

Comprehensive Annual Financial Report

**Washington State
Department of Retirement Systems
Funds of the State of Washington
For the Fiscal Year Ended June 30, 2009**

Prepared by the Washington State Department of Retirement Systems

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www.drs.wa.gov

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Office of the State Treasurer	Cindy Shave

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Introductory Section

Message from the Director



In early 2009, Governor Chris Gregoire asked me to take on a dual role – as both Director of the Washington State Department of Retirement Systems (DRS) and Administrator of the Health Care Authority (HCA). Since we serve many of the same

customers, a shared leadership and focus brings greater opportunity to coordinate services the two agencies offer.

We immediately began to identify areas where we could work together for the benefit of our mutual customers. Within the first 90 days of our new working relationship, employee teams had put initial service enhancements in place, including processes to share information when, for instance, a customer's address changes. We also made it easier for customers visiting either agency in person to request information from the other at the same time, installing speed dial buttons in the interview rooms.

The next phase of that ongoing project, led by employee *Innovation Teams*, is underway. Their task is to find the opportunities not yet explored for cost-effective service enhancements. Some will be as simple as coordinating processes. Others will be more complex, such as offering an online retirement application or on-demand informational videos.

We also have initiatives in progress that will simplify use of our online services. And we're planning to take our service to the next level by asking customers, "What can we do to ensure you are not

only well-served, but also 100 percent satisfied with the service you receive from DRS?" We understand our purpose and will work hard to make sure your needs are being met.

DRS has a longstanding record of responsive customer service, which gives us a solid foundation to build on going into the future. Our team consistently answers more than 90 percent of telephone calls in less than 30 seconds and walk-in customers are met by trained, knowledgeable employees within an average of two minutes. Yet our administrative cost per member remains lower than many other pension systems. This is no small accomplishment, particularly given the fact that, with 15 plans within eight different retirement systems, Washington's public plans are recognized as among the most complex in the nation to administer.

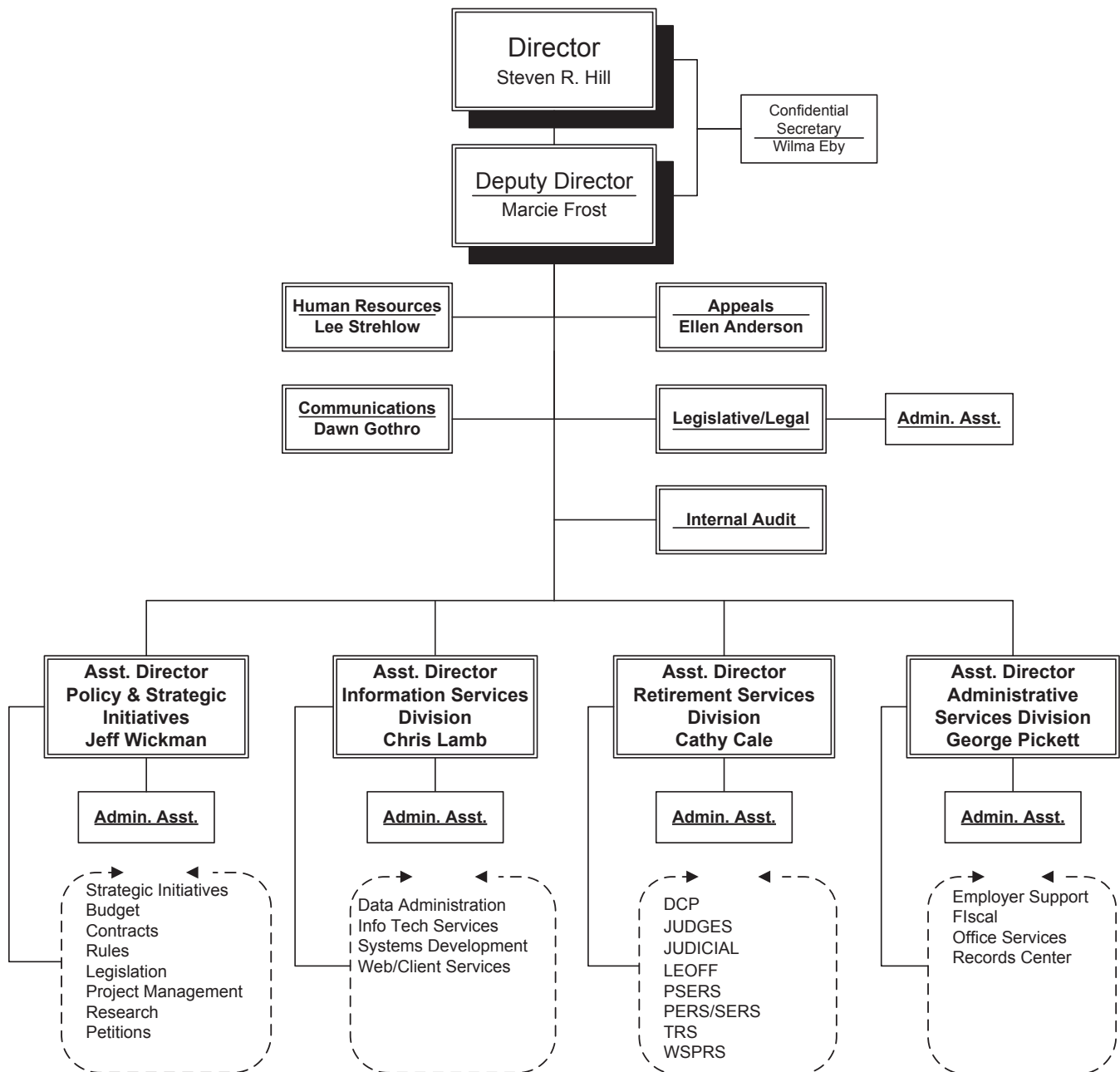
The financial markets also underwent change in recent months. It is not the first time this has happened, nor will it be the last. Financial markets are by nature cyclical. Because of prudent investment practices, however, Washington's plans went into the recession in a better funding position than those in most other states. Even when weathering rough economic times, Washington emerges as a state that can justifiably take pride in its strength.

We are pleased to serve you, in this year and the next, and offer our annual financial report for your review.

Sincerely,

Steven R. Hill
Director
December 2009

Department of Retirement Systems' Organization – June 2009



Pension System Roles and Responsibilities

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.

The governor appoints the director of DRS.

PO Box 48380 Olympia, WA 98504-8380

Telephone: (360) 664-7000 in Olympia or toll free at 1-800-547-6657

Web site: *www.drs.wa.gov*

LEGISLATIVE FISCAL COMMITTEES

Review and report on retirement bills to the full Legislature.

The legislative fiscal committees are the House Ways and Means Committee and the Senate Ways and Means Committee.

House Ways and Means Committee

PO Box 40600, Olympia, WA 98504-0600

Telephone: (360) 786-7155 or toll-free at 1-800-562-6000

(Legislative Hotline)

Web site: *www.leg.wa.gov*

Senate Ways and Means Committee

PO Box 40482, Olympia, WA 98504-0482

Telephone: (360) 786-7715 or toll-free at 1-800-562-6000

(Legislative Hotline)

Web site: *www.leg.wa.gov*

SELECT COMMITTEE ON PENSION POLICY

Studies pension issues and retirement finances. Develops pension policies and recommends pension legislation.

The Select Committee on Pension Policy is composed of four members of the Senate, four members of the House of Representatives, four representatives of active state retirement system members, two representatives of retired members, four employer representatives and the directors of the Office of Financial Management and the Department of Retirement Systems.

Committee Membership (June 30, 2009)

Representative Barbara Bailey	Don Carlson – TRS Retirees
Representative Steve Conway (Chair)	Charles Cuzzetto – SERS and TRS Employers
Representative Larry Crouse	Randy Davis – TRS Actives
Representative Larry Seaquist	Bob Keller – PERS Actives
Senator Steve Hobbs	Corky Mattingly – PERS Employers
Senator Janea Holmquist	Doug Miller – PERS Employers
Senator Joe McDermott	Glenn Olson – PERS Employers
Senator Mark Schoesler (Vice Chair)	J. Pat Thompson – PERS Actives
Steven R. Hill – Director, Department of Retirement Systems	Bob Thurston – WSPRS Retirees
Victor Moore – Director, Office of Financial Management	David Westberg – SERS Actives

Can be contacted through the State Actuary's Office
PO Box 40914, Olympia, WA 98504-0914
Telephone: (360) 786-6140
Web site: www.leg.wa.gov/scpp

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.

