co. FPDs 3, 4, 8, 9, 10 & 13
 Spokane Valley Fire Dept.
 Stevens Co. FPD 1
 Thurston Co. FPDs 3, 5, 6, 7, 8, 9, 12, 13 & 17
 Valley Regional Fire Auth.
 Vashon Island Fire & Rescue

Walla Walla Co. FPDs 4 & 5
 West Thurston Regional Fire Auth.
 Whatcom Co. FPDs 1, 7, 8, 14, 17 & 21
 Woodinville Fire & Rescue
 Yakima Co. FPDs 4, 5 & 12

Housing Authorities

Anacortes
 Asotin Co.
 Bellingham
 Bremerton
 Everett
 Grant Co.
 Grays Harbor Co.
 Island Co.
 Joint Republic Ferry Co.
 Kelso
 Kennewick
 King Co.
 Kitsap Co. Consolidated
 Kittitas Co.
 Longview
 Othello
 Pasco/Franklin Co.
 Peninsula
 Pierce Co.
 Renton
 Seattle
 Skagit Co.
 Snohomish Co.
 Spokane
 Tacoma
 Thurston Co.
 Vancouver
 Walla Walla

Insurance Authorities

Enduris Washington
 Health Benefit Exchange
 Transit Insurance Pool of WA
 WA Cities Insurance Auth.
 WA Counties Insurance Fund
 WA Counties Risk Pool
 Water & Sewer Insurance Pool

Irrigation, Sewer & Water Districts

Agnew Irrigation Dist.
 Ahtanum Irrigation Dist.
 Alderwood Water Dist.
 Beacon Hill Water & Sewer Dist.
 Belfair Water Dist.
 Benton Irrigation Dist.
 Birch Bay Water & Sewer Dist.
 Brewster Flat Irrigation Dist.
 Cascade Irrigation Dist.
 Cedar River Water & Sewer Dist.
 Chinook Water Dist.
 Clark Regional Wastewater Dist.
 Clinton Water Dist.
 Coal Creek Utility Dist.
 Coalition for Clean Water
 Columbia Irrigation Dist.
 Columbia Valley Water Dist.
 Consolidated Diking Improvement Dist. 1 & 2
 Consolidated Irrigation Dist. 19
 Covington Water Dist.
 Cross Valley Water Dist.
 Dallesport Water Dist.
 Diamond Lake Water & Sewer Dist.
 Douglas Co. Sewer Dist. 1
 East Columbia Basin Irrigation Dist.
 East Spokane Water Dist. 1
 East Wenatchee Water Dist.
 Eastsound Sewer & Water Dist.
 Fall City Water Dist.
 Franklin Co. Irrigation Dist. 1
 Gardena Farms Dist. 13
 Glacier Water Dist.
 Grays Harbor Co. Water Dist. 1
 Greater Wenatchee Irrigation Dist.
 Highland Irrigation Dist.
 Highline Water Dist.
 Holmes Harbor Sewer Dist.
 Icicle Irrigation Dist.
 Irvin Water Dist. 6
 Kennewick Irrigation Dist.
 King Co. Water Dist. 19, 20, 45, 49, 54, 90, 111, 119 & 125
 Kiona Irrigation Dist.
 Kittitas Reclamation Dist.
 Lake Chelan Reclamation Dist.

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2013 (page 5 of 10)

Irrigation, Sewer & Water Districts (continued)

Lake Forest Park Water Dist.
 Lake Stevens Sewer Dist.
 Lake Whatcom Water & Sewer Dist.
 Lakehaven Utility Dist.
 Lakewood Water Dist.
 Loon Lake Sewer Dist. 4
 Lopez Solid Waste Disposal Dist.
 LOTT Clean Water Alliance
 Malaga Water Dist.
 Manchester Water Dist.
 Midway Sewer Dist.
 Moab Irrigation Dist. 20
 Model Irrigation Dist. 18
 Moses Lake Irrigation & Rehabilitation Dist.
 Mukilteo Water & Wastewater Dist.
 Naches Selah Irrigation Dist.
 NE Sammamish Sewer & Water Dist.
 North Beach Water Dist.
 North Perry Ave. Water Dist.
 North Spokane Irrigation Dist. 8
 Northshore Utility Dist.
 Okanogan Irrigation Dist.
 Olympic View Water Dist.
 Orchard Ave. Irrigation Dist.
 Oroville-Tonasket Irrigation Dist.
 Pasadena Park Irrigation Dist. 17
 Point Roberts Water Dist. 4
 Quincy Columbia Basin Irrigation Dist.
 Ronald Wastewater Dist.
 Roza Irrigation Dist.
 Samish Water Dist.
 Sammamish Plateau Water & Sewer Dist.
 Selah-Moxee Irrigation Dist.
 Shoreline Water Dist.
 Silverdale Water Dist. 16
 Silverlake Water Dist.
 Skyway Water & Sewer Dist.
 Snoqualmie Pass Utility Dist.
 Soos Creek Water & Sewer Dist.
 South Columbia Basin Irrigation Dist.
 Spokane Co. Water Dist. 3
 Stemilt Irrigation Dist.
 Stevens Pass Sewer Dist.
 Sunland Water Dist.

Sunnyside Valley Irrigation Dist.
 SW Suburban Sewer Dist.
 Terrace Heights Sewer Dist.
 Three Rivers Reg. Wastewater Plant
 Trentwood Irrigation Dist. 3
 Valley View Sewer Dist.
 Valley Water Dist.
 Vera Irrigation Dist. 15
 Walla Walla Watershed Management
 Wenatchee Reclamation Dist.
 Whatcom Co. Water Dist. 2
 Whitestone Reclamation Dist.
 Whitworth Water Dist. 2
 Willapa Valley Water Dist.
 Woodinville Water Dist.
 Yakima-Tieton Irrigation Dist.

Libraries, Library Districts

Columbia Co. Rural Library Dist.
 Fort Vancouver Regional Library
 Jefferson Co. Rural Library Dist.
 King Co. Law Library
 King Co. Rural Library Dist.
 Kitsap Regional Library
 La Conner Regional Library
 Lopez Island Library Dist.
 Mid-Columbia Regional Library
 North Central Regional Library
 North Olympic Library System
 Orcas Island Library Dist.
 Pend Oreille Library
 Pierce Co. Law Library
 Pierce Co. Rural Library Dist.
 San Juan Island Co. Library
 Sno-Isle Regional Library
 Spokane Co. Law Library
 Spokane Co. Library Dist.
 Stevens Co. Rural Library
 Timberland Regional Library
 Upper Skagit Library Dist.
 Walla Walla Co. Rural Library Dist.
 Whatcom Co. Public Library
 Whitman Co. Rural Library
 Yakima Valley Regional Library

Mosquito Districts

Adams Co. Mosquito Dist.
 Benton Co. Mosquito Control Dist.
 Columbia Mosquito Control Dist.
 Franklin Co. Mosquito Control Dist.
 Yakima Co. Mosquito Control

Parks & Recreation Districts

Bainbridge Island Metro Parks & Recreation Dist.
 Eastmont Metropolitan Parks Dist.
 Fidalgo Pool & Fitness Center
 Key Peninsula Metro Park Dist.
 Manson Parks & Recreation Dist.
 Metropolitan Park Dist. of Tacoma
 Peninsula Metropolitan Park Dist.
 San Juan Island Park & Recreational Dist.
 Si View Metropolitan Park Dist.
 South Whidbey Parks & Recreation Dist.

Ports

Allyn
 Anacortes
 Bellingham
 Benton
 Bremerton
 Brownsville
 Camas-Washougal
 Centralia
 Chelan Co.
 Clarkston
 Columbia
 Douglas Co.
 Edmonds
 Everett
 Friday Harbor
 Grant Co. 1, 8 & 9
 Grays Harbor
 Ilwaco
 Kalama
 Kennewick
 Kingston
 Klickitat
 Longview
 Mattawa
 Moses Lake

Employers Covered by DRS-Administered Retirement Systems
As of June 30, 2013 (page 6 of 10)

Ports (continued)

Olympia
 Orcas
 Othello
 Pasco
 Peninsula
 Port Angeles
 Port Townsend
 Ridgefield
 Royal Slope
 Seattle
 Shelton
 Skagit Co.
 Skamania Co.
 Sunnyside
 Tacoma
 Vancouver
 Wahkiakum Co. 1
 Walla Walla
 Whitman Co.
 Willapa Harbor
 Woodland

Public Facility Districts

Public Stadium Auth.
 Edmonds Public Facilities Dist.
 Lynnwood Public Facilities
 Spokane Public Facility Dist.

Public Health

Asotin Co. Health Dist.
 Benton-Franklin Health Dist.
 Chelan-Douglas Health Dist.
 Garfield Co. Health Dist.
 Grant Co. Health Dist.
 Greater Columbia Behavioral Health
 Kittitas Co. Public Hospital Dist. 2
 Kitsap Public Health Dist.
 North Sound Regional Support
 Network
 Snohomish Health Dist.
 Spokane Regional Health Dist.
 SW Washington Behavioral Health
 Regional Support Network
 Timberlands Regional Support
 Network
 Yakima Co. Health Dist.

Public Utility Districts

Asotin Co. PUD 1
 Benton Co. PUD 1
 Chelan Co. PUD 1
 Clallam Co. PUD 1
 Clark Co. PUD
 Cowlitz Co. PUD
 Douglas Co. PUD1
 Energy Northwest
 Ferry Co. PUD 1
 Franklin Co. Public Works 1
 Franklin Co. PUD 1
 Grand Coulee Project Hydroelectric
 Auth.
 Grant Co. Public Works
 Grant Co. PUD 2
 Grays Harbor Co. PUD 1
 Jefferson Co. PUD 1
 Kitsap Co. PUD 1
 Kittitas Co. PUD 1
 Klickitat Co. PUD 1
 Lewis Co. PUD 1
 Mason Co. PUD 1 & 3
 Okanogan Co. PUD 1
 Pacific Co. PUD 2
 Pend Oreille Co. PUD 1
 Skagit Co. PUD 1
 Skamania Co. PUD 1
 Snohomish Co. PUD 1
 Stevens Co. PUD
 Thurston Co. PUD 1
 Wahkiakum Co. PUD 1
 West Sound Utility Dist.

Road Departments

Chelan Co. Roads
 Lincoln Co. Highway Dept.

School Districts

Aberdeen
 Adna
 Almira
 Anacortes
 Arlington
 Asotin Anatone
 Auburn

Bainbridge Island
 Battle Ground
 Bellevue
 Bellingham
 Benge
 Bethel
 Bickleton
 Blaine
 Boistfort
 Bremerton
 Brewster
 Bridgeport
 Brinnon
 Burlington-Edison
 Camas
 Cape Flattery
 Carbonado Historical
 Cascade
 Cashmere
 Castle Rock
 Centerville
 Central Kitsap
 Central Valley
 Centralia
 Chehalis
 Cheney
 Chewelah
 Chimacum
 Clarkston
 Cle Elum-Roslyn
 Clover Park
 Colfax
 College Place
 Colton
 Columbia (Stevens Co.)
 Columbia (Walla Walla Co.)
 Colville
 Concrete
 Conway
 Cosmopolis
 Coulee Hartline
 Coupeville
 Crescent
 Creston
 Curlew
 Cusick
 Damman
 Darrington

Employers Covered by DRS-Administered Retirement Systems As of June 30, 2013 (page 7 of 10)

