

DRS' Projects Update

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Outcomes from Recently Completed Projects

- New event registration tool is now in place for employers and customers to sign up for educational webinars.
- Improved the tools customers use to purchase TAP Annuities from Self Funds through Voya.
- Updated administrative factors. Factors are used to calculate benefit adjustments, such as early retirement, survivor and purchasing service credit.
- Returned money to non-vested members, by establishing a small account balance closeout process
- Moved to a daily interest calculation methodology for regular interest credited to customer's account balance each quarter, giving members credit for partial quarterly interest at the time of member withdrawals, transfers or retirements.
- Updated Retiree Return to Work procedures and systems to allow retirees from PERS, TRS, and SERS to return to eligible positions in school districts for up to 1040 hours per year.
- Provided a one-time COLA for TRS 1 and PERS 1 members.

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Updates on Projects Underway

- **PSERS Disability Benefit (HB 1669):** This project establishes a catastrophic disability allowance under the Public Safety Employees' Retirement System (PSERS) Plan 2 equal to 70% of the member's average final compensation. These changes will be in place by early next year, but in the meantime a process is in place to comply with the law.
- **Updating Tax Withholding forms:** The project implements form, process and system changes to support the IRS' publication of an update W4-P form and the creation of the new W4-R form (a form used to calculate withholding for one-time payments or rollover distributions). These changes will be in place by the end of the year.
- **LEOFF 1 and 2 Benefit Improvements (HB 1701/SB 5791):** This project implements form, process and system changes to either add a tiered multiplier or a lump sum benefit for LEOFF 2 member and their beneficiaries and a lump sum benefit for LEOFF 1 members and their beneficiaries.
 - A total of 21,810 letters have been distributed to eligible members and their beneficiaries.
 - Lump Sum payments are on track to be paid in January 2023.
- **Roth Implementation (HB 1752):** This project will add a Roth option to the state's DCP plan no later than December 1, 2023. This will be completed in collaboration with Voya.

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DRS: Pension Administration Modernization

We will be publishing a request for proposal later this month to acquire a new pension administration solution. We expect to have a contract in place by June 2023. Based on what we currently know, we are estimating that the new solution will be place by June 2027.

This new platform, and the modernized business processes that will be built into it, will allow us to better serve members by providing DRS with secure, modern and flexible retirement tools.

What we expect to get from the RFP process

- A long-term technology partner with pension experience who views DRS' success as their own
- A technology solution that allows DRS Team Members to:
 - Improve processes for customer account management and benefits estimating
 - View customer data more easily allowing DRS to provide customers with more comprehensive service
 - Better integration into document management and financial systems to allow our team easy access to what the customers have been provided

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