Membership consists of the directors of DRS and the Office of Financial Management, and the Chairs and Ranking Minority Members of the Senate Ways and Means Committee and the House Ways and Means Committee.

Council Membership

Steven R. Hill – Director, Department of Retirement Systems, Chairperson
Victor Moore – Director, Office of Financial Management
Representative Gary Alexander – Ranking minority member, Ways and Means Committee
Representative Helen Sommers – Chair, Ways and Means Committee
Senator Margarita Prentice – Chair, Ways and Means Committee
Senator Joseph Zarelli – Ranking minority member, Ways and Means Committee

Can be contacted through DRS. See information on preceding page.

OFFICE OF FINANCIAL MANAGEMENT

Advises the governor on pension and funding policies and issues.

The governor appoints the director of OFM.

PO Box 43113, Olympia, WA 98504-3113
Telephone: (360) 902-0555
Web site: www.ofm.wa.gov

WASHINGTON STATE INVESTMENT BOARD

Invests and accounts for pension funds. The Board consists of ten voting members.

Membership consists of the director of DRS; the state treasurer; the director of the Department of Labor and Industries; a state senator; a state representative; an active member of LEOFF, PERS, SERS, and TRS; and a retired member of one of the seven systems.

Board Membership (Voting Members, June 30, 2009)

Lisa Brown
State Senator

Steven R. Hill
Director, Department of Retirement Systems

George Masten
Representative of Retired Members

Patrick McElligott (Chair)
Representative of LEOFF

James L. McIntire (Vice Chair)
State Treasurer

Mason A. Petit
Representative of PERS

Mike Ragan
Representative of TRS

Sharon Tomiko Santos
State Representative

Judy Schurke
Director, Department of Labor and Industries

Vacant Position
Representative of SERS

(Nonvoting Members, June 30, 2009)

Charles A. Kaminski
Investment Professional

John W. Magnuson
Investment Professional

Robert S. Nakahara
Investment Professional

David Nierenberg
Investment Professional

Jeffrey T. Seely
Investment Professional

PO Box 40916, Olympia, WA 98504-0916
Telephone: (360) 956-4600
Web site: www.sib.wa.gov

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.

The State Actuary is appointed by the Select Committee on Pension Policy.

PO Box 40914, Olympia, WA 98504-0914

Telephone: (360) 786-6140

Web site: *osa.leg.wa.gov*

EMPLOYEE RETIREMENT BENEFITS BOARD

Provides recommendations to the Washington State Investment Board on self-directed investment options for defined contribution plans; determines the payment options available for Plan 3 members; ratifies administrative charges assessed to members who participate in self-directed investment options; and provides recommendations on investment options for the Deferred Compensation Program. Board members are appointed by the governor.

Board Membership (June 30, 2009)

Board Chairperson

Steven R. Hill – Director, Department of Retirement Systems

Representing Public Employees' Retirement System members:

Claude Burfekt – DSHS, Fircrest School

Dorothy Kiest – Retired

Representing Teachers' Retirement System members:

Michael Coleman – Retired

Brian Talbott – Superintendent, Nine Mile Falls School District

Dr. Staci Vesneske – Assistant Superintendent, Human Resources, Spokane Public Schools

Representing School Employees' Retirement System members:

Carol Jensen – Retired

Judi Owens – Head Secretary, Maintenance Department, Central Valley School District

Representing experience in defined contribution plan administration:

Vacant Position

Representing Deferred Compensation Program Participants:

Kathy Whitlock – Retired

Can be contacted through DRS. See information on page 5.

DRS ADVISORY COMMITTEE

Serves in an advisory role to the director of DRS on retirement administrative issues. The committee consists of members representing active and retired members of the retirement systems administered by DRS.

Committee Membership (June 30, 2009)

PERS

Patrick J. Dull
Active

John I. Payne
Active

Eva Jean Ann Shamley
Retired

Mary L. Sherman
Active

SERS

Jonni Elizabeth Lissner
Active

LEOFF

Mark J. Mears
Active
(Law Enforcement Officer)

Patrick McElligott
Active
(Fire Fighter)

Richard Warbrouck
Retired

TRS

Nancy Baldwin (Chair)
Retired

Darrell Heisler
Active

WSPRS

Captain William L. Hilton
Active

JRS

Judge Michael Heavey
Active

Can be contacted through DRS. See information on page 5.

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' PLAN 2 RETIREMENT BOARD

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. The LEOFF Plan 2 Retirement Board consists of three active fire fighters, three active police officers, three employers and two legislators.

Committee Membership (June 30, 2009)

Kelly Fox, Chair
Fire Fighter Representative

Pat Hepler
Fire Fighter Representative

Mark Johnston
Fire Fighter Representative

Jeff Holy
Law Enforcement Representative

Ryan Martin
Law Enforcement Representative

Jack L. Simington, Vice Chair
Law Enforcement Representative

Greg Cuoio
Employer Representative

Darla Hartley
Employer Representative

Glenn Olson
Employer Representative

Representative Geoff Simpson

Vacant Position

PO Box 40918, Olympia WA 98504-0918
(360) 586-2320
Web site: www.leoff.wa.gov

Letter of Transmittal



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

December 18, 2009

The Honorable Christine Gregoire, Governor
Members of the Sixty-First Legislature
Members of the Select Committee on Pension Policy
State of Washington
Olympia, Washington 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, 2009. 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.

Peterson Sullivan LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on DRS' basic financial statements for the year ended June 30, 2009. 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, 2009, DRS administered eight statewide public employee retirement systems, which were comprised of 12 defined benefit pension plans and three combination defined benefit/defined contribution plans.

The purpose of DRS is to administer pension plan coverage 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, 2009, there were 1,315 covered employers participating in multiple systems and/or plans administered by DRS. The eligibility requirements and provisions of each plan can be found in Note 2 of the Notes to the Financial Statements. DRS also administers a deferred compensation program. Additionally, DRS is responsible for all accounting and reporting services and the 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 created the Department of Retirement Systems 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 DRS 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.

1960s-1970s

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 handle 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.

1996

The state Deferred Compensation and Dependent Care programs were transferred to DRS.

DRS assumed accounting and reporting responsibility for the Judicial Retirement Account (JRA) defined contribution plan.

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 effective 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.

2006

DRS assumed responsibility for the collection of JRA contributions.

2007

The Judges' Benefit Multiplier bill, effective January 1, 2007, gave justices and judges in PERS and TRS a one-time irrevocable option to increase their contributions in order to fund a larger retirement benefit.

2009

The transfer of the Dependent Care program to the Health Care Authority was completed.

Accounting System and Internal Control

This report has been prepared to conform with 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 found in the Financial Section of this report.

In April and June 2004 respectively, the GASB issued two related statements: Statement No. 43 (GASB 43) *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (OPEB) and Statement No. 45 (GASB 45) *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. DRS was not required to implement GASB 43 because the agency administers only pension and deferred compensation plans. DRS has not implemented GASB 45 because its estimated annual OPEB cost and net OPEB obligation lack materiality in relation to the agency's net assets.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government 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. In addition, budgetary controls are maintained by the Office of Financial Management and the Washington State Legislature.

Funding

The goal of pension funding is to accumulate enough money during a member's working career to pay retirement benefits after the member retires. 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 participants assurance that their pension benefits are secure.