School Districts (continued)	Kalama	Naselle-Grays River Valley
Davenport	Keller	Nespelem
Dayton	Kelso	Newport
Deer Park	Kennewick	Nine Mile Falls
Dieringer	Kent	Nooksack Valley
Dixie	Kettle Falls	North Beach
East Valley (Spokane Co.)	Kiona-Benton City	North Franklin
East Valley (Yakima Co.)	Kittitas	North Kitsap
Eastmont	Klickitat	North Mason
Easton	La Center	North River
Eatonville	La Conner	North Thurston
Edmonds	LaCrosse	Northport
Ellensburg	Lake Chelan	Northshore
Elma	Lake Stevens	Oak Harbor
Endicott	Lake Washington	Oakesdale
Entiat	Lakewood	Oakville
Enumclaw	Lamont	Ocean Beach
Ephrata	Liberty	Ocosta
Evaline	Lind	Odessa
Everett	Longview	Okanogan
Evergreen (Clark Co.)	Loon Lake	Olympia
Evergreen (Stevens Co.)	Lopez	Omak
Federal Way	Lyle	Onalaska
Ferndale	Lynden	Onion Creek
Fife	Mabton	Orcas Island
Finley	Mansfield	Orchard Prairie
Franklin Pierce	Manson	Orient
Freeman	Mary M. Knight	Orondo
Garfield	Mary Walker	Oroville
Glenwood	Marysville	Orting
Goldendale	McCleary	Othello
Grand Coulee Dam	Mead	Palisades
Grandview	Medical Lake	Palouse
Granger	Mercer Island	Pasco
Granite Falls	Meridian	Pateros
Grapeview	Methow Valley	Paterson
Great Northern	Mill A	Pe Ell
Green Mountain	Monroe	Peninsula
Griffin	Montesano	Pioneer
Harrington	Morton	Pomeroy
Highland	Moses Lake	Port Angeles
Highline	Mossyrock	Port Townsend
Hockinson	Mount Adams	Prescott
Hood Canal	Mount Baker	Prosser
Hoquiam	Mount Pleasant	Pullman
Inchelium	Mount Vernon	Puyallup
Index	Mukilteo	Queets-Clearwater
Issaquah	Naches Valley	Quilcene
Kahlotus	Napavine	Quillayute

Employers Covered by DRS-Administered Retirement Systems
As of June 30, 2013 (page 8 of 10)

School Districts (continued)

Quinault Lake
 Quincy
 Rainier
 Raymond
 Reardan-Edwall
 Renton
 Republic
 Richland
 Ridgefield
 Ritzville
 Riverside
 Riverview
 Rochester
 Roosevelt
 Rosalia
 Royal
 Saint John
 San Juan Island
 Satsop
 Seattle
 Sedro Woolley
 Selah
 Selkirk
 Sequim
 Shaw Island
 Shelton
 Shoreline
 Skamania
 Skykomish
 Snohomish
 Snoqualmie Valley
 Soap Lake
 South Bend
 South Kitsap
 South Whidbey
 Southside
 Spokane Public Schools
 Sprague
 Stanwood-Camano
 Star
 Starbuck
 Stehekin
 Steilacoom Historical
 Steptoe
 Stevenson-Carson
 Sultan
 Summit

Sumner
 Sunnyside
 Tacoma
 Taholah
 Tahoma
 Tekoa
 Tenino
 Thorp
 Toledo
 Tonasket
 Toppenish
 Touchet
 Toutle Lake
 Trout Lake
 Tukwila
 Tumwater
 Union Gap
 University Place
 Valley
 Vancouver
 Vashon Island
 Wahkiakum
 Wahluke
 Waitsburg
 Walla Walla
 Wapato
 Warden Jr. Consolidated
 Washougal
 Washtucna
 Waterville
 Wellpinit
 Wenatchee
 West Valley (Spokane Co.)
 West Valley (Yakima Co.)
 White Pass
 White River
 White Salmon
 Wilbur
 Willapa Valley
 Wilson Creek
 Winlock
 Wishkah Valley
 Wishram
 Woodland
 Yakima
 Yelm
 Zillah

**Transportation Authorities,
 Transportation Districts**

Asotin Co.
 Ben Franklin Transit
 Central Puget Sound Transit Auth.
 Chelan-Douglas P.T.B.A.
 Clallam Transit System
 Clark Co. P.T.B.A.
 Columbia Co. Public Transportation
 Grant Transit Auth.
 Grays Harbor Transportation Auth.
 Intercity Transit
 Island Transit
 Jefferson Transit Auth.
 King County Metro
 Kitsap Transit
 Lewis P.T.B.A.
 Mason Co. Public Transportation
 Benefit Area
 Pacific Transit System
 Pierce Co. P.T.B.A.
 Snohomish Co. P.T.B.A.
 Spokane Regional Transportation
 Council
 Spokane Transit Auth.
 Valley Transit
 Whatcom Transportation Auth.

Weed Control Districts

Grant Co. Noxious Weed Board
 Grant Co. Weed Dist. 1 & 3
 Pierce Co. Noxious Weed Board
 Spokane Co. Noxious Weed Control
 Board

Other Government Entities

King Co. Public Defender
 Organization
 Snohomish Co. Police Staff Auxiliary
 South Correctional Entity
 Tacoma-Pierce Co. Employment &
 Training Consortium
 WA School Information Processing
 Cooperative

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2013 (page 9 of 10)

Component Units of the State of WA

State Agencies

Administrative Office of the Courts	Environmental & Land Use Hearings Office	Supreme Court
Archaeology-Historic Preservation	Fircrest School	Transportation Improvement Board
Board for Volunteer Firefighters	Governor's Office of Indian Affairs	Veterans Home - Spokane
Board of Industrial Insurance	Green Hill School	WA Pollution Liability Insurance Agency
Appeals	Health Care Facilities Auth.	WA State Bar Association
Board of Tax Appeals	House of Representatives	WA State Ferries
Center for Childhood Deafness & Hearing Loss	Innovate Washington	WA State Health Care Auth.
Child Study & Treatment Center	Joint Legislative Audit & Review Committee	WA State Historical Society
Civil Legal Aide	Joint Legislative Systems Committee	WA State Investment Board
Consolidated Support Services	Joint Transportation Committee	WA State Patrol
Consolidated Technology Services	Lakeland Village	WA State School Director's Association
Corrections Health Services	Law Library	WA State School for the Blind
County Road Administration Board	LEAP Committee	WA Veteran's Home
Court of Appeals	LEOFF Plan 2 Retirement Board	Western State Hospital
Dept. of Agriculture	Liquor Control Board	Workforce Training & Education Coordinating Board
Dept. of Commerce	Military Dept.	Yakima Valley School
Dept. of Corrections	Naselle Youth Camp	
Corrections Northeast Region	Office of Administrative Hearings	Component Units of the State of WA
Corrections Northwest Region	Office of Financial Management	Community Colleges,
Corrections Southeast Region	Office of Minority & Women's Business Enterprises	Technical Colleges
Corrections Southwest Region	Office of Public Defense	Bates Technical College
Dept. of Early Learning	Office of the Attorney General	Bellevue Community College
Dept. of Ecology	Office of Forecast Council	Bellingham Technical College
Dept. of Employment Security	Office of the Governor	Big Bend Community College
Dept. of Enterprise Services	Office of the Insurance Commissioner	Cascadia Community College
Dept. of Financial Institutions	Office of Legislative Support Services	Centralia College
Dept. of Fish & Wildlife	Office of the Lieutenant Governor	Clark Community College
Dept. of Health	Office of the Secretary of State	Clover Park Technical College
Dept. of Labor & Industries	Office of the State Actuary	Columbia Basin Community College
Dept. of Licensing	Office of the State Auditor	Edmonds Community College
Dept. of Natural Resources	Office of the State Treasurer	Everett Community College
Dept. of Retirement Systems	Puget Sound Partnership	Grays Harbor College
Dept. of Revenue	Rainier School	Green River Community College
Dept. of Services for the Blind	Recreation & Conservation Office	Highline Community College
Dept. of Social & Health Services (9)	Senate	Lake Washington Institute of Technology
Dept. of Transportation	Soldiers Home of WA State	Lower Columbia Community College
Dept. of Veterans' Affairs	Special Commitment Center	Olympic College
Eastern State Hospital	State Board for Community & Technical Colleges	Peninsula College
Eastern WA State Historical Society	State Board of Accountancy	Pierce College
Echo Glen Children's Center	State of WA Caseload Forecast Council	Renton Technical College
Economic Development Finance Auth.	Statute Law Committee	
	Superintendent of Public Instruction	

Employers Covered by DRS-Administered Retirement Systems
As of June 30, 2013 (page 10 of 10)

**Community Colleges,
 Technical Colleges (continued)**

Seattle Community College
 Shoreline Community College
 Skagit Valley College
 South Puget Sound Community
 College
 Spokane Community College
 Tacoma Community College
 Walla Walla Community College
 Wenatchee Valley College
 Whatcom Community College
 Yakima Valley College

State Commissions

African American Affairs
 Apple
 Arts
 Asian American Affairs
 Beef
 Columbia River Gorge
 Conservation
 Criminal Justice Training
 Dairy Products
 Fruit
 Gambling
 Grain

Hispanic Affairs
 Hop
 Horse Racing
 Housing Finance
 Human Rights
 Judicial Conduct
 Lottery
 Parks & Recreation
 Potato
 Public Disclosure
 Public Employment Relations
 Puget Sound Pilotage
 Salaries for Elected Officials
 Traffic Safety
 Tree Fruit Research
 Utilities & Transportation
 Wine

Universities

Central Washington University
 Eastern Washington University
 Evergreen State College
 University of Washington
 Washington State University
 Western Washington University

**Other WA State Component
 Units**

Student Achievement Council

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 1

For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100**	207	187	11	1	8	167	32	6	2
101-200	335	245	–	26	64	234	66	33	2
201-300	1,153	842	2	77	232	791	245	105	12
301-400	1,468	1,057	13	98	300	981	337	142	8
401-500	1,612	1,138	2	87	385	1,042	352	207	11
501-600	1,755	1,248	1	111	395	1,149	371	217	18
601-700	1,942	1,402	–	88	452	1,261	377	281	23
701-800	1,950	1,395	–	81	474	1,234	378	313	25
801-900	1,908	1,388	1	102	417	1,210	364	306	28
901-1,000	1,877	1,398	2	93	384	1,246	332	273	26
Over 1,000	<u>38,465</u>	<u>35,222</u>	<u>3</u>	<u>444</u>	<u>2,796</u>	<u>25,165</u>	<u>6,514</u>	<u>5,089</u>	<u>1,697</u>
Totals	<u>52,672</u>	<u>45,522</u>	<u>35</u>	<u>1,208</u>	<u>5,907</u>	<u>34,480</u>	<u>9,368</u>	<u>6,972</u>	<u>1,852</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

**Includes L&J holdoffs.

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 2

For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	428	248	–	129	51	269	126	21	12
101-200	1,444	929	–	337	178	992	368	60	24
201-300	1,768	1,303	–	259	206	1,207	424	108	29
301-400	1,810	1,344	–	230	236	1,202	459	104	45
401-500	1,734	1,339	–	189	206	1,135	425	120	54
501-600	1,693	1,339	–	166	188	1,056	461	118	58
601-700	1,583	1,318	–	115	150	1,023	409	112	39
701-800	1,599	1,369	–	102	128	1,048	366	120	65
801-900	1,480	1,296	–	86	98	1,002	323	98	57
901-1,000	1,436	1,287	–	61	88	943	312	120	61
Over 1,000	<u>12,845</u>	<u>12,341</u>	<u>–</u>	<u>139</u>	<u>365</u>	<u>8,555</u>	<u>1,974</u>	<u>1,584</u>	<u>732</u>
Totals	<u>27,820</u>	<u>24,113</u>	<u>–</u>	<u>1,813</u>	<u>1,894</u>	<u>18,432</u>	<u>5,647</u>	<u>2,565</u>	<u>1,176</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 3
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	25	10	–	10	5	12	12	1	–
101-200	142	93	–	24	25	82	52	7	1
201-300	255	216	–	16	23	174	59	15	7
301-400	228	199	–	11	18	140	60	18	10
401-500	216	195	–	7	14	147	41	19	9
501-600	155	146	–	6	3	106	32	12	5
601-700	136	130	–	2	4	97	21	13	5
701-800	93	88	–	1	4	60	18	8	7
801-900	76	74	–	–	2	49	16	9	2
901-1,000	74	71	–	1	2	44	15	9	6
Over 1,000	<u>350</u>	<u>347</u>	<u>–</u>	<u>–</u>	<u>3</u>	<u>225</u>	<u>54</u>	<u>49</u>	<u>22</u>
Totals	<u>1,750</u>	<u>1,569</u>	<u>–</u>	<u>78</u>	<u>103</u>	<u>1,136</u>	<u>380</u>	<u>160</u>	<u>74</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: SERS Plan 2
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	52	13	–	28	11	25	21	4	2
101-200	344	255	–	59	30	232	93	10	9
201-300	484	413	–	38	33	347	108	19	10
301-400	511	439	–	41	31	367	105	25	14
401-500	449	405	–	25	19	334	75	28	12
501-600	443	405	–	22	16	327	84	23	9
601-700	364	339	–	10	15	264	58	32	10
701-800	274	266	–	5	3	206	41	21	6
801-900	267	262	–	1	4	205	31	24	7
901-1,000	233	229	–	1	3	176	30	21	6
Over 1,000	<u>1,016</u>	<u>987</u>	<u>–</u>	<u>6</u>	<u>23</u>	<u>745</u>	<u>120</u>	<u>106</u>	<u>45</u>
Totals	<u>4,437</u>	<u>4,013</u>	<u>–</u>	<u>236</u>	<u>188</u>	<u>3,228</u>	<u>766</u>	<u>313</u>	<u>130</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: SERS Plan 3
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	139	118	–	13	8	93	36	7	3
101-200	677	610	–	25	42	476	163	27	11
201-300	741	694	–	16	31	537	148	35	21
301-400	545	523	–	8	14	438	79	17	11
401-500	335	326	–	2	7	238	55	29	13
501-600	216	212	–	1	3	158	34	14	10
601-700	163	161	–	1	1	126	12	18	7
701-800	127	124	–	3	–	92	14	14	7
801-900	89	88	–	1	–	64	12	8	5
901-1,000	51	50	–	–	1	36	9	3	3
Over 1,000	131	131	–	–	–	96	13	17	5
Totals	3,214	3,037	–	70	107	2,354	575	189	96

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: PSERS Plan 2
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	7	4	–	2	1	5	2	–	–
101-200	6	5	–	–	1	4	1	–	1
201-300	4	2	–	2	–	4	–	–	–
301-400	4	3	–	1	–	3	1	–	–
401-500	3	3	–	–	–	1	1	–	1
501-600	1	1	–	–	–	1	–	–	–
601-700	–	–	–	–	–	–	–	–	–
701-800	1	1	–	–	–	1	–	–	–
801-900	1	1	–	–	–	1	–	–	–
901-1,000	–	–	–	–	–	–	–	–	–
Over 1,000	–	–	–	–	–	–	–	–	–
Totals	27	20	–	5	2	20	5	–	2

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 1
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	48	47	–	–	1	39	8	1	–
101-200	143	135	–	1	7	94	35	11	3
201-300	481	418	–	10	53	346	105	27	3
301-400	480	401	–	19	60	326	120	29	5
401-500	476	378	–	23	75	312	114	43	7
501-600	489	371	–	34	84	319	123	41	6
601-700	519	349	–	25	145	301	113	100	5
701-800	618	447	–	27	144	368	116	123	11
801-900	667	410	–	36	221	341	144	171	11
901-1,000	690	446	–	24	220	342	132	209	7
Over 1,000	<u>31,443</u>	<u>29,287</u>	–	<u>433</u>	<u>1,723</u>	<u>20,007</u>	<u>6,181</u>	<u>3,943</u>	<u>1,312</u>
Totals	<u>36,054</u>	<u>32,689</u>	–	<u>632</u>	<u>2,733</u>	<u>22,795</u>	<u>7,191</u>	<u>4,698</u>	<u>1,370</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 2
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	36	30	–	3	3	26	9	1	–
101-200	50	39	–	8	3	34	12	1	3
201-300	77	68	–	6	3	58	14	5	–
301-400	105	82	–	12	11	69	31	4	1
401-500	119	104	–	5	10	79	30	7	3
501-600	116	98	–	6	12	75	23	9	9
601-700	131	107	–	9	15	88	33	5	5
701-800	128	114	–	5	9	78	33	12	5
801-900	138	111	–	12	15	79	43	11	5
901-1,000	123	110	–	5	8	89	23	7	4
Over 1,000	<u>2,037</u>	<u>1,979</u>	–	<u>16</u>	<u>42</u>	<u>1,422</u>	<u>307</u>	<u>198</u>	<u>110</u>
Totals	<u>3,060</u>	<u>2,842</u>	–	<u>87</u>	<u>131</u>	<u>2,097</u>	<u>558</u>	<u>260</u>	<u>145</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 3
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	46	25	–	11	10	27	17	2	–
101-200	168	113	–	21	34	93	64	6	5
201-300	328	269	–	16	43	199	100	21	8
301-400	348	308	–	8	32	248	76	14	10
401-500	347	312	–	8	27	252	72	12	11
501-600	318	299	–	5	14	227	62	17	12
601-700	269	256	–	2	11	194	45	14	16
701-800	261	245	–	1	15	185	48	20	8
801-900	223	218	–	1	4	152	35	27	9
901-1,000	194	187	–	1	6	124	43	15	12
Over 1,000	<u>1,302</u>	<u>1,280</u>	<u>–</u>	<u>2</u>	<u>20</u>	<u>895</u>	<u>204</u>	<u>131</u>	<u>72</u>
Totals	<u>3,804</u>	<u>3,512</u>	<u>–</u>	<u>76</u>	<u>216</u>	<u>2,596</u>	<u>766</u>	<u>279</u>	<u>163</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

Schedule of Benefit Recipients by Type of Benefit: LEOFF Plan 1
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*				
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)	A (Standard)
\$0-100	4	4	–	–	–	–	–	–	–	4
101-200	7	7	–	–	–	–	–	1	–	6
201-300	2	2	–	–	–	–	–	–	–	2
301-400	8	5	–	–	3	–	1	–	–	7
401-500	8	5	–	–	3	–	–	–	–	8
501-600	11	9	–	–	2	–	–	–	–	11
601-700	11	8	–	–	3	–	1	–	–	10
701-800	10	7	–	–	3	–	1	–	–	9
801-900	13	10	–	–	3	1	1	–	–	11
901-1,000	18	13	–	–	5	–	–	1	–	17
Over 1,000	<u>7,753</u>	<u>2,616</u>	<u>3,191</u>	<u>468</u>	<u>1,478</u>	<u>43</u>	<u>469</u>	<u>53</u>	<u>59</u>	<u>7,129</u>
Totals	<u>7,845</u>	<u>2,686</u>	<u>3,191</u>	<u>468</u>	<u>1,500</u>	<u>44</u>	<u>473</u>	<u>55</u>	<u>59</u>	<u>7,214</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life. "A" is the standard option, 100% joint and survivor, with additional benefits to eligible children.
** Joint and survivor options are available for post-retirement marriages.

Schedule of Benefit Recipients by Type of Benefit: LEOFF Plan 2
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)
\$0-100	9	9	–	–	–	5	3	1	–
101-200	15	5	2	1	7	6	8	1	–
201-300	20	10	3	1	6	8	11	1	–
301-400	28	12	4	1	11	13	13	2	–
401-500	25	19	4	–	2	10	12	3	–
501-600	34	20	5	–	9	15	16	3	–
601-700	34	22	3	–	9	12	17	2	3
701-800	34	24	3	2	5	15	16	2	1
801-900	47	36	8	–	3	22	22	2	1
901-1,000	40	29	5	–	6	20	14	3	3
Over 1,000	<u>2,058</u>	<u>1,770</u>	<u>164</u>	<u>33</u>	<u>91</u>	<u>932</u>	<u>658</u>	<u>262</u>	<u>206</u>
Totals	<u>2,344</u>	<u>1,956</u>	<u>201</u>	<u>38</u>	<u>149</u>	<u>1,058</u>	<u>790</u>	<u>282</u>	<u>214</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.
**Joint and survivor options are available for post retirement marriages.

Schedule of Benefit Recipients by Type of Benefit: WSPRS Plan 1
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*		
		Service	Duty Disability	Nonduty Disability	Survivor Payment	A	B**	Life
\$0-100	–	–	–	–	–	–	–	–
101-200	2	2	–	–	–	2	–	–
201-300	–	–	–	–	–	–	–	–
301-400	1	1	–	–	–	–	1	–
401-500	1	1	–	–	–	1	–	–
501-600	–	–	–	–	–	–	–	–
601-700	4	1	–	–	3	3	1	–
701-800	5	1	–	–	4	4	1	–
801-900	5	1	–	–	4	5	–	–
901-1,000	9	1	–	–	8	9	–	–
Over 1,000	<u>888</u>	<u>769</u>	<u>–</u>	<u>–</u>	<u>119</u>	<u>421</u>	<u>460</u>	<u>7</u>
Totals	<u>915</u>	<u>777</u>	<u>–</u>	<u>–</u>	<u>138</u>	<u>445</u>	<u>463</u>	<u>7</u>

*A - Standard option "A", 100% joint and survivor, with initial pension equal to the lesser of 50% AFC and 100% member's accrued benefit, B - Option "B", 100% joint and survivor, with initial pension being the actuarial equivalent of the single life annuity.
**This option is available for post retirement marriages.

Schedule of Benefit Recipients by Type of Benefit: JRS
For the Twelve Months Ended June 30, 2012

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*				
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)	A Standard
\$0-100	-	-	-	-	-	-	-	-	-	-
101-200	-	-	-	-	-	-	-	-	-	-
201-300	-	-	-	-	-	-	-	-	-	-
301-400	-	-	-	-	-	-	-	-	-	-
401-500	-	-	-	-	-	-	-	-	-	-
501-600	-	-	-	-	-	-	-	-	-	-
601-700	-	-	-	-	-	-	-	-	-	-
701-800	-	-	-	-	-	-	-	-	-	-
801-900	-	-	-	-	-	-	-	-	-	-
901-1,000	-	-	-	-	-	-	-	-	-	-
Over 1,000	119	76	-	-	43	-	8	-	1	110
Totals	<u>119</u>	<u>76</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>1</u>	<u>110</u>

* 1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life. "A" is the standard option, 50% joint and survivor, for eligible spouses.
** Joint and survivor options are available for post-retirement marriages.

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: PERS Plan 1

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$542.78	\$1,027.23	\$1,523.69	\$2,158.86	\$3,070.71	\$3,387.70
Average Final Salary (Monthly)*	\$4,003.50	\$3,927.11	\$4,023.64	\$4,625.35	\$5,559.31	\$5,635.18
Number of Active Retirees	160	145	125	187	198	474
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$437.37	\$1,018.91	\$1,636.44	\$2,316.51	\$3,120.62	\$3,438.97
Average Final Salary (Monthly)*	\$3,781.19	\$3,960.69	\$4,554.22	\$5,012.80	\$5,735.43	\$5,673.74
Number of Active Retirees	162	111	143	188	261	585
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$456.42	\$1,100.41	\$1,426.42	\$2,003.96	\$2,931.01	\$3,388.27
Average Final Salary (Monthly)*	\$3,755.10	\$4,211.26	\$4,053.07	\$4,439.81	\$5,328.15	\$5,679.56
Number of Active Retirees	158	126	169	215	228	596
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$496.59	\$943.47	\$1,430.86	\$2,171.94	\$2,965.90	\$3,381.04
Average Final Salary (Monthly)*	\$3,983.17	\$3,711.90	\$4,081.31	\$4,766.33	\$5,372.21	\$5,660.85
Number of Active Retirees	143	122	160	182	263	590
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$429.94	\$909.29	\$1,433.77	\$1,964.39	\$2,841.80	\$3,106.71
Average Final Salary (Monthly)*	\$3,765.12	\$3,592.11	\$4,037.55	\$4,346.86	\$5,062.40	\$5,346.47
Number of Active Retirees	153	123	169	200	459	653
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$440.05	\$826.24	\$1,377.09	\$2,026.97	\$2,968.26	\$3,044.75
Average Final Salary (Monthly)*	\$3,734.14	\$3,282.95	\$3,951.49	\$4,478.61	\$5,257.35	\$5,270.50
Number of Active Retirees	73	78	105	122	456	420
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$393.64	\$855.83	\$1,297.98	\$1,792.25	\$2,753.99	\$2,916.86
Average Final Salary (Monthly)*	\$3,495.56	\$3,576.91	\$3,776.29	\$4,016.80	\$4,933.84	\$5,003.15
Number of Active Retirees	150	104	171	173	770	587
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$409.58	\$855.17	\$1,203.75	\$1,726.20	\$2,692.95	\$2,810.89
Average Final Salary (Monthly)*	\$3,688.81	\$3,350.51	\$3,557.55	\$3,814.38	\$4,836.00	\$4,832.86
Number of Active Retirees	142	122	144	193	834	586
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$347.11	\$793.25	\$1,190.84	\$1,893.20	\$2,638.10	\$2,890.47
Average Final Salary (Monthly)*	\$3,282.37	\$3,212.42	\$3,449.66	\$4,190.20	\$4,724.51	\$5,001.17
Number of Active Retirees	136	108	166	215	891	543
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$352.67	\$745.84	\$1,216.41	\$1,696.38	\$2,672.02	\$2,902.88
Average Final Salary (Monthly)*	\$3,143.11	\$3,052.16	\$3,572.79	\$3,686.95	\$4,815.61	\$4,995.48
Number of Active Retirees	138	118	157	243	988	504