The actuarial value of assets available as of the latest actuarial date for all systems was \$54,350 million. The accrued liability is \$59,755 million. The accrued liability exceeds the net actuarial value of assets available for benefits by \$5,405 million. The ratio of assets to liabilities is 91 percent, the same percentage as last year.¹ 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 (June 30, 2024, or earlier), 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 Washington State Investment Board (WSIB) has sole authority and responsibility for the investment of all state and local pension fund assets. The enabling statute requires the WSIB to "...establish investment policies and procedures designed exclusively to maximize return at a prudent level of risk." The policies adopted by the WSIB include provisions for

¹ As dictated by GASB statement no. 25, the ratios noted here are the result of calculating accrued liabilities utilizing the Entry Age method for non-standard valuation methods (such as the variation of the Frozen Initial Liability (FIL) method used by the Office of the State Actuary (OSA) for PERS Plan 1 and TRS Plan 1). When this Entry Age method is used, the liabilities are higher, and the ratios are lower, than those produced by the methods included in the valuation report published by OSA.

the setting of strategic asset allocation objectives, as well as strategies and return objectives for individual asset classes. A summary of the asset allocation can be found in the Investment Section of this report. For Fiscal Year 2009, the commingled trust fund (CTF) investments provided a negative 22.84 percent rate of return. The CTF annualized rate of return over the last three years was negative 2.58 percent and 4.05 percent over the last five years.

The day-to-day management of pension fund assets is the responsibility of WSIB staff. Further investment information 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.

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, 2008. This was the fifteenth 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.

In 2009, DRS also received the Public Pension Standards 2009 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 staff 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. Each member of these agencies has our sincere appreciation. The report will be provided to the Governor, the members of the Select Committee on Pension Policy, and other interested parties.

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

Respectfully submitted,



Steven R. Hill
Director

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



Public Pension Coordinating Council

***Recognition Award for Administration
2009***

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 black ink, reading 'Alan H. Winkle'. The signature is fluid and cursive, with the first name 'Alan' being more prominent.

Alan H. Winkle
Program Administrator

2009 Washington State Legislative Actions

The 2009 Washington State Legislature passed thirteen pension-related bills that were signed into law by Governor Gregoire. These bills are described below:

BILLS THAT APPLY TO MORE THAN ONE SYSTEM

- House Bill 1548 provides up to five years of no cost service credit for members who had their public employment interrupted by military service that occurred during a period of war (as defined in statute). Members who previously purchased military service credit are eligible to receive a refund of their contributions. This bill applies to members of PERS Plan 2 and 3, SERS Plan 2 and 3, TRS Plan 2 and 3, LEOFF Plan 2, WSPRS Plan 2 and PSERS.
- House Bill 1551 extends eligibility for an unreduced benefit to survivors of members who leave an employer and die during a period of war while honorably serving in the National Guard or military reserves. It applies to PERS, TRS, SERS, LEOFF, WSPRS and PSERS.
- Engrossed Second Substitute Senate Bill 5688 provides that 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 law. The bill's effective date is January 1, 2014.

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM

- House Bill 1678 reclassifies pre-2001 duty-related retirements as occupational disability retirements. The reclassification allows affected retirees to receive favorable tax treatment on pension benefits they receive after the effective date of the bill.
- Substitute House Bill 1953 allows Department of Fish and Wildlife Enforcement Officers to transfer service credit earned as an enforcement officer in PERS Plan 2 or 3 to LEOFF Plan 2. Member, employer and state contribution rates will increase to the extent necessary to fund the difference in the value of the service credit transferred between the plans, and the member contributions transferred into LEOFF Plan 2.
- House Bill 1616 gives domestic partners of LEOFF Plan 2 members the same pension rights and options as spouses.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

- Under Senate Bill 6157, the average final compensation that is used to calculate a retirement benefit for a PERS member will not be affected by salary reductions that are due to reduced hours, leave without pay or furloughs taken as a part of an employer's effort to reduce expenditures during the 2009-11 biennium. This bill does not grant retirement service credit.
- Previously the survivor of a PERS Plan 1 member who was eligible for retirement, but died after leaving employment and before applying for retirement, was eligible only for a refund of the member's contributions, plus interest. Under Senate Bill 5315, the survivor has the option of either a refund of contributions, plus interest, or a monthly benefit, if the member was eligible for retirement or had at least 10 years of service credit.

SCHOOL EMPLOYEES' RETIREMENT SYSTEM

- Under Senate Bill 5303, members who become employed in an eligible SERS position on and after August 1, 2009 will no longer have their prior PERS Plan 2 service credit automatically transferred to SERS Plan 2. Current and inactive members of SERS Plan 2 who had prior PERS service credit transferred to SERS Plan 2 can request that their service credit be moved back to PERS Plan 2. Members who earned service credit with a school district or educational service district before the transfer or members who transferred to SERS Plan 3 or PERS Plan 3 are not eligible to transfer service back to PERS.

WASHINGTON STATE PATROL RETIREMENT SYSTEM

- Under House Bill 1445, state-registered domestic partners will receive the survivor and death benefit available to spouses of WSPRS members.

OTHER PENSION RELATED BILLS

- House Bill 1506 affects pension benefits for survivors of firefighters who retired under the Firefighters' Relief and Pension (FRP) Act. It removed language that stops the benefit if the surviving spouse remarries. The benefit now continues for the lifetime of the spouse. The FRP, which existed prior to the creation of LEOFF, is not administered by the Department of Retirement Systems.
- Engrossed Substitute Senate Bill 5238 requires DRS to assist organizations with mailing information to retirees. The organization must exclusively provide representation or services to retired members of the state's retirement systems and have membership dues deducted through DRS. Any entity that meets this criteria may request DRS' assistance with mailings up to two times a year. The mailings cannot support or oppose a political party, ballot measure or candidate and the organization must pay all related costs of the mailing.
- House Bill 2206 facilitated the July 1, 2009 transfer of administration of the Old-Age and Survivors Insurance Program (OASI) from the Employment Security Department to the Department of Retirement Systems.

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Financial Section


PETERSON SULLIVAN LLP
CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300
SEATTLE, WASHINGTON 98101

Tel 206.382.7777 • Fax 206.382.7700
www.pscpa.com

INDEPENDENT AUDITORS' REPORT

Mr. Steve Hill, Director
State of Washington Department of Retirement Systems
Olympia, Washington

We have audited the accompanying financial statements (including the individual fund financial statements) of the Washington State Department of Retirement Systems as of and for the year ended June 30, 2009. The Department of Retirement Systems is a part of the State of Washington's primary government. These financial statements are the responsibility of the Department of Retirement Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Washington State Department of Retirement Systems' June 30, 2008, financial statements and in our report dated November 26, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of the Washington State Department of Retirement Systems as of June 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the financial statements present fairly, in all material respects, the financial position of each of the individual funds of the Washington State Department of Retirement Systems as of June 30, 2009, and the results of operations of such funds for the year then ended in conformity with accounting principles generally accepted in the United States.

The accompanying management discussion and analysis and required supplementary information listed in the accompanying table of contents is not a required part of the basic financial statements, but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory, actuarial, investment, and statistical sections of this report are not required parts of the financial statements, and we did not audit or apply limited procedures to such information and do not express any assurance on such information.

Peterson Sullivan LLP

November 27, 2009

Management's Discussion and Analysis

This discussion and analysis of the Washington State Department of Retirement Systems (DRS) financial performance provides an overview of DRS' financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the Letter of Transmittal beginning on page 10 and DRS' financial statements, which begin on page 26 of this report.

DRS' overall financial position remained sound at June 30, 2009 despite declining results caused by the turbulence in the capital markets during the fiscal year.

FINANCIAL HIGHLIGHTS

The following financial highlights occurred during the fiscal year ended June 30, 2009:

- The combined plan net assets of all the pension funds administered by DRS decreased \$15,243.9 million during Fiscal Year 2009.
- The covered payroll requiring both employee and employer pension contributions reported during the year totaled \$16,582.0 million, representing an increase of 5%.
- Employer contributions totaled \$1,267.3 million and member contributions totaled \$1,045.9 million, representing increases of 40% and 15%, respectively, over the previous fiscal year.
- Net investment earnings (net depreciation in the fair value of investments, plus interest and dividend income, less investment expenses) decreased \$13,766.6 million to \$(14,913.0) million in Fiscal Year 2009.
- Pension benefits paid to retirees and beneficiaries increased \$118.1 million bringing the total benefit payments to \$2,610.6 million. Refunds of contributions paid to former retirement system members decreased from \$344.4 million to \$310.2 million.