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: PERS Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$480.30	\$1,074.08	\$1,491.74	\$1,869.00	\$2,561.98	\$3,266.37
Average Final Salary (Monthly)*	\$3,701.65	\$4,256.13	\$4,532.75	\$4,857.44	\$5,227.28	\$5,651.05
Number of Active Retirees	735	556	526	679	446	372
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$462.97	\$957.39	\$1,570.18	\$1,779.72	\$2,645.09	\$3,149.46
Average Final Salary (Monthly)*	\$3,651.50	\$3,916.39	\$4,754.82	\$4,662.49	\$5,270.42	\$5,560.87
Number of Active Retirees	606	420	478	545	523	305
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$476.80	\$891.24	\$1,407.69	\$1,646.55	\$2,529.93	\$3,002.36
Average Final Salary (Monthly)*	\$3,592.08	\$3,644.54	\$4,246.31	\$4,405.77	\$5,011.27	\$5,291.83
Number of Active Retirees	461	403	489	430	435	157
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$424.97	\$952.70	\$1,323.26	\$1,620.48	\$2,440.27	\$2,885.16
Average Final Salary (Monthly)*	\$3,322.80	\$3,831.80	\$4,055.40	\$4,246.60	\$4,820.87	\$5,267.21
Number of Active Retirees	510	331	408	414	409	73
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$428.50	\$867.23	\$1,264.67	\$1,531.82	\$2,071.13	\$2,835.47
Average Final Salary (Monthly)*	\$3,337.39	\$3,555.64	\$3,875.64	\$4,225.02	\$4,490.65	\$6,197.09
Number of Active Retirees	538	347	432	362	235	1
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$429.68	\$817.10	\$1,261.88	\$1,561.89	\$1,850.45	\$-
Average Final Salary (Monthly)*	\$3,251.50	\$3,407.38	\$3,902.20	\$4,152.54	\$4,176.21	\$-
Number of Active Retirees	303	225	239	223	131	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$381.31	\$840.64	\$1,153.19	\$1,443.59	\$1,861.25	\$-
Average Final Salary (Monthly)*	\$3,096.35	\$3,495.45	\$3,599.48	\$4,014.82	\$4,159.12	\$-
Number of Active Retirees	397	289	318	308	130	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$371.37	\$815.79	\$1,182.15	\$1,441.42	\$1,778.30	\$2,157.26
Average Final Salary (Monthly)*	\$3,005.28	\$3,321.68	\$3,659.92	\$3,939.40	\$4,158.20	\$5,347.53
Number of Active Retirees	352	346	317	262	81	1
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$357.19	\$796.20	\$1,105.47	\$1,413.09	\$1,641.65	\$3,148.28
Average Final Salary (Monthly)*	\$2,790.65	\$3,311.56	\$3,463.09	\$3,809.36	\$3,766.28	\$5,874.68
Number of Active Retirees	309	316	289	243	32	2
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$339.47	\$743.37	\$1,081.58	\$1,281.20	\$1,301.54	\$2,733.22
Average Final Salary (Monthly)*	\$2,553.67	\$3,028.09	\$3,360.33	\$3,497.56	\$2,957.96	\$4,853.02
Number of Active Retirees	298	319	297	201	10	1

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: PERS Plan 3

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$287.76	\$435.93	\$704.13	\$940.02	\$1,415.65	\$1,796.37
Average Final Salary (Monthly)*	\$4,436.89	\$4,220.74	\$4,816.97	\$5,293.55	\$5,929.81	\$6,378.63
Number of Active Retirees	58	60	61	70	61	37
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$241.09	\$404.62	\$682.89	\$935.99	\$1,393.48	\$1,664.84
Average Final Salary (Monthly)*	\$4,045.67	\$3,928.43	\$4,681.79	\$4,828.04	\$5,589.99	\$6,199.43
Number of Active Retirees	30	45	64	56	49	18
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$206.96	\$372.48	\$650.80	\$898.92	\$1,237.32	\$1,399.82
Average Final Salary (Monthly)*	\$3,977.34	\$3,840.32	\$4,624.96	\$4,778.36	\$5,284.05	\$5,238.95
Number of Active Retirees	14	41	50	40	30	17
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$203.00	\$370.16	\$590.03	\$868.92	\$1,140.46	\$959.19
Average Final Salary (Monthly)*	\$3,144.81	\$3,813.15	\$4,340.40	\$5,186.33	\$5,312.97	\$3,803.49
Number of Active Retirees	22	39	40	38	32	1
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$221.06	\$345.57	\$542.98	\$800.74	\$1,220.33	\$-
Average Final Salary (Monthly)*	\$3,288.42	\$4,204.58	\$4,249.64	\$4,623.07	\$5,530.27	\$-
Number of Active Retirees	23	32	44	22	15	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$248.25	\$355.02	\$492.07	\$825.20	\$1,066.43	\$-
Average Final Salary (Monthly)*	\$3,227.02	\$4,094.89	\$3,994.40	\$4,749.23	\$5,518.33	\$-
Number of Active Retirees	9	24	34	25	11	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$250.54	\$330.93	\$430.38	\$781.75	\$848.25	\$-
Average Final Salary (Monthly)*	\$4,241.98	\$3,707.32	\$4,000.23	\$4,518.98	\$4,933.97	\$-
Number of Active Retirees	12	34	51	21	10	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$285.06	\$297.72	\$483.21	\$675.71	\$1,070.36	\$-
Average Final Salary (Monthly)*	\$3,613.75	\$3,779.45	\$4,041.78	\$4,262.63	\$5,475.22	\$-
Number of Active Retirees	14	35	36	18	2	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$251.18	\$275.34	\$466.69	\$604.86	\$601.39	\$1,078.98
Average Final Salary (Monthly)*	\$3,795.68	\$3,559.40	\$3,829.15	\$4,127.26	\$3,584.08	\$4,515.84
Number of Active Retirees	4	46	38	24	1	1
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$196.52	\$274.26	\$487.31	\$600.85	\$-	\$-
Average Final Salary (Monthly)*	\$3,629.00	\$3,898.30	\$3,868.59	\$4,409.49	\$-	\$-
Number of Active Retirees	2	24	30	14	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: SERS Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$277.30	\$561.49	\$773.26	\$1,081.18	\$1,519.44	\$2,026.86
Average Final Salary (Monthly)*	\$2,044.49	\$2,295.27	\$2,292.04	\$2,755.05	\$3,061.83	\$3,424.90
Number of Active Retirees	77	141	143	145	79	42
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$325.48	\$534.80	\$792.65	\$980.32	\$1,455.60	\$2,150.54
Average Final Salary (Monthly)*	\$2,239.23	\$2,126.03	\$2,341.99	\$2,488.89	\$2,963.79	\$3,471.57
Number of Active Retirees	83	105	135	95	75	22
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$329.64	\$499.38	\$697.76	\$959.01	\$1,466.33	\$1,877.92
Average Final Salary (Monthly)*	\$2,325.81	\$2,018.06	\$2,147.60	\$2,636.97	\$2,910.30	\$3,246.34
Number of Active Retirees	76	102	94	86	56	18
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$306.14	\$490.36	\$717.17	\$982.85	\$1,597.73	\$2,427.76
Average Final Salary (Monthly)*	\$1,974.14	\$2,020.86	\$2,133.43	\$2,542.47	\$3,044.62	\$3,936.89
Number of Active Retirees	97	91	86	89	47	1
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$264.20	\$507.62	\$746.45	\$894.39	\$1,357.45	\$-
Average Final Salary (Monthly)*	\$1,758.78	\$2,124.83	\$2,279.37	\$2,301.53	\$2,921.83	\$-
Number of Active Retirees	93	86	98	99	39	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$235.84	\$463.48	\$688.93	\$1,068.36	\$1,199.69	\$-
Average Final Salary (Monthly)*	\$1,673.42	\$1,807.94	\$2,101.47	\$2,811.31	\$2,836.34	\$-
Number of Active Retirees	43	52	43	43	18	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$227.30	\$481.10	\$700.31	\$807.10	\$1,220.00	\$-
Average Final Salary (Monthly)*	\$1,624.78	\$1,907.18	\$2,240.95	\$2,255.18	\$3,008.47	\$-
Number of Active Retirees	84	84	93	81	32	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$231.01	\$446.11	\$677.70	\$808.30	\$1,134.52	\$-
Average Final Salary (Monthly)*	\$1,747.89	\$1,799.64	\$2,082.32	\$2,173.51	\$2,455.74	\$-
Number of Active Retirees	62	67	58	91	23	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$236.39	\$417.64	\$830.21	\$789.63	\$1,092.79	\$-
Average Final Salary (Monthly)*	\$1,576.56	\$1,693.92	\$2,522.60	\$2,095.77	\$2,611.95	\$-
Number of Active Retirees	86	69	60	97	11	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$211.05	\$452.92	\$669.60	\$798.53	\$1,215.34	\$-
Average Final Salary (Monthly)*	\$1,396.53	\$1,818.45	\$2,039.61	\$2,148.25	\$2,652.12	\$-
Number of Active Retirees	63	61	64	81	4	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: SERS Plan 3

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$162.22	\$264.03	\$350.01	\$557.10	\$748.97	\$946.98
Average Final Salary (Monthly)*	\$2,333.34	\$2,426.20	\$2,244.00	\$2,853.50	\$2,945.74	\$3,105.56
Number of Active Retirees	107	81	150	160	78	31
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$199.62	\$265.46	\$347.98	\$527.52	\$801.12	\$970.47
Average Final Salary (Monthly)*	\$2,644.80	\$2,303.44	\$2,351.06	\$2,730.05	\$3,289.12	\$3,223.70
Number of Active Retirees	76	81	133	131	86	28
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$179.29	\$250.79	\$345.57	\$504.72	\$737.83	\$1,141.89
Average Final Salary (Monthly)*	\$2,441.66	\$2,254.72	\$2,330.69	\$2,659.54	\$2,888.18	\$4,035.92
Number of Active Retirees	41	46	77	92	39	5
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$142.97	\$253.20	\$325.52	\$458.37	\$660.37	\$851.43
Average Final Salary (Monthly)*	\$2,070.97	\$2,338.58	\$2,190.72	\$2,412.90	\$2,879.59	\$2,972.85
Number of Active Retirees	43	50	106	88	47	3
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$179.78	\$222.28	\$309.46	\$448.52	\$688.02	\$-
Average Final Salary (Monthly)*	\$2,549.16	\$2,011.46	\$2,321.32	\$2,566.71	\$3,084.89	\$-
Number of Active Retirees	25	62	100	80	35	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$120.59	\$215.61	\$327.88	\$370.12	\$803.06	\$-
Average Final Salary (Monthly)*	\$2,141.06	\$2,086.67	\$2,413.29	\$2,203.55	\$3,744.44	\$-
Number of Active Retirees	12	37	56	42	15	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$158.83	\$209.91	\$294.67	\$345.13	\$533.98	\$-
Average Final Salary (Monthly)*	\$2,050.86	\$2,042.36	\$2,119.57	\$2,091.65	\$2,833.81	\$-
Number of Active Retirees	18	56	74	57	16	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$170.25	\$223.05	\$255.66	\$372.45	\$411.51	\$-
Average Final Salary (Monthly)*	\$2,422.04	\$2,030.62	\$1,944.44	\$2,217.29	\$2,113.99	\$-
Number of Active Retirees	11	52	88	46	10	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$164.16	\$178.43	\$260.42	\$418.11	\$455.03	\$-
Average Final Salary (Monthly)*	\$2,235.27	\$1,796.28	\$1,911.45	\$2,453.85	\$2,722.73	\$-
Number of Active Retirees	12	44	66	40	3	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$163.96	\$203.20	\$280.10	\$363.17	\$586.34	\$-
Average Final Salary (Monthly)*	\$2,396.04	\$2,116.34	\$2,046.41	\$2,213.72	\$2,291.93	\$-
Number of Active Retirees	17	34	40	23	1	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited).

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: PSERS Plan 2*

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit**	\$339.82	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)**	\$4,376.32	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	9	-	-	-	-	-
Period 7/1/10 to 6/30/11						
Average Monthly Benefit**	\$324.12	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)**	\$4,822.01	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	6	-	-	-	-	-
Period 7/1/09 to 6/30/10						
Average Monthly Benefit**	\$271.60	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)**	\$5,230.39	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	3	-	-	-	-	-

Retirees with missing or invalid data elements were excluded.

* PSERS Plan 2 became effective July 1, 2006.

**At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: TRS Plan 1

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$536.53	\$1,127.71	\$1,649.43	\$2,643.64	\$3,191.03	\$3,629.98
Average Final Salary (Monthly)*	\$3,395.33	\$4,447.26	\$5,174.59	\$5,944.53	\$6,243.29	\$6,622.17
Number of Active Retirees	60	50	69	122	134	406
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$438.41	\$977.55	\$1,754.50	\$2,556.44	\$3,356.41	\$3,665.13
Average Final Salary (Monthly)*	\$2,703.33	\$3,893.89	\$5,064.15	\$5,972.05	\$6,503.81	\$6,557.94
Number of Active Retirees	63	63	82	143	165	475
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$438.54	\$989.00	\$1,631.06	\$2,361.44	\$3,124.49	\$3,493.23
Average Final Salary (Monthly)*	\$3,228.12	\$3,923.42	\$4,939.54	\$5,582.54	\$6,092.38	\$6,401.14
Number of Active Retirees	74	56	72	128	132	330
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$453.06	\$1,006.59	\$1,618.97	\$2,354.28	\$2,904.77	\$3,314.77
Average Final Salary (Monthly)*	\$3,243.52	\$4,073.33	\$5,030.12	\$5,709.31	\$5,870.41	\$6,261.55
Number of Active Retirees	66	69	90	164	176	443
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$418.90	\$1,013.91	\$1,591.61	\$2,227.52	\$2,928.20	\$2,893.41
Average Final Salary (Monthly)*	\$2,808.31	\$4,134.13	\$4,821.23	\$5,317.30	\$5,904.30	\$5,809.84
Number of Active Retirees	66	57	114	192	408	531
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$348.74	\$839.10	\$1,321.85	\$1,820.11	\$2,848.13	\$2,588.78
Average Final Salary (Monthly)*	\$2,641.07	\$3,364.49	\$4,122.54	\$4,444.75	\$5,736.18	\$5,917.60
Number of Active Retirees	39	35	45	40	55	24
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$367.34	\$1,011.54	\$1,519.99	\$2,017.00	\$2,817.52	\$2,880.89
Average Final Salary (Monthly)*	\$2,936.42	\$4,174.56	\$4,765.76	\$5,018.16	\$5,632.88	\$5,640.67
Number of Active Retirees	61	58	100	157	486	465
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$389.23	\$870.30	\$1,416.79	\$2,105.47	\$2,726.57	\$2,727.08
Average Final Salary (Monthly)*	\$3,167.27	\$3,608.64	\$4,393.83	\$4,973.52	\$5,501.61	\$5,466.36
Number of Active Retirees	62	72	117	153	551	484
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$356.95	\$875.67	\$1,363.14	\$1,925.47	\$2,657.77	\$2,777.56
Average Final Salary (Monthly)*	\$2,662.53	\$3,897.99	\$4,303.80	\$4,830.72	\$5,458.75	\$5,633.93
Number of Active Retirees	55	86	127	176	632	441
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$328.49	\$866.35	\$1,289.24	\$1,843.72	\$2,623.39	\$2,662.54
Average Final Salary (Monthly)*	\$2,814.56	\$3,588.64	\$4,100.72	\$4,601.64	\$5,352.38	\$5,360.55
Number of Active Retirees	92	93	95	156	665	358

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: TRS Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$469.38	\$1,098.85	\$1,815.96	\$2,256.40	\$2,970.89	\$3,762.08
Average Final Salary (Monthly)*	\$3,553.53	\$4,411.40	\$5,558.73	\$5,771.40	\$6,059.92	\$6,219.80
Number of Active Retirees	79	54	98	97	48	33
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$417.71	\$1,147.78	\$1,783.60	\$2,052.93	\$3,094.93	\$3,559.00
Average Final Salary (Monthly)*	\$3,507.78	\$4,578.42	\$5,406.28	\$5,582.93	\$6,034.27	\$6,283.35
Number of Active Retirees	59	66	92	54	52	19
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$511.71	\$1,228.38	\$1,902.99	\$2,012.05	\$3,025.53	\$3,167.60
Average Final Salary (Monthly)*	\$3,830.95	\$4,964.28	\$5,759.54	\$5,413.19	\$5,762.55	\$5,520.72
Number of Active Retirees	42	47	47	42	41	13
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$520.28	\$1,146.03	\$1,602.18	\$2,141.67	\$2,938.41	\$3,665.93
Average Final Salary (Monthly)*	\$3,516.21	\$4,585.47	\$5,136.98	\$5,467.87	\$5,809.95	\$6,295.83
Number of Active Retirees	35	44	62	46	43	2
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$537.82	\$1,086.65	\$1,606.56	\$1,966.69	\$2,706.92	\$-
Average Final Salary (Monthly)*	\$3,638.09	\$4,523.98	\$5,073.16	\$5,226.25	\$5,376.41	\$-
Number of Active Retirees	37	52	67	42	20	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$375.95	\$970.16	\$1,585.44	\$1,911.48	\$2,622.91	\$-
Average Final Salary (Monthly)*	\$3,634.96	\$4,054.58	\$4,891.30	\$5,337.42	\$5,601.05	\$-
Number of Active Retirees	24	28	20	16	5	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$515.76	\$1,042.26	\$1,516.39	\$1,875.65	\$2,282.00	\$-
Average Final Salary (Monthly)*	\$3,562.09	\$4,270.10	\$4,672.24	\$4,924.09	\$4,870.42	\$-
Number of Active Retirees	47	49	48	53	18	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$512.93	\$1,041.49	\$1,465.30	\$1,971.26	\$2,102.62	\$-
Average Final Salary (Monthly)*	\$3,572.31	\$4,406.34	\$4,563.44	\$5,059.40	\$4,870.05	\$-
Number of Active Retirees	51	49	57	47	15	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$415.43	\$952.94	\$1,417.11	\$1,996.13	\$1,917.24	\$-
Average Final Salary (Monthly)*	\$3,309.83	\$3,949.77	\$4,525.46	\$4,927.74	\$4,654.53	\$-
Number of Active Retirees	39	43	37	34	8	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$440.63	\$927.24	\$1,316.90	\$1,744.68	\$-	\$-
Average Final Salary (Monthly)*	\$3,377.29	\$4,076.97	\$4,256.03	\$4,673.16	\$-	\$-
Number of Active Retirees	38	40	33	25	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: TRS Plan 3

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$331.43	\$570.43	\$863.21	\$1,139.55	\$1,610.39	\$1,737.76
Average Final Salary (Monthly)*	\$4,727.90	\$5,068.13	\$5,473.33	\$5,966.01	\$6,235.28	\$6,143.64
Number of Active Retirees	108	164	151	184	131	105
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$336.03	\$545.30	\$831.33	\$1,125.89	\$1,568.81	\$1,686.38
Average Final Salary (Monthly)*	\$4,553.15	\$4,830.15	\$5,435.01	\$5,780.35	\$6,160.69	\$6,065.22
Number of Active Retirees	106	113	122	136	120	68
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$319.39	\$545.45	\$786.31	\$1,078.33	\$1,453.56	\$1,699.32
Average Final Salary (Monthly)*	\$4,468.37	\$4,766.92	\$5,254.99	\$5,634.96	\$5,839.55	\$5,992.94
Number of Active Retirees	79	73	91	75	79	22
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$303.61	\$547.01	\$796.81	\$993.91	\$1,500.99	\$1,419.21
Average Final Salary (Monthly)*	\$4,534.11	\$5,211.68	\$5,389.18	\$5,394.30	\$5,833.52	\$5,397.36
Number of Active Retirees	76	53	84	77	83	5
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$267.19	\$514.88	\$753.87	\$923.79	\$1,207.54	\$-
Average Final Salary (Monthly)*	\$3,949.74	\$4,680.85	\$5,313.06	\$5,444.54	\$5,366.59	\$-
Number of Active Retirees	62	60	89	78	48	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$254.63	\$452.49	\$712.80	\$1,061.00	\$1,243.51	\$-
Average Final Salary (Monthly)*	\$4,146.59	\$4,575.87	\$4,909.18	\$5,447.02	\$5,750.52	\$-
Number of Active Retirees	19	22	24	22	4	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$297.95	\$448.22	\$666.82	\$869.07	\$1,101.94	\$-
Average Final Salary (Monthly)*	\$4,392.04	\$4,659.35	\$4,950.00	\$5,187.16	\$5,239.94	\$-
Number of Active Retirees	32	45	73	41	20	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$234.33	\$447.08	\$690.49	\$959.64	\$985.06	\$-
Average Final Salary (Monthly)*	\$3,873.88	\$4,905.43	\$4,783.98	\$5,249.36	\$4,894.49	\$-
Number of Active Retirees	31	42	31	44	5	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$226.49	\$370.52	\$577.81	\$880.22	\$932.39	\$-
Average Final Salary (Monthly)*	\$3,739.73	\$4,166.11	\$4,685.49	\$4,953.13	\$4,994.64	\$-
Number of Active Retirees	27	34	43	27	7	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$215.81	\$376.46	\$545.68	\$730.52	\$-	\$-
Average Final Salary (Monthly)*	\$3,948.35	\$4,622.77	\$4,386.17	\$4,580.21	\$-	\$-
Number of Active Retirees	17	25	31	21	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: LEOFF Plan 1

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$6,776.58
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$8,906.14
Number of Active Retirees	-	-	-	-	-	63
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$-	\$2,608.42	\$-	\$-	\$3,770.38	\$6,799.27
Average Final Salary (Monthly)*	\$-	\$12,347.54	\$-	\$-	\$6,693.02	\$9,117.73
Number of Active Retirees	-	1	-	-	1	49
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$5,846.14	\$6,727.58
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$9,964.96	\$9,156.08
Number of Active Retirees	-	-	-	-	1	56
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$8,876.88	\$5,773.59
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$13,656.74	\$8,293.04
Number of Active Retirees	-	-	-	-	1	67
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$-	\$737.71	\$-	\$4,083.42	\$3,717.62	\$5,275.22
Average Final Salary (Monthly)*	\$-	\$2,147.00	\$-	\$8,695.24	\$6,687.05	\$7,715.25
Number of Active Retirees	-	1	-	2	9	85
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$-	\$1,086.32	\$-	\$-	\$3,785.27	\$5,086.57
Average Final Salary (Monthly)*	\$-	\$5,203.92	\$-	\$-	\$6,727.37	\$7,548.05
Number of Active Retirees	-	1	-	-	20	63
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$3,627.67	\$-	\$-	\$3,307.40	\$3,999.96	\$4,870.88
Average Final Salary (Monthly)*	\$6,595.75	\$-	\$-	\$6,549.30	\$7,140.56	\$7,484.82
Number of Active Retirees	1	-	-	1	47	80
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$-	\$770.99	\$3,204.91	\$2,402.75	\$3,702.10	\$4,478.06
Average Final Salary (Monthly)*	\$-	\$2,796.81	\$6,409.82	\$5,085.81	\$6,565.39	\$6,917.86
Number of Active Retirees	-	1	1	2	45	76
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$2,572.50	\$1,219.55	\$1,648.30	\$2,950.79	\$3,428.97	\$4,325.06
Average Final Salary (Monthly)*	\$5,145.00	\$3,222.11	\$4,381.50	\$5,839.05	\$6,314.70	\$6,624.47
Number of Active Retirees	1	2	2	6	71	66
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$2,025.18	\$2,222.50	\$790.85	\$2,759.90	\$3,608.96	\$3,963.91
Average Final Salary (Monthly)*	\$4,050.36	\$4,445.00	\$2,747.33	\$5,517.10	\$6,558.24	\$6,465.99
Number of Active Retirees	2	1	1	10	89	60