- Administrative expenses totaled \$28.6 million, a decrease of \$2.2 million from last fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the DRS basic 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 Plan Net Assets and a Statement of Changes in Plan Net Assets. The fiduciary funds include defined benefit and defined contribution pension trust funds and the deferred compensation program trust fund. The Statement of Plan Net Assets presented on pages 26–29 reports the assets, liabilities and resulting net assets available for pension and other benefits as of June 30, 2009. The Statement of Changes in Plan Net Assets presented on pages 30–33 reports the additions to, deductions from, and resulting net change in net assets for the fiscal year ended June 30, 2009.

The legislatively mandated transfer of the administration of the Dependent Care Assistance Program (DCAP) to the Health Care Authority became effective on January 1, 2009. As a result, the agency fiduciary fund for DCAP has been removed from the Statement of Plan Net Assets and the Fiscal Year 2008 balances have been adjusted accordingly. Additionally, the presentation of financial statements for the related DCAP special revenue fund has also been discontinued for the Fiscal Year ended June 30, 2009.

Notes to the Financial Statements

The notes to the financial statements presented on pages 34–77 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, contingencies and subsequent events. 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 the plan's ongoing plan perspective. The required supplementary information consists of two historical trend schedules. The Schedules of Funding Progress presented on pages 78-81 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 82 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 83-85 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 Net Assets – Fiduciary Funds (dollars in millions)

	Fiscal Year 2009	Fiscal Year 2008	Increase (Decrease) Amount	Increase (Decrease) Percentage
Net Assets				
Assets				
Cash and Pooled Investments*	\$ 33.7	\$ 44.8	\$ (11.1)	(25)%
Receivables	739.6	538.4	201.2	37%
Capital Assets, Net of Depreciation	0.4	0.5	(0.1)	(20)%
Investments, Noncurrent	54,592.4	71,094.1	(16,501.7)	(23)%
Other Assets	1.4	1.4	–	0%
Total Assets	55,367.5	71,679.2	(16,311.7)	(23)%
Liabilities				
Obligations Under Security Selling and Lending Agreements	2,911.4	3,961.9	(1,050.5)	(27)%
Other Short-Term Liabilities*	531.1	548.4	(17.3)	(3)%
Long-Term Obligations	1.4	1.4	–	0%
Total Liabilities	3,443.9	4,511.7	(1,067.8)	(24)%
Total Net Assets	\$51,923.6	\$67,167.5	\$(15,243.9)	(23)%

*2008 figures have been adjusted to exclude \$0.9 million from the Dependent Care Assistance Program Fund, a fund which is no longer administered by DRS.

Total trust fund assets as of June 30, 2009 were \$55,367.5 million and were mostly comprised of investments and contributions due from employers. This was a decrease of \$16,311.7 million or 23% from the last fiscal year. This decrease was primarily due to the drop in the fair value of investments, as detailed below. Total investments decreased by \$16,501.7 million, or 23% from the previous year, largely as a result of realized and unrealized losses attributed to the turbulent market environment that began in September 2008. Of this amount, \$1,050.5 million is attributed to a decrease in securities on loan and \$524.6 million represents a decrease in the securities of the defined contribution plans and the deferred compensation program.

Total trust fund liabilities as of June 30, 2009 were \$3,443.9 million, representing a 24% or \$1,067.8 million decrease from the previous year. This was largely caused by a decrease in obligations under security lending agreements. During Fiscal Year 2009, WSIB ceased lending corporate bonds due to an increase in failed sale transactions. The market environment made it difficult to recall these loaned securities in a timely fashion to settle the trades. As a result of the factors listed above, total combined trust fund plan net assets at June 30, 2009 were \$51,923.6 million, representing a reduction of \$15,243.9 million or 23% from the last fiscal year.

Analysis of Changes In Net Assets – Fiduciary Funds
(dollars in millions)

Changes in Net Assets	Fiscal Year 2009	Fiscal Year 2008	Increase (Decrease) Amount	Increase (Decrease) Percentage
Additions				
Employer Contributions	\$ 1,267.3	\$ 906.6	\$ 360.7	40%
Member Contributions	1,045.9	907.1	138.8	15%
State Contributions	61.3	55.5	5.8	10%
Participant Contributions	184.5	188.7	(4.2)	(2)%
Net Income (Loss) from Investment Activities*	(14,913.0)	(1,146.4)	(13,766.6)	1,201%
Net Income (Loss) from Investment Selling and Lending Activities	42.0	37.8	4.2	11%
Charges for Services	27.7	26.3	1.4	5%
Transfers from Other Pension Plans	8.6	330.0	(321.4)	(97)%
Other Additions	1.0	1.1	(0.1)	(9)%
Total Additions	<u>(12,274.7)</u>	<u>1,306.7</u>	<u>(13,581.4)</u>	<u>(1,039)%</u>
Deductions				
Benefits	2,610.6	2,492.5	118.1	5%
Refunds of Contributions	310.2	344.4	(34.2)	(10)%
Transfers to Other Pension Plans	8.6	330.0	(321.4)	(97)%
Transfers to Other Funds	11.2	0.6	10.6	1,767%
Administrative Expenses	28.6	30.8	(2.2)	(7)%
Total Deductions	<u>2,969.2</u>	<u>3,198.3</u>	<u>(229.1)</u>	<u>(7)%</u>
Increase/(Decrease) in Net Assets	<u>(15,243.9)</u>	<u>(1,891.6)</u>	<u>(13,352.3)</u>	<u>(706)%</u>
Net Assets—Beginning of Year	<u>67,167.5</u>	<u>69,059.1</u>	<u>(1,891.6)</u>	<u>(3)%</u>
Net Assets—End of Year	<u>\$51,923.6</u>	<u>\$67,167.5</u>	<u>\$15,243.9</u>	<u>(23)%</u>

*2008 income figures have been adjusted to reflect reclassification of \$3.6 million from investment activities to securities lending.

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 2009 amounted to \$(12,283.2) million, a decrease of \$13,259.9 million from Fiscal Year 2008. This decrease was primarily due to the \$13,766.6 million reduction in net income from investment activities largely resulting from the turbulence in the public equity markets during the year. Specifically, this decrease was the result of reduced investment in fixed income securities, the decline in interest rates, and increased realized and unrealized losses due to market volatility in the public and private equity portfolios. Significantly offsetting this decrease was the fact that contributions from employers, members and the state increased, as detailed below, due to the higher required actuarial contribution rates for Fiscal Year 2009.

- Employer contributions increased \$360.7 million or 40% reflecting the increased rates for the Public Employees' Retirement System (PERS) Plan 1, PERS Plan 2/3, the PERS Judicial Benefit Multiplier (JBM) Plan 1, PERS JBM Plan 2 and PERS JBM Plan 3, the School Employees' Retirement System (SERS) Plan 2/3, the Public Safety Employees' Retirement System (PSERS) Plan 2, the Teachers' Retirement System (TRS) Plan 1, TRS Plan 2/3 and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2.
- Member contributions increased \$138.8 million or 15% and reflected the higher required rates of the Plan 2 members of PERS, SERS, PSERS and LEOFF.
- State contributions also increased by \$5.8 million or 10% and reflected the increased appropriations in the general fund for LEOFF Plan 2 and Judicial.

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 are incurred by the Washington State Investment Board and funded from earnings on investments. Deductions to the deferred compensation trust fund consist of refunds paid to plan participants and administrative expenses. Total trust fund deductions (excluding plan transfers) for Fiscal Year 2009 were \$2,960.6 million, an increase of \$92.3 million or 3% over Fiscal Year 2008. This was primarily due to an increase in benefits paid to retirees and beneficiaries. Benefit payments increased \$118.1 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 2009 were \$310.2 million, a decrease of \$34.2 million or 10% from the previous year's amount. The largest component of this decrease was the \$29.2 million reduction in the size and number of Deferred Compensation Program (DCP) distributions during the year. This reduction can be attributed to a variety of reasons, among them, market conditions and the fact that the required minimum distribution payments were not required in 2009.

Transfers from and to other pension plans totaled \$8.6 million in Fiscal Year 2009 and represented a \$321.4 million decrease from the previous fiscal year. Last year's amount of \$330.0 million had been unusually large due to a one-time \$319.5 million gain sharing distribution processed in January 2008 resulting from legislation enacted in 2007. The \$8.6 million recorded for transfers in Fiscal Year 2009 is more representative of normal transfer activity among the pension funds. Transfers to other funds increased \$10.6 million to \$11.2 million in Fiscal Year 2009 and represented operating state budget transfers 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, 2009, total investment was \$2.6 million, with accumulated depreciation of \$2.2 million, leaving a net book value of \$0.4 million. This amount represents a decrease of 20% from the previous year, resulting from the disposal of computer equipment. Additional information on DRS' capital assets can be found in section H of Note 1 to the financial statements.

OTHER LONG-TERM OBLIGATIONS

At year-end, DRS had \$1.4 million in outstanding general long-term obligations, which represented no significant change from the prior year. These long-term obligations represent DRS' liability for accumulated annual and sick leave. Additional information on DRS' long-term debt obligations can be found in section J 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' Administrative Services Division, P. O. Box 48380, Olympia, WA 98504-8380.

Statement of Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
As of June 30, 2009 and 2008 (page 1 of 4)
(expressed in thousands)

	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	\$ 3,202	\$ 3,369	\$ 245	\$ 2,887	\$ 908
Receivables					
Due from Other Governments	5,124	53,473	4,269	9,862	5,233
Member Account Receivable (Net of Allowance)	709	149	—	11	—
Interest and Dividends	21,370	39,824	1,891	5,454	1,867
Investment Trades and Pending Receivable – Short Term	71,463	133,286	6,330	18,241	6,249
Due from Pension Funds	2,261	311	3,741	239	59
Due from Other Funds	6	3	—	—	—
Due from Other Washington State Agencies	8	6	—	—	—
Other Receivables – Short Term	—	—	—	—	—
Total Receivables	100,941	227,052	16,231	33,807	13,408
Capital Assets, Net of Depreciation	120	68	—	—	—
Investments, Noncurrent					
Equity in CTF	7,317,886	13,648,734	648,171	1,867,867	639,866
Money Market Investments	232,304	457,740	25,133	60,114	23,044
Other Noncurrent Investments	—	—	507,183	—	250,227
Investments Under Reverse Repurchase Agreements	747	290	24	152	72
Collateral Held Under Securities Lending Agreements	464,174	865,740	41,114	118,479	40,587
Total Investments, Noncurrent	8,015,111	14,972,504	1,221,625	2,046,612	953,796
Other Assets	439	249	—	—	—
TOTAL ASSETS	8,119,813	15,203,242	1,238,101	2,083,306	968,112
LIABILITIES					
Obligations Under Reverse Repurchase Agreements	747	290	24	152	72
Obligations Under Security Lending Agreements	464,174	865,740	41,114	118,479	40,587
Accounts Payable	1,820	2,460	1,535	276	1,907
Investment Trades Pending Payable – Short Term	78,400	146,224	6,944	20,011	6,855
Due to Other Governments	5,865	1,107	—	199	—
Due to Pension Funds	106	5,986	—	370	239
Due to Other Washington State Agencies	124	95	—	3	—
Deposits Payable – Short Term	—	—	—	—	—
Other Short-Term Liabilities	1	1,958	—	2	—
Other Long-Term Obligations	439	249	—	—	—
Accrued Salaries	202	116	—	1	—
Deferred Revenue	194	319	—	1	—
TOTAL LIABILITIES	552,072	1,024,544	49,617	139,494	49,660
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 7,567,741</u>	<u>\$ 14,178,698</u>	<u>\$ 1,188,484</u>	<u>\$ 1,943,812</u>	<u>\$ 918,452</u>

The accompanying notes are an integral part of this statement.

Statement of Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
As of June 30, 2009 and 2008 (page 2 of 4)
(expressed in thousands)

	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	\$ 422	\$ 3,203	\$ 5,746	\$ 3,792	\$ 1,643
Receivables					
Due from Other Governments	1,831	4,472	25,255	21,925	322
Member Account Receivable (Net of Allowance)	—	360	16	—	40
Interest and Dividends	145	17,710	13,444	5,750	12,311
Investment Trades and Pending Receivable – Short Term	482	59,198	44,981	19,245	41,194
Due from Pension Funds	—	1,244	78	160	281
Due from Other Funds	—	5	1	—	3
Due from Other Washington State Agencies	—	7	2	—	4
Other Receivables – Short Term	—	—	—	—	—
Total Receivables	<u>2,458</u>	<u>82,996</u>	<u>83,777</u>	<u>47,080</u>	<u>54,155</u>
Capital Assets, Net of Depreciation	<u>—</u>	<u>104</u>	<u>21</u>	<u>—</u>	<u>55</u>
Investments, Noncurrent					
Equity in CTF	49,322	6,061,993	4,606,112	1,970,764	4,218,344
Money Market Investments	4,167	238,125	145,594	72,686	128,274
Other Noncurrent Investments	—	—	—	1,347,374	—
Investments Under Reverse Repurchase Agreements	24	577	453	103	280
Collateral Held Under Securities Lending Agreements	3,128	384,513	292,166	125,006	267,570
Total Investments, Noncurrent	<u>56,641</u>	<u>6,685,208</u>	<u>5,044,325</u>	<u>3,515,933</u>	<u>4,614,468</u>
Other Assets	<u>—</u>	<u>382</u>	<u>77</u>	<u>—</u>	<u>203</u>
TOTAL ASSETS	<u>59,521</u>	<u>6,771,893</u>	<u>5,133,946</u>	<u>3,566,805</u>	<u>4,670,524</u>
LIABILITIES					
Obligations Under Reverse Repurchase Agreements	24	577	453	103	280
Obligations Under Security Lending Agreements	3,128	384,513	292,166	125,006	267,570
Accounts Payable	8	1,275	757	1,876	1,192
Investment Trades Pending Payable – Short Term	528	64,945	49,347	21,113	45,193
Due to Other Governments	—	5,636	284	—	25
Due to Pension Funds	74	52	1,387	—	—
Due to Other Washington State Agencies	2	99	22	—	57
Deposits Payable – Short Term	—	—	—	—	—
Other Short-Term Liabilities	—	—	70	—	—
Other Long-Term Obligations	—	382	77	—	203
Accrued Salaries	—	172	35	—	91
Deferred Revenue	—	181	—	—	—
TOTAL LIABILITIES	<u>3,764</u>	<u>457,832</u>	<u>344,598</u>	<u>148,098</u>	<u>314,611</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 55,757</u>	<u>\$ 6,314,061</u>	<u>\$ 4,789,348</u>	<u>\$ 3,418,707</u>	<u>\$ 4,355,913</u>

The accompanying notes are an integral part of this statement.