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: LEOFF Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$918.50	\$1,913.13	\$2,270.71	\$3,261.72	\$4,377.04	\$5,398.33
Average Final Salary (Monthly)*	\$5,730.21	\$7,272.37	\$6,685.73	\$7,510.37	\$8,172.98	\$8,963.58
Number of Active Retirees	21	17	30	61	82	112
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$786.80	\$1,346.38	\$2,628.43	\$3,229.83	\$4,442.23	\$5,010.17
Average Final Salary (Monthly)*	\$6,436.60	\$5,505.96	\$7,191.87	\$7,200.29	\$8,131.03	\$8,349.92
Number of Active Retirees	21	17	31	71	104	73
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$802.80	\$1,430.37	\$2,176.26	\$2,935.73	\$4,107.79	\$4,329.19
Average Final Salary (Monthly)*	\$5,885.87	\$5,662.91	\$6,203.07	\$6,911.64	\$7,594.47	\$7,264.63
Number of Active Retirees	24	17	21	43	99	33
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$826.57	\$1,481.13	\$2,064.59	\$2,981.51	\$3,846.34	\$4,459.60
Average Final Salary (Monthly)*	\$6,372.71	\$5,884.19	\$5,940.37	\$6,704.73	\$7,298.28	\$7,742.83
Number of Active Retirees	15	17	29	42	83	13
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$782.60	\$1,146.25	\$2,063.68	\$2,806.54	\$3,455.45	\$-
Average Final Salary (Monthly)*	\$5,913.15	\$5,141.47	\$6,100.96	\$6,573.92	\$6,853.86	\$-
Number of Active Retirees	16	18	26	47	81	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$730.74	\$1,419.11	\$2,036.97	\$2,944.90	\$3,301.90	\$3,326.98
Average Final Salary (Monthly)*	\$5,214.92	\$5,723.21	\$6,063.32	\$6,574.48	\$6,490.35	\$6,032.87
Number of Active Retirees	10	15	24	37	37	1
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$603.71	\$1,133.58	\$1,965.38	\$2,733.20	\$3,186.75	\$-
Average Final Salary (Monthly)*	\$4,482.80	\$4,740.11	\$5,532.82	\$6,249.84	\$6,319.38	\$-
Number of Active Retirees	16	19	24	65	41	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$691.80	\$1,256.62	\$1,922.51	\$2,575.48	\$2,965.91	\$-
Average Final Salary (Monthly)*	\$4,885.48	\$5,170.23	\$5,657.35	\$5,805.46	\$6,128.98	\$-
Number of Active Retirees	15	12	18	45	30	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$801.24	\$1,298.02	\$1,819.42	\$2,342.40	\$3,069.32	\$-
Average Final Salary (Monthly)*	\$5,595.05	\$5,158.93	\$5,350.85	\$5,471.12	\$6,524.11	\$-
Number of Active Retirees	18	12	31	36	7	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$669.51	\$988.59	\$1,809.39	\$2,396.28	\$1,704.94	\$-
Average Final Salary (Monthly)*	\$4,892.20	\$4,219.61	\$5,132.09	\$5,531.87	\$3,602.73	\$-
Number of Active Retirees	12	9	18	26	1	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: WSPRS Plan 1

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$332.19	\$1,371.65	\$1,641.71	\$4,047.82	\$4,524.91	\$3,944.59
Average Final Salary (Monthly)*	\$4,280.74	\$5,911.76	\$5,475.29	\$7,926.38	\$8,487.26	\$6,294.76
Number of Active Retirees	1	2	2	19	20	3
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$-	\$-	\$1,300.91	\$3,981.43	\$4,307.44	\$3,807.43
Average Final Salary (Monthly)*	\$-	\$-	\$5,279.73	\$7,767.77	\$7,696.70	\$6,534.53
Number of Active Retirees	-	-	1	14	20	1
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,603.10	\$5,653.44	\$5,437.71
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$7,241.18	\$9,302.30	\$8,000.30
Number of Active Retirees	-	-	-	9	10	3
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,205.87	\$3,984.48	\$5,748.34
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$6,495.52	\$7,139.94	\$8,014.31
Number of Active Retirees	-	-	-	2	7	3
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$395.27	\$-	\$-	\$3,166.53	\$4,129.05	\$4,313.40
Average Final Salary (Monthly)*	\$5,784.65	\$-	\$-	\$6,685.85	\$7,573.82	\$6,621.25
Number of Active Retirees	1	-	-	5	6	6
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$-	\$1,385.52	\$2,000.54	\$-	\$3,887.12	\$4,422.67
Average Final Salary (Monthly)*	\$-	\$5,980.57	\$5,755.62	\$-	\$7,254.30	\$6,698.61
Number of Active Retirees	-	1	1	-	5	6
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$3,488.08	\$3,996.14
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$6,559.78	\$6,112.68
Number of Active Retirees	-	-	-	-	15	7
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,235.65	\$3,459.02	\$3,777.55
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$6,646.16	\$6,515.54	\$5,821.81
Number of Active Retirees	-	-	-	11	17	9
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$928.66	\$1,025.81	\$1,499.18	\$3,407.73	\$3,868.03	\$4,105.68
Average Final Salary (Monthly)*	\$7,410.04	\$3,907.07	\$3,871.44	\$6,922.32	\$6,944.49	\$6,321.05
Number of Active Retirees	1	2	1	7	9	10
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$-	\$-	\$1,100.95	\$3,502.58	\$3,708.64	\$4,234.55
Average Final Salary (Monthly)*	\$-	\$-	\$2,861.31	\$7,149.96	\$6,584.12	\$6,437.39
Number of Active Retirees	-	-	1	3	10	11

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: JRS

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/11 to 6/30/12						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$10,263.81
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$13,685.08
Number of Active Retirees	-	-	-	-	-	1
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$7,376.49	\$9,302.01
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$12,402.68	\$12,402.68
Number of Active Retirees	-	-	-	-	1	1
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$-	\$-	\$-	\$7,904.34	\$8,292.69	\$9,770.51
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$13,027.34	\$12,402.60	\$13,027.34
Number of Active Retirees	-	-	-	1	2	1
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$-	\$-	\$5,286.59	\$9,301.95	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$10,367.60	\$12,402.60	\$-	\$-
Number of Active Retirees	-	-	1	1	-	-
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$9,255.00
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$12,340.00
Number of Active Retirees	-	-	-	-	-	1
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	-	-	-	-	-	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$-	\$-	\$6,242.30	\$-	\$8,412.38	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$9,987.16	\$-	\$11,216.50	\$-
Number of Active Retirees	-	-	2	-	1	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$-	\$-	\$6,599.62	\$7,561.62	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$9,920.07	\$10,724.95	\$-	\$-
Number of Active Retirees	-	-	3	3	-	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$-	\$-	\$-	\$7,696.44	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$10,334.99	\$-	\$-
Number of Active Retirees	-	-	-	3	-	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$-	\$-	\$3,917.72	\$7,623.24	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$6,708.32	\$10,164.32	\$-	\$-
Number of Active Retirees	-	-	1	2	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Benefit Expenses and Refunds by Type: PERS Plan 1

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 1,088,705	\$ 1,082,344	\$ 1,059,536	\$ 1,024,555	\$ 987,383	\$ 947,353	\$ 901,730	\$ 854,882	\$ 809,658	\$ 760,454
Disability	13,496	13,810	14,431	14,718	14,871	15,121	14,950	15,171	15,159	14,970
Survivor	79,179	77,529	75,555	72,113	68,675	65,460	62,315	59,370	56,057	53,341
Refunds										
Separations	3,365	3,667	2,930	3,997	3,612	4,011	4,194	4,796	4,093	4,309
Death	633	887	540	949	1,459	1,562	2,021	1,757	1,050	1,319
Total	<u>\$ 1,185,378</u>	<u>\$ 1,178,237</u>	<u>\$ 1,152,992</u>	<u>\$ 1,116,332</u>	<u>\$ 1,076,000</u>	<u>\$ 1,033,507</u>	<u>\$ 985,210</u>	<u>\$ 935,976</u>	<u>\$ 886,017</u>	<u>\$ 834,393</u>

Schedule of Benefit Expenses and Refunds by Type: PERS Plan 2/3

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 430,352	\$ 350,550	\$ 287,560	\$ 230,776	\$ 188,971	\$ 154,388	\$ 129,890	\$ 109,007	\$ 92,401	\$ 77,193
Disability	11,695	10,901	10,140	9,795	9,014	8,294	7,669	6,871	5,969	5,456
Survivor	18,027	15,548	13,243	11,194	9,334	7,635	6,243	5,218	4,372	3,525
Refunds										
Separations	28,286	30,148	27,956	25,005	22,798	24,498	21,866	22,378	20,515	23,729
Death	7,393	5,568	5,730	6,420	3,644	2,076	4,599	4,098	3,571	3,353
Total	<u>\$ 495,753</u>	<u>\$ 412,715</u>	<u>\$ 344,629</u>	<u>\$ 283,190</u>	<u>\$ 233,761</u>	<u>\$ 196,891</u>	<u>\$ 170,267</u>	<u>\$ 147,572</u>	<u>\$ 126,828</u>	<u>\$ 113,256</u>

Schedule of Benefit Expenses and Refunds by Type: PERS Plan 3

For Years Ended 2004-2013
(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 697	\$ 322	\$ 164	\$ 80	\$ 51	\$ 23	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	65,761	63,671	56,974	40,215	38,856	35,702	33,724	34,854	24,563	25,601
Death	2,910	2,574	2,169	1,508	1,346	2,589	1,530	685	970	980
Total	<u>\$ 69,368</u>	<u>\$ 66,567</u>	<u>\$ 59,307</u>	<u>\$ 41,803</u>	<u>\$ 40,253</u>	<u>\$ 38,314</u>	<u>\$ 35,254</u>	<u>\$ 35,539</u>	<u>\$ 25,533</u>	<u>\$ 26,581</u>

Schedule of Benefit Expenses and Refunds by Type: SERS Plan 2/3

For Years Ended 2004-2013
(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 63,134	\$ 50,597	\$ 40,753	\$ 32,202	\$ 26,468	\$ 20,944	\$ 16,230	\$ 12,352	\$ 9,167	\$ 5,902
Disability	1,457	1,387	1,198	1,068	1,037	928	781	736	664	568
Survivor	1,835	1,646	1,387	1,179	802	755	630	412	283	222
Refunds										
Separations	1,984	1,947	1,916	1,779	1,693	1,752	2,148	1,970	1,970	1,855
Death	671	569	576	346	432	293	368	507	221	170
Total	<u>\$ 69,081</u>	<u>\$ 56,146</u>	<u>\$ 45,830</u>	<u>\$ 36,574</u>	<u>\$ 30,432</u>	<u>\$ 24,672</u>	<u>\$ 20,157</u>	<u>\$ 15,977</u>	<u>\$ 12,305</u>	<u>\$ 8,717</u>

Schedule of Benefit Expenses and Refunds by Type: SERS Plan 3

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 463	\$ 302	\$ 182	\$ 91	\$ 62	\$ 8	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	63,122	57,516	51,431	31,383	40,501	39,438	30,539	24,104	20,777	11,731
Death	2,521	3,413	1,811	2,533	1,540	377	1,538	842	701	633
Total	<u>\$ 66,106</u>	<u>\$ 61,231</u>	<u>\$ 53,424</u>	<u>\$ 34,007</u>	<u>\$ 42,103</u>	<u>\$ 39,823</u>	<u>\$ 32,077</u>	<u>\$ 24,946</u>	<u>\$ 21,478</u>	<u>\$ 12,364</u>

Schedule of Benefit Expenses and Refunds by Type: PSERS Plan 2*

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 129	\$ 63	\$ 30	\$ 14	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	17	5	4	3	4	-	-	-	-	-
Survivor	2	2	1	-	-	-	-	-	-	-
Refunds										
Separations	2,142	1,868	1,747	895	450	151	22	-	-	-
Death	44	53	33	33	16	1	1	-	-	-
Total	<u>\$ 2,334</u>	<u>\$ 1,991</u>	<u>\$ 1,815</u>	<u>\$ 945</u>	<u>\$ 471</u>	<u>\$ 152</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*PSERS Plan 2 became effective July 1, 2006.