Statement of Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
As of June 30, 2009 and 2008 (page 3 of 4)
(expressed in thousands)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
ASSETS				
Cash and Pooled Investments	\$ 1,237	\$ 889	\$ 385	\$ 3,271
Receivables				
Due from Other Governments	14,456	503	9	—
Member Account Receivable (Net of Allowance)	25	—	—	—
Interest and Dividends	12,092	1,972	1	7
Investment Trades and Pending Receivable – Short Term	40,464	6,595	—	—
Due from Pension Funds	36	26	—	—
Due from Other Funds	—	—	—	—
Due from Other Washington State Agencies	1	1	—	—
Other Receivables – Short Term	—	—	—	—
Total Receivables	<u>67,074</u>	<u>9,097</u>	<u>10</u>	<u>7</u>
Capital Assets, Net of Depreciation	<u>9</u>	<u>6</u>	<u>—</u>	<u>—</u>
Investments, Noncurrent				
Equity in CTF	4,143,553	675,344	—	—
Money Market Investments	142,548	20,872	1,460	—
Other Noncurrent Investments	—	—	—	—
Investments Under Reverse Repurchase Agreements	93	72	30	186
Collateral Held Under Securities Lending Agreements	<u>262,826</u>	<u>42,837</u>	<u>—</u>	<u>—</u>
Total Investments, Noncurrent	<u>4,549,020</u>	<u>739,125</u>	<u>1,490</u>	<u>186</u>
Other Assets	<u>31</u>	<u>23</u>	<u>—</u>	<u>—</u>
TOTAL ASSETS	<u>4,617,371</u>	<u>749,140</u>	<u>1,885</u>	<u>3,464</u>
LIABILITIES				
Obligations Under Reverse Repurchase Agreements	93	72	30	186
Obligations Under Security Lending Agreements	262,826	42,837	—	—
Accounts Payable	818	139	2	1
Investment Trades Pending Payable – Short Term	44,392	7,235	—	—
Due to Other Governments	12	187	30	2
Due to Pension Funds	216	6	—	—
Due to Other Washington State Agencies	18	7	—	—
Deposits Payable – Short Term	—	—	—	—
Other Short-Term Liabilities	—	—	—	—
Other Long-Term Obligations	31	23	—	—
Accrued Salaries	16	10	—	—
Deferred Revenue	<u>69</u>	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL LIABILITIES	<u>308,491</u>	<u>50,516</u>	<u>62</u>	<u>189</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 4,308,880</u>	<u>\$ 698,624</u>	<u>\$ 1,823</u>	<u>\$ 3,275</u>

The accompanying notes are an integral part of this statement.

Statement of Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
As of June 30, 2009 and 2008 (page 4 of 4)
(expressed in thousands)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2009	June 30, 2008
ASSETS				
Cash and Pooled Investments	\$ 8	\$ 2,492	\$ 33,699	\$ 44,784
Receivables				
Due from Other Governments	—	—	146,734	112,936
Member Account Receivable (Net of Allowance)	—	1,514	2,824	3,057
Interest and Dividends	—	3	133,841	189,118
Investment Trades and Pending Receivable – Short Term	—	—	447,728	186,018
Due from Pension Funds	—	—	8,436	47,142
Due from Other Funds	—	—	18	25
Due from Other Washington State Agencies	—	1	30	70
Other Receivables – Short Term	—	—	—	2
Total Receivables	—	1,518	739,611	538,368
Capital Assets, Net of Depreciation	—	—	383	537
Investments, Noncurrent				
Equity in CTF	—	—	45,847,956	66,107,738
Money Market Investments	—	—	1,552,061	175,938
Other Noncurrent Investments	10,749	2,165,466	4,280,999	848,580
Investments Under Reverse Repurchase Agreements	1	142	3,246	—
Collateral Held Under Securities Lending Agreements	—	—	2,908,140	3,961,871
Total Investments, Noncurrent	10,750	2,165,608	54,592,402	71,094,127
Other Assets	—	—	1,404	1,407
TOTAL ASSETS	10,758	2,169,618	55,367,499	71,679,223
LIABILITIES				
Obligations Under Reverse Repurchase Agreements	1	142	3,246	—
Obligations Under Security Lending Agreements	—	—	2,908,140	3,961,871
Accounts Payable	—	30	14,096	23,417
Investment Trades Pending Payable – Short Term	—	—	491,187	460,710
Due to Other Governments	—	—	13,347	13,083
Due to Pension Funds	—	—	8,436	47,142
Due to Other Washington State Agencies	—	12	439	499
Deposits Payable – Short Term	—	—	—	3
Other Short-Term Liabilities	—	76	2,107	2,068
Other Long-Term Obligations	—	—	1,404	1,407
Accrued Salaries	—	42	685	684
Deferred Revenue	—	—	764	811
TOTAL LIABILITIES	1	302	3,443,851	4,511,695
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 10,757</u>	<u>\$ 2,169,316</u>	<u>\$ 51,923,648</u>	<u>\$ 67,167,528</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2009 and 2008 (page 1 of 4)
(expressed in thousands)

	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	\$ 325,248	\$ 439,744	\$ —	\$ 63,526	\$ —
Plan Member	37,791	368,127	90,808	26,062	59,422
State	—	—	—	—	—
Plan Member Restorations	6,683	6,221	—	202	—
Total Retirement Contributions	<u>369,722</u>	<u>814,092</u>	<u>90,808</u>	<u>89,790</u>	<u>59,422</u>
Participant Contributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment Income (Loss)					
Net Appreciation (Depreciation) in Fair Value of Investments	(2,498,479)	(4,274,108)	(289,652)	(589,963)	(241,529)
Interest	52,727	92,018	6,339	12,702	5,470
Dividends	110,549	193,191	9,313	26,579	9,245
Less: Investment Expenses	<u>(44,911)</u>	<u>(82,079)</u>	<u>(4,518)</u>	<u>(11,235)</u>	<u>(4,163)</u>
Net Income (Loss) from Investment Activities	<u>(2,380,114)</u>	<u>(4,070,978)</u>	<u>(278,518)</u>	<u>(561,917)</u>	<u>(230,977)</u>
Securities Selling and Lending Income:					
Securities Lending Income	12,629	23,327	1,090	3,255	1,077
Less: Costs of Selling and Lending Securities	<u>(5,888)</u>	<u>(10,980)</u>	<u>(521)</u>	<u>(1,503)</u>	<u>(515)</u>
Net Securities Lending Income	<u>6,741</u>	<u>12,347</u>	<u>569</u>	<u>1,752</u>	<u>562</u>
Total Net Investment Income (Loss)	<u>(2,373,373)</u>	<u>(4,058,631)</u>	<u>(277,949)</u>	<u>(560,165)</u>	<u>(230,415)</u>
Charges For Services	4,008	7,917	199	1,312	196
Transfers from Other Pension Plans	1	722	2,095	2,050	455
Miscellaneous	<u>9</u>	<u>19</u>	<u>—</u>	<u>3</u>	<u>—</u>
TOTAL ADDITIONS	<u>(1,999,633)</u>	<u>(3,235,881)</u>	<u>(184,847)</u>	<u>(467,010)</u>	<u>(170,342)</u>
DEDUCTIONS					
Benefits	1,070,929	207,319	—	28,307	—
Refunds of Contributions	5,071	26,442	40,202	2,125	42,041
Annuity Payments	—	—	51	—	62
Transfers to Other Pension Plans	285	5,388	429	448	520
Transfer to Other Funds	1,736	3,515	—	508	—
Administrative Expenses	<u>4,401</u>	<u>8,277</u>	<u>199</u>	<u>1,327</u>	<u>195</u>
TOTAL DEDUCTIONS	<u>1,082,422</u>	<u>250,941</u>	<u>40,881</u>	<u>32,715</u>	<u>42,818</u>
NET INCREASE (DECREASE)	<u>(3,082,055)</u>	<u>(3,486,822)</u>	<u>(225,728)</u>	<u>(499,725)</u>	<u>(213,160)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of Year: July 1	<u>10,649,796</u>	<u>17,665,520</u>	<u>1,414,212</u>	<u>2,443,537</u>	<u>1,131,612</u>
End of Year: June 30	<u>\$ 7,567,741</u>	<u>\$ 14,178,698</u>	<u>\$ 1,188,484</u>	<u>\$ 1,943,812</u>	<u>\$ 918,452</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2009 and 2008 (page 2 of 4)
(expressed in thousands)