Schedule of Benefit Expenses and Refunds by Type: TRS Plan 1

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service ¹	\$ 860,631	\$ 860,848	\$ 847,353	\$ 809,214	\$ 801,974	\$ 798,668	\$ 757,896	\$ 720,921	\$ 700,288	\$ 653,560
Disability	10,607	10,618	11,111	10,905	11,068	11,186	11,301	11,379	11,325	11,129
Survivor	43,372	42,398	41,355	39,131	37,220	35,132	33,147	31,313	29,505	27,554
Refunds										
Separations	1,512	1,120	1,389	574	930	827	841	714	878	1,792
Death	477	432	431	930	330	173	1,037	328	302	—
Total	<u>\$ 916,599</u>	<u>\$ 915,416</u>	<u>\$ 901,639</u>	<u>\$ 860,754</u>	<u>\$ 851,522</u>	<u>\$ 845,986</u>	<u>\$ 804,222</u>	<u>\$ 764,655</u>	<u>\$ 742,298</u>	<u>\$ 694,035</u>

¹6/30/06 service amount adjusted to include \$49,165 in annuity payments.

Schedule of Benefit Expenses and Refunds by Type: TRS Plan 2/3

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 112,521	\$ 87,707	\$ 68,782	\$ 52,921	\$ 42,587	\$ 33,984	\$ 26,770	\$ 20,716	\$ 15,953	\$ 12,389
Disability	1,117	1,071	1,118	921	838	882	732	796	616	521
Survivor	3,024	2,622	2,238	1,812	1,370	1,150	1,032	839	549	506
Refunds										
Separations	2,115	1,652	1,584	2,092	1,423	1,712	2,284	2,023	2,611	2,432
Death	799	517	697	776	766	478	442	376	499	426
Total	<u>\$ 119,576</u>	<u>\$ 93,569</u>	<u>\$ 74,419</u>	<u>\$ 58,522</u>	<u>\$ 46,984</u>	<u>\$ 38,206</u>	<u>\$ 31,260</u>	<u>\$ 24,750</u>	<u>\$ 20,228</u>	<u>\$ 16,274</u>

Schedule of Benefit Expenses and Refunds by Type: TRS Plan 3

For Years Ended 2004-2013
(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 1,569	\$ 1,149	\$ 542	\$ 257	\$ 128	\$ 45	\$ 18	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	168,558	142,364	110,424	67,158	74,586	82,756	59,658	40,397	33,660	23,911
Death	7,494	8,040	5,147	4,507	1,580	2,020	3,152	1,511	1,922	2,021
Total	<u>\$ 177,621</u>	<u>\$ 151,553</u>	<u>\$ 116,113</u>	<u>\$ 71,922</u>	<u>\$ 76,294</u>	<u>\$ 84,821</u>	<u>\$ 62,828</u>	<u>\$ 41,908</u>	<u>\$ 35,582</u>	<u>\$ 25,932</u>

Schedule of Benefit Expenses and Refunds by Type: LEOFF Plan 1

For Years Ended 2004-2013
(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 143,906	\$ 138,884	\$ 134,321	\$ 132,450	\$ 126,562	\$ 119,464	\$ 112,073	\$ 105,527	\$ 100,529	\$ 95,318
Disability	146,643	146,207	147,653	150,521	148,846	145,795	143,468	140,552	139,928	139,544
Survivor	61,247	58,347	56,801	55,260	51,625	48,271	44,911	42,130	39,500	37,256
Refunds										
Separations	14	4	48	11	43	-	1	3	5	4
Death	-	431	-	3	150	150	10	-	-	129
Total	<u>\$ 351,810</u>	<u>\$ 343,873</u>	<u>\$ 338,823</u>	<u>\$ 338,245</u>	<u>\$ 327,226</u>	<u>\$ 313,680</u>	<u>\$ 300,463</u>	<u>\$ 288,212</u>	<u>\$ 279,962</u>	<u>\$ 272,251</u>

Schedule of Benefit Expenses and Refunds by Type: LEOFF Plan 2

For Years Ended 2004-2013
(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 87,232	\$ 67,331	\$ 52,547	\$ 39,100	\$ 30,694	\$ 23,096	\$ 16,889	\$ 11,801	\$ 7,672	\$ 5,338
Disability	9,693	7,318	6,710	5,356	4,632	3,480	3,204	2,139	967	498
Survivor	3,607	3,504	2,619	1,702	1,289	929	720	493	339	207
Refunds										
Separations	8,117	9,774	7,155	6,739	6,112	6,350	7,557	6,238	7,117	5,367
Death	560	1,440	1,026	4,208	1,111	1,289	438	877	648	353
Total	<u>\$ 109,209</u>	<u>\$ 89,367</u>	<u>\$ 70,057</u>	<u>\$ 57,105</u>	<u>\$ 43,838</u>	<u>\$ 35,144</u>	<u>\$ 28,808</u>	<u>\$ 21,548</u>	<u>\$ 16,743</u>	<u>\$ 11,763</u>

Schedule of Benefit Expenses and Refunds by Type: WSPRS 1

For Years Ended 2004-2013
(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 39,537	\$ 36,687	\$ 35,073	\$ 33,015	\$ 31,643	\$ 30,293	\$ 29,048	\$ 27,619	\$ 25,796	\$ 24,111
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	3,984	3,681	3,314	3,101	2,879	2,670	2,345	3,047	1,810	1,613
Refunds										
Separations	98	46	148	97	68	269	291	125	173	303
Death	88	216	99	—	138	—	—	—	—	—
Total	<u>\$ 43,707</u>	<u>\$ 40,630</u>	<u>\$ 38,634</u>	<u>\$ 36,213</u>	<u>\$ 34,728</u>	<u>\$ 33,232</u>	<u>\$ 31,684</u>	<u>\$ 30,791</u>	<u>\$ 27,779</u>	<u>\$ 26,027</u>

Schedule of Benefit Expenses and Refunds by Type: WSPRS Plan 2*

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	118	-	63	30	5	-	-	-	-	-
Death	-	-	5	-	-	-	-	-	-	-
Total	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 30</u>	<u>\$ 5</u>	<u>\$ -</u>				

*WSPRS Plan 2 became effective January 1, 2003.

Schedule of Benefit Expenses and Refunds by Type: JRS

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 7,504	\$ 7,569	\$ 7,678	\$ 7,704	\$ 7,811	\$ 7,719	\$ 7,696	\$ 7,732	\$ 7,333	\$ 7,076
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	2,193	2,195	2,060	2,019	1,772	1,795	1,660	1,515	1,428	1,328
Refunds										
Separations	-	-	-	-	-	-	-	-	-	-
Death	-	-	-	-	7	-	-	-	-	-
Total	<u>\$ 9,697</u>	<u>\$ 9,764</u>	<u>\$ 9,738</u>	<u>\$ 9,723</u>	<u>\$ 9,590</u>	<u>\$ 9,514</u>	<u>\$ 9,356</u>	<u>\$ 9,247</u>	<u>\$ 8,761</u>	<u>\$ 8,404</u>

Schedule of Benefit Expenses and Refunds by Type: Judges

For Years Ended 2004-2013

(expressed in thousands)

	6/30/13	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04
Benefit Expenses										
Service	\$ 402	\$ 421	\$ 420	\$ 421	\$ 422	\$ 466	\$ 483	\$ 497	\$ 521	\$ 597
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	72	61	79	79	79	79	98	127	120	88
Refunds										
Separations	—	—	—	—	—	—	—	—	13	—
Death	—	—	—	—	—	—	—	—	—	—
Total	<u>\$ 474</u>	<u>\$ 482</u>	<u>\$ 499</u>	<u>\$ 500</u>	<u>\$ 501</u>	<u>\$ 545</u>	<u>\$ 581</u>	<u>\$ 624</u>	<u>\$ 654</u>	<u>\$ 685</u>

Deferred Compensation Program Status Report

(dollars in thousands)

	June 30, 2013		June 30, 2012		June 30, 2011		June 30, 2010	
	Plan Balance	%						
Funding Media								
Active U.S. Core Stock Fund ¹	\$ -	-	\$ -	-	\$ 238,087	8.11	\$ 192,558	7.87
Active U.S. Value Stock Fund ¹	-	-	-	-	299,662	10.20	245,272	10.03
Calvert Social Investment Fund – Balanced Portfolio	-	-	-	-	-	-	-	-
Emerging Market Equity Index ²	54,693	1.71	52,542	1.79	-	-	-	-
Fidelity Equity – Income Fund	-	-	-	-	-	-	-	-
Fidelity Growth Company Fund ¹	-	-	-	-	366,490	12.48	268,855	10.99
Fidelity Independence Fund ³	-	-	-	-	-	-	-	-
Fidelity Overseas Fund	-	-	-	-	-	-	-	-
Global Equity Index ²	84,495	2.64	65,500	2.23	-	-	-	-
International Stock Fund ¹	-	-	-	-	123,184	4.20	97,897	4.00
Savings Pool	1,000,437	31.27	1,045,569	35.66	1,013,313	34.51	959,255	39.21
U.S. Large Cap Equity Index ²	227,917	7.12	178,250	6.08	-	-	-	-
U.S. Small Cap Equity Index ²	150,240	4.69	109,915	3.75	-	-	-	-
U.S. Small Stock Index Fund ¹	-	-	-	-	116,776	3.98	77,248	3.16
U.S. Stock Market Index Fund ¹	-	-	-	-	163,011	5.55	124,866	5.10
Washington State Bond Fund ³	257,135	8.04	267,316	9.12	179,032	6.10	178,187	7.28
Washington State Long-Horizon Fund	-	-	-	-	-	-	-	-
Washington State Mid-Horizon Fund	-	-	-	-	-	-	-	-
Washington State Short-Horizon Fund	-	-	-	-	-	-	-	-
Washington State Socially Responsible Balanced Fund ⁴	109,148	3.41	101,014	3.45	73,021	2.49	58,828	2.41
2000 Retirement Strategy ⁵	25,468	0.80	24,435	0.83	6,312	0.21	3,973	0.16
2005 Retirement Strategy ⁵	38,443	1.20	35,891	1.22	11,313	0.39	9,269	0.38
2010 Retirement Strategy ⁵	117,647	3.68	115,133	3.93	48,294	1.64	38,435	1.57
2015 Retirement Strategy ⁵	290,316	9.07	253,859	8.66	100,846	3.43	69,852	2.86
2020 Retirement Strategy ⁵	308,468	9.64	256,143	8.74	81,120	2.76	51,674	2.11
2025 Retirement Strategy ⁵	223,555	6.99	179,951	6.14	50,278	1.71	30,265	1.24
2030 Retirement Strategy ⁵	143,763	4.49	114,916	3.92	29,300	1.00	17,133	0.70
2035 Retirement Strategy ⁵	91,183	2.85	73,173	2.50	17,332	0.59	10,869	0.44
2040 Retirement Strategy ⁵	44,745	1.40	35,038	1.19	10,251	0.35	6,417	0.26
2045 Retirement Strategy ⁵	19,892	0.62	14,996	0.51	5,554	0.19	3,301	0.14
2050 Retirement Strategy ⁵	5,706	0.18	4,355	0.15	2,228	0.08	1,491	0.06
2055 Retirement Strategy ⁶	6,358	0.20	3,868	0.13	1,023	0.03	769	0.03
TOTAL	\$ 3,199,609	100.00	\$ 2,931,864	100.00	\$ 2,936,427	100.00	\$ 2,446,414	100.00

Chart continued on page 203

¹ This investment option was discontinued in October 2011.

² This investment option was added in October 2011.

³ This fund replaced the Fidelity Intermediate Bond Fund as of September 1, 2000.

⁴ This fund replaced the Calvert Social Investment Fund-Balanced Portfolio as of July 1, 2003.

⁵ This investment option was added in October 2008.

⁶ This investment option was added in January 2010.