	Pension Trust				
	PSERS Plan 2	TRS Plan 1	TRS Plan 2/3	TRS Plan 3 Defined Contribution	LEOFF Plan 1
ADDITIONS					
Retirement Contributions					
Employer	\$ 14,510	\$ 178,850	\$ 160,793	\$ —	\$ 216
Plan Member	14,557	23,810	23,277	247,891	154
State	—	—	—	—	—
Plan Member Restorations	1	3,661	728	—	347
Total Retirement Contributions	<u>29,068</u>	<u>206,321</u>	<u>184,798</u>	<u>247,891</u>	<u>717</u>
Participant Contributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment Income (Loss)					
Net Appreciation (Depreciation) in Fair Value of Investments	(9,987)	(2,083,633)	(1,456,917)	(896,820)	(1,425,032)
Interest	304	44,232	31,496	16,171	29,866
Dividends	517	91,997	65,761	27,698	63,203
Less: Investment Expenses	<u>(277)</u>	<u>(37,257)</u>	<u>(27,660)</u>	<u>(13,409)</u>	<u>(25,741)</u>
Net Income (Loss) from Investment Activities	<u>(9,443)</u>	<u>(1,984,661)</u>	<u>(1,387,320)</u>	<u>(866,360)</u>	<u>(1,357,704)</u>
Securities Selling and Lending Income:					
Securities Lending Income	100	10,457	7,972	3,315	7,193
Less: Costs of Selling and Lending Securities	<u>(40)</u>	<u>(4,877)</u>	<u>(3,706)</u>	<u>(1,585)</u>	<u>(3,393)</u>
Net Securities Lending Income	<u>60</u>	<u>5,580</u>	<u>4,266</u>	<u>1,730</u>	<u>3,800</u>
Total Net Investment Income (Loss)	<u>(9,383)</u>	<u>(1,979,081)</u>	<u>(1,383,054)</u>	<u>(864,630)</u>	<u>(1,353,904)</u>
Charges For Services	29	3,342	3,691	605	2,306
Transfers from Other Pension Plans	—	27	547	971	173
Miscellaneous	<u>—</u>	<u>8</u>	<u>10</u>	<u>—</u>	<u>5</u>
TOTAL ADDITIONS	<u>19,714</u>	<u>(1,769,383)</u>	<u>(1,194,008)</u>	<u>(615,163)</u>	<u>(1,350,703)</u>
DEDUCTIONS					
Benefits	5	819,207	44,795	—	327,033
Refunds of Contributions	466	1,260	2,189	76,166	193
Annuity Payments	—	31,055	—	128	—
Transfers to Other Pension Plans	—	1	810	550	—
Transfer to Other Funds	3	1,448	1,860	—	998
Administrative Expenses	<u>40</u>	<u>3,266</u>	<u>3,824</u>	<u>605</u>	<u>2,339</u>
TOTAL DEDUCTIONS	<u>514</u>	<u>856,237</u>	<u>53,478</u>	<u>77,449</u>	<u>330,563</u>
NET INCREASE (DECREASE)	19,200	(2,625,620)	(1,247,486)	(692,612)	(1,681,266)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of Year: July 1	<u>36,557</u>	<u>8,939,681</u>	<u>6,036,834</u>	<u>4,111,319</u>	<u>6,037,179</u>
End of Year: June 30	<u>\$ 55,757</u>	<u>\$ 6,314,061</u>	<u>\$ 4,789,348</u>	<u>\$ 3,418,707</u>	<u>\$ 4,355,913</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2009 and 2008 (page 3 of 4)
(expressed in thousands)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
ADDITIONS				
Retirement Contributions				
Employer	\$ 77,849	\$ 6,371	\$ 105	\$ –
Plan Member	128,206	5,501	104	–
State	51,137	–	10,200	–
Plan Member Restorations	2,181	129	–	–
Total Retirement Contributions	<u>259,373</u>	<u>12,001</u>	<u>10,409</u>	<u>–</u>
Participant Contributions	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Investment Income (Loss)				
Net Appreciation (Depreciation) in Fair Value of Investments	(1,287,534)	(221,810)	(12)	(106)
Interest	27,902	4,708	47	122
Dividends	58,333	9,905	–	–
Less: Investment Expenses	<u>(25,610)</u>	<u>(4,107)</u>	<u>(2)</u>	<u>–</u>
Net Income (Loss) from Investment Activities	<u>(1,226,909)</u>	<u>(211,304)</u>	<u>33</u>	<u>16</u>
Securities Selling and Lending Income:				
Securities Lending Income	7,088	1,171	15	126
Less: Costs of Selling and Lending Securities	<u>(3,333)</u>	<u>(543)</u>	<u>–</u>	<u>(1)</u>
Net Securities Lending Income	<u>3,755</u>	<u>628</u>	<u>15</u>	<u>125</u>
Total Net Investment Income (Loss)	<u>(1,223,154)</u>	<u>(210,676)</u>	<u>48</u>	<u>141</u>
Charges For Services	2,280	370	1	2
Transfers from Other Pension Plans	1,218	331	–	–
Miscellaneous	<u>5</u>	<u>1</u>	<u>–</u>	<u>–</u>
TOTAL ADDITIONS	<u>(960,278)</u>	<u>(197,973)</u>	<u>10,458</u>	<u>143</u>
DEDUCTIONS				
Benefits	36,615	34,522	9,583	501
Refunds of Contributions	7,223	211	7	–
Annuity Payments	–	–	–	–
Transfers to Other Pension Plans	159	–	–	–
Transfer to Other Funds	987	160	–	1
Administrative Expenses	<u>2,288</u>	<u>354</u>	<u>1</u>	<u>1</u>
TOTAL DEDUCTIONS	<u>47,272</u>	<u>35,247</u>	<u>9,591</u>	<u>503</u>
NET INCREASE (DECREASE)	<u>(1,007,550)</u>	<u>(233,220)</u>	<u>867</u>	<u>(360)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
Beginning of Year: July 1	<u>5,316,430</u>	<u>931,844</u>	<u>956</u>	<u>3,635</u>
End of Year: June 30	<u>\$ 4,308,880</u>	<u>\$ 698,624</u>	<u>\$ 1,823</u>	<u>\$ 3,275</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2009 and 2008 (page 4 of 4)
(expressed in thousands)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2009	June 30, 2008
ADDITIONS				
Retirement Contributions				
Employer	\$ 42	\$ —	\$ 1,267,254	\$ 906,596
Plan Member	42	—	1,025,752	880,921
State	—	—	61,337	55,526
Plan Member Restorations	—	—	20,153	26,194
Total Retirement Contributions	<u>84</u>	<u>—</u>	<u>2,374,496</u>	<u>1,869,237</u>
Participant Contributions	<u>—</u>	<u>184,544</u>	<u>184,544</u>	<u>188,735</u>
Investment Income (Loss)				
Net Appreciation (Depreciation) in Fair Value of Investments	(2,157)	(392,338)	(15,670,077)	(2,742,736)
Interest	226	40,711	365,041	663,774
Dividends	35	9,746	676,072	1,230,345
Less: Investment Expenses	<u>(14)</u>	<u>(2,763)</u>	<u>(283,746)</u>	<u>(297,794)</u>
Net Income (Loss) from Investment Activities	<u>(1,910)</u>	<u>(344,644)</u>	<u>(14,912,710)</u>	<u>(1,146,411)</u>
Securities Selling and Lending Income:				
Securities Lending Income	—	53	78,868	200,531
Less: Costs of Selling and Lending Securities	<u>—</u>	<u>(1)</u>	<u>(36,886)</u>	<u>(162,716)</u>
Net Securities Lending Income	<u>—</u>	<u>52</u>	<u>41,982</u>	<u>37,815</u>
Total Net Investment Income (Loss)	<u>(1,910)</u>	<u>(344,592)</u>	<u>(14,870,728)</u>	<u>(1,108,596)</u>
Charges For Services	—	1,405	27,663	26,311
Transfers from Other Pension Plans	—	—	8,590	330,004
Miscellaneous	<u>12</u>	<u>690</u>	<u>762</u>	<u>1,045</u>
TOTAL ADDITIONS	<u>(1,814)</u>	<u>(157,953)</u>	<u>(12,274,673)</u>	<u>1,306,736</u>
DEDUCTIONS				
Benefits	461	—	2,579,277	2,437,630
Refunds of Contributions	—	106,645	310,241	344,351
Annuity Payments	—	—	31,296	54,923
Transfers to Other Pension Plans	—	—	8,590	330,004
Transfer to Other Funds	—	2	11,218	590
Administrative Expenses	<u>—</u>	<u>1,468</u>	<u>28,585</u>	<u>30,792</u>
TOTAL DEDUCTIONS	<u>461</u>	<u>108,115</u>	<u>2,969,207</u>	<u>3,198,290</u>
NET INCREASE (DECREASE)	<u>(2,275)</u>	<u>(266,068)</u>	<u>(15,243,880)</u>	<u>(1,891,554)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
Beginning of Year: July 1	<u>13,032</u>	<u>2,435,384</u>	<u>67,167,528</u>	<u>69,059,082</u>
End of Year: June 30	<u>\$ 10,757</u>	<u>\$ 2,169,316</u>	<u>\$ 51,923,648</u>	<u>\$ 67,167,528</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

A. Reporting Entity

The Department of Retirement Systems (DRS) is a part of the primary government of the state of Washington. The Governmental Accounting Standards Board 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. Based on this criteria, DRS is considered part of the state of Washington financial reporting entity and is included in the state's comprehensive annual financial report as the administrator of the pension trust funds.