Chart continued from page 202

June 30, 2009		June 30, 2008		June 30, 2007		June 30, 2006		June 30, 2005		June 30, 2004	
Plan Balance	%										
\$ 180,558	8.34	\$ 267,879	11.02	\$ 352,142	13.82	\$ 318,035	14.56	\$ -	-	\$ -	-
213,669	9.87	326,400	13.43	500,501	19.65	412,711	18.89	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	385,152	20.05	363,619	20.88
224,090	10.35	315,284	12.97	279,402	10.97	262,555	12.02	218,618	11.38	209,736	12.05
-	-	-	-	-	-	-	-	298,141	15.52	293,937	16.88
-	-	-	-	-	-	-	-	-	-	40,802	2.34
-	-	-	-	-	-	-	-	-	-	-	-
89,981	4.16	140,526	5.78	167,724	6.58	95,487	4.37	51,946	2.70	-	-
954,969	44.10	819,272	33.71	723,624	28.41	696,006	31.86	648,046	33.74	571,790	32.84
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
52,854	2.44	64,641	2.66	87,907	3.45	75,769	3.47	46,398	2.42	33,788	1.94
102,935	4.75	134,940	5.55	152,066	5.97	119,714	5.48	101,902	5.30	84,955	4.88
134,101	6.19	132,298	5.44	87,000	3.42	72,714	3.33	74,565	3.88	70,776	4.07
-	-	64,478	2.65	62,784	2.46	35,668	1.63	20,823	1.08	12,745	0.73
-	-	72,182	2.97	61,143	2.40	38,058	1.74	23,593	1.23	14,528	0.83
-	-	34,602	1.42	24,892	0.98	15,218	0.70	11,053	0.58	7,548	0.43
49,115	2.27	58,317	2.40	48,082	1.89	42,519	1.95	40,750	2.12	37,079	2.13
3,458	0.16	-	-	-	-	-	-	-	-	-	-
6,919	0.32	-	-	-	-	-	-	-	-	-	-
29,057	1.34	-	-	-	-	-	-	-	-	-	-
44,406	2.05	-	-	-	-	-	-	-	-	-	-
34,220	1.58	-	-	-	-	-	-	-	-	-	-
19,402	0.90	-	-	-	-	-	-	-	-	-	-
10,986	0.51	-	-	-	-	-	-	-	-	-	-
7,444	0.34	-	-	-	-	-	-	-	-	-	-
4,163	0.19	-	-	-	-	-	-	-	-	-	-
2,215	0.10	-	-	-	-	-	-	-	-	-	-
882	0.04	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ 2,165,424</u>	<u>100.00</u>	<u>\$ 2,430,819</u>	<u>100.00</u>	<u>\$ 2,547,267</u>	<u>100.00</u>	<u>\$ 2,184,454</u>	<u>100.00</u>	<u>\$ 1,920,987</u>	<u>100.00</u>	<u>\$ 1,741,303</u>	<u>100.00</u>

Deferred Compensation Program

Performance – Periods Ending June 28, 2013

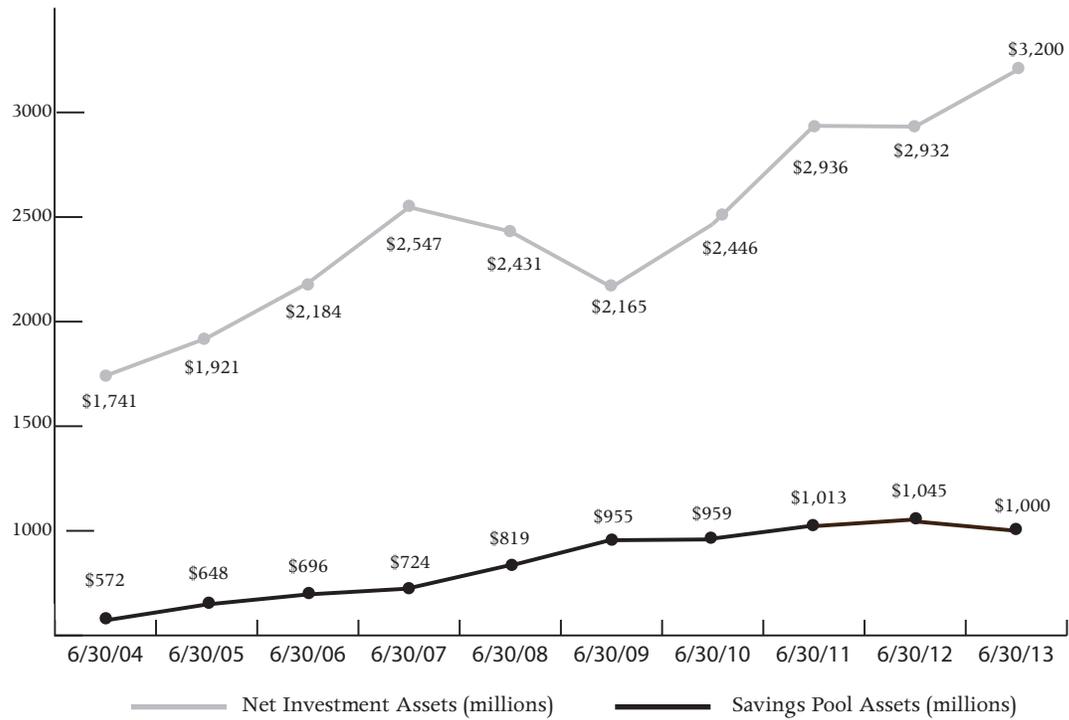
Fund Name <i>Benchmark</i>	Quarter Ending 6/28/13	Performance History ¹ Average Annual Total Returns			
		1 Year	3 Year	5 Year	10 Year/Since Inception
Emerging Market Equity Index Fund <i>MSCI Emerging Markets Investable Market Index</i>	(7.87)% (8.01)%	2.72% 3.66%	** **	** **	15.26% 16.12%
Global Equity Index Fund <i>MSCI ACWI Investable Market Index</i>	(0.32)% (0.47)%	17.41% 17.08%	** **	** **	18.07% 17.47%
Savings Pool	0.33%	1.64%	2.43%	3.19%	3.98%
U.S. Large Cap Equity Index Fund <i>S&P 500 Index</i>	2.91% 2.91%	20.66% 20.60%	18.54% 18.45%	7.19% 7.01%	7.41% 7.30%
U.S. Small Cap Value Equity Index Fund <i>Russell 2000 Value Index</i>	2.49% 2.47%	24.93% 24.76%	17.07% 17.33%	8.44% 8.59%	9.24% 9.30%
Washington State Bond Fund <i>Barclays Capital Intermediate Credit Index</i>	(3.06)% (2.30)%	1.23% 1.96%	4.49% 4.75%	6.68% 6.26%	5.26% 4.75%
Washington State Socially Responsible Balanced Fund <i>Custom Benchmark²</i>	1.10% 0.54%	10.66% 10.63%	11.31% 11.79%	6.58% 6.64%	6.76% 6.34%
2000 Retirement Strategy <i>2000 Composite Benchmark²</i>	(1.96)% (1.66)%	6.63% 6.92%	7.92% 8.37%	** **	7.34% 6.77%
2005 Retirement Strategy <i>2005 Composite Benchmark²</i>	(1.70)% (1.52)%	8.75% 9.05%	9.25% 9.87%	** **	8.03% 7.51%
2010 Retirement Strategy <i>2010 Composite Benchmark²</i>	(1.34)% (1.36)%	10.92% 11.24%	10.49% 11.32%	** **	8.51% 8.22%
2015 Retirement Strategy <i>2015 Composite Benchmark²</i>	(1.00)% (1.08)%	12.84% 13.20%	11.23% 12.20%	** **	8.70% 8.46%
2020 Retirement Strategy <i>2020 Composite Benchmark²</i>	(0.54)% (0.61)%	14.44% 14.92%	11.78% 12.86%	** **	8.65% 8.53%
2025 Retirement Strategy <i>2025 Composite Benchmark²</i>	(0.07)% (0.16)%	16.01% 16.61%	12.29% 13.50%	** **	8.59% 8.60%
2030 Retirement Strategy <i>2030 Composite Benchmark²</i>	0.34% 0.20%	17.08% 17.89%	12.51% 13.87%	** **	8.31% 8.47%
2035 Retirement Strategy <i>2035 Composite Benchmark²</i>	0.70% 0.43%	17.68% 18.63%	12.54% 14.03%	** **	7.85% 8.15%
2040 Retirement Strategy <i>2040 Composite Benchmark²</i>	0.77% 0.56%	17.89% 19.03%	12.51% 14.08%	** **	7.84% 8.17%
2045 Retirement Strategy <i>2045 Composite Benchmark²</i>	0.84% 0.56%	17.94% 19.03%	12.52% 14.08%	** **	7.89% 8.17%
2050 Retirement Strategy <i>2050 Composite Benchmark²</i>	0.84% 0.56%	17.91% 19.03%	12.57% 14.08%	** **	7.92% 8.17%
2055 Retirement Strategy <i>2055 Composite Benchmark²</i>	0.80% 0.56%	17.88% 19.03%	12.55% 14.08%	** **	6.83% 8.71%

** Data not available. These funds have not been in existence long enough to have performance history for these periods.

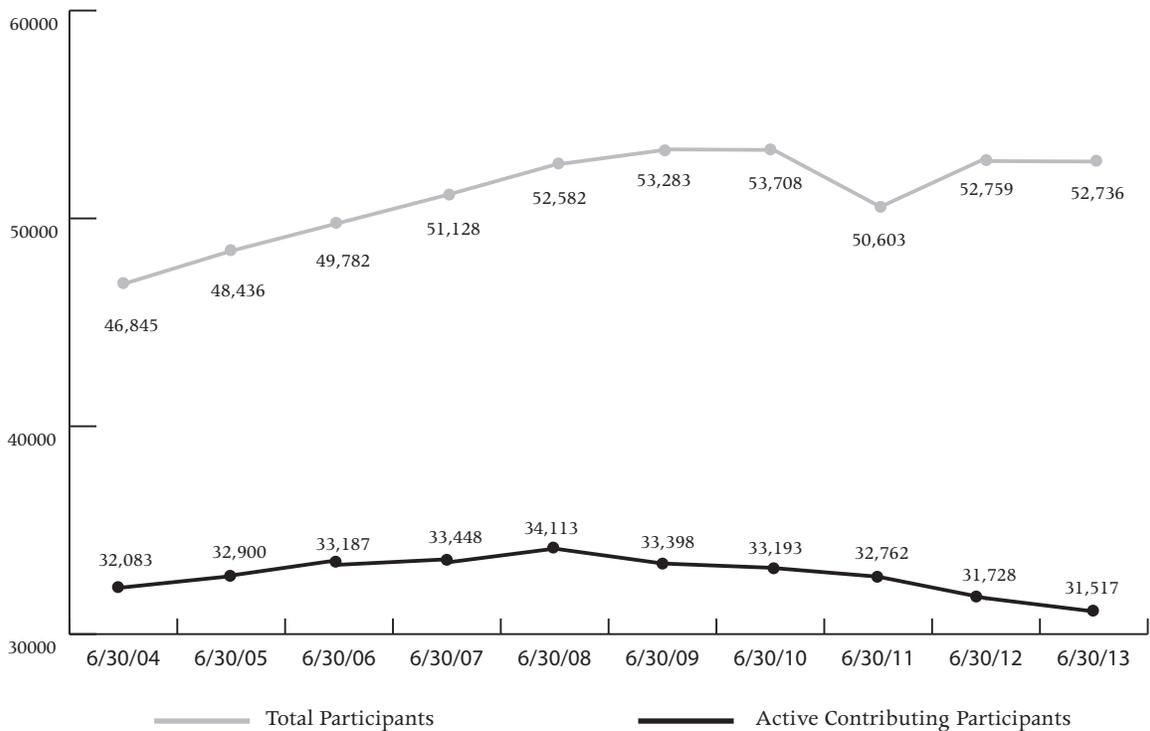
¹Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit www.drs.wa.gov/dcp. The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost. All returns are calculated in U.S. dollars.

²Estimated returns the portfolio would have earned using the return data from the various components.

**Deferred Compensation Program
Net Investment Asset Growth**
For the Years Ended June 30, 2004-2013



**Deferred Compensation Program
Participation**
For the Years Ended June 30, 2004-2013



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