Copies of the state of Washington's Comprehensive Annual Financial Report may be obtained by writing to:

Washington State Office of Financial Management
300 Insurance Building
P.O. Box 43113
Olympia, WA 98504-3113

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 Director of DRS is appointed by the Governor. The state Legislature establishes laws pertaining to the creation and administration of all public retirement systems. The members of the public retirement systems together with their employers and the state provide funding for all costs of the systems based upon actuarial valuations. The state establishes benefit levels and approves the actuarial assumptions used in determining contribution levels. Based upon these criteria, DRS views itself as part of the state of Washington's primary government.

B. Basic Financial Statements

The financial statements provided in this report are fiduciary statements.

Fiduciary funds report assets held in a trustee or agency capacity for others 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 Plan Net Assets and a Statement of Changes in Plan Net Assets. The statements provide a separate column for each plan administered by DRS. The Statement of Plan Net Assets includes information about the assets, liabilities, and net assets for each plan. The Statement of Changes in Plan Net Assets includes information about the additions to, deductions from, and net increase (or decrease) in net assets 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 due. 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 earnings in the statement of changes in net assets. The net assets of the Retirement Funds are valued on a monthly basis using the following sources:

Publicly Traded Securities (corporate stock, commingled funds, 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, innovation 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 and management fees. The June 30, 2009 values reported in the accompanying financial statements are the capital account balances at March 31, 2009, adjusted for subsequent cash flows through June 30, 2009.

The limited partnerships' annual financial statements are audited by independent auditors. These investments are valued at \$18.8 billion as of June 30, 2009. 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 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 a portfolio company's 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 the Washington State Investment Board (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 company's valuation policies.

E. Allocation

DRS maintains an administrative fund to account for the administrative additions and deductions incurred in administering the pension plans (excluding any fees incurred while protecting the pension plans). All additions received are based on a legislatively approved percent of employer contributions. These additions and deductions have been allocated to the pension plans based on asset balance.

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 based on asset balance. 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 based on asset balance.

F. 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) and 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 Plan Net Assets 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, 2009, the carrying amount of DRS' cash and pooled investment deposits is \$33.7 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 2009.

Investments – Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The WSIB does not have a formal policy regarding interest rate risk. Effective duration is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Effective duration uses the present value of cash flows, weighted for those flows as a percentage of the investments' full price. 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 exceed the return of the Barclays Capital Universal Index, with volatility as measured by duration to be similar to or less than the index. As of June 30, 2009 the Retirement Funds' durations of the various fixed income classes were within the duration targets of this index.

The schedule on page 38 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,

2009. 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 mitigates said risk through active management and credit analysis. The Retirement Funds' rated debt investments as of June 30, 2009, 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, 2009 are presented in the schedule on page 38. Investment types with multiple credit ratings are presented in the schedule on page 39.

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, 2009. 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 2009.

Investment Maturities

As of June 30, 2009

(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	\$ 69,506	\$ 69,155	\$ —	\$ —	\$ 351	0.08	Multiple
Residential Mortgage Backed Securities	3,318,898	64,051	2,942,685	312,162	—	2.75	Multiple
Commercial Mortgage Backed Securities	475,887	39,508	208,990	227,389	—	3.39	Multiple
Corporate Bonds Domestic (USD)	1,749,076	17,031	368,466	1,041,124	322,455	6.69	Multiple
Corporate Bonds Foreign (USD)	3,585,205	54,898	863,305	1,885,791	781,211	6.25	Multiple
Corporate Bonds Foreign (Non USD)	303,261	24,465	127,834	83,540	67,422	4.65	Multiple
Treasury Inflation Protected Securities (TIPS)	1,365,927	484,893	578,788	302,246	—	1.01	AAA
Total Categorized Investments	\$10,867,760	\$754,001	\$5,090,068	\$3,852,252	\$1,171,439		
Investments Not Required to be Categorized Under GASB Statement No. 3:							
Commingled Equity Index Funds	9,867,841						
Corporate Stock— US Dollar Denominated	466,493						
Corporate Stock – Non US Dollar Denominated	5,794,599						
Alternative Assets	18,761,161						
Liquidity	1,642,163						
Total Investments Not Categorized	36,532,257						
DCP and Defined Contribution – SELF Plan Assets:							
Mutual Funds							
Domestic Equity— Active	1,111,971						
Domestic Equity— Passive	959,233						
Non—U.S. Passive Developed	305,366						
Washington State Bond Fund	427,026						
Guaranteed Investment Contracts	960,100						
Life Annuity	4						
Money Market Mutual Funds	517,299						
Total DCP and Defined Contribution – SELF Plan Assets	4,280,999						
Securities Under Reverse Repurchase Agreements	3,246						
Securities Under Lending Agreements	2,908,140						
Total Investments – 6/30/2009	\$54,592,402						

Investments with Multiple Credit Ratings

As of June 30, 2009

(expressed in thousands)

Investment Type	Total Fair Value	Moody's Equivalent Credit Rating									Baa3 & lower
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	
Asset Backed Securities	\$ 69,506	\$ 22,183	\$ —	\$ 305	\$ 10,511	\$ 1,266	\$ 3,525	\$ —	\$ 5,580	\$ 3,634	\$ 22,502
Residential Mortgage Backed Securities	3,318,898	3,179,846	10,363	7,837	14,668	3,948	1,001	—	4,740	8,597	87,898
Commercial Mortgage Backed Securities	475,887	475,887	—	—	—	—	—	—	—	—	—
Corporate Bonds Domestic (USD)	1,749,076	344	660	10,119	58,149	156,919	301,062	106,487	359,114	438,446	317,776
Corporate Bonds Foreign (USD)	3,585,206	108,366	47,803	258,692	195,420	334,728	297,852	243,096	400,760	890,218	808,271
Corporate Bonds Foreign (Non USD)	303,260	176,913	24,464	—	—	—	—	22,134	—	24,285	55,464
Total	\$ 9,501,833	\$ 3,963,539	\$ 83,290	\$ 276,953	\$ 278,748	\$ 496,861	\$ 603,440	\$ 371,717	\$ 770,194	\$ 1,365,180	\$ 1,291,911

Investments – Custodial Credit Risk: Custodial credit risk is the risk that, in the event of failure of the custodian, the WSIB would not be able to recover its investment securities or collateral securities that are in the possession of the custodian. The WSIB has no formal policy regarding 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 its 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, 2009, is presented in the schedule on page 40. The schedule, stated in U.S. dollars, provides information on deposits and investments held in various foreign currencies.

Foreign Currency Risk
As of June 30, 2009
(expressed in thousands)

Investment Type in U.S. Dollar Equivalent								Percent of Total Foreign Investments
Foreign Currency Denomination	Short Term	Fixed Income	Corporate Stock	Commingled Equity Index Funds	Private Equity	Real Estate	Total	
Australia-Dollar	\$ 3,329	\$128,640	\$ 325,844	\$ 149,702	\$ 72,332	\$ 119,168	\$ 799,015	5.3%
Brazil-Real	1,108	103,407	36,092	143,812	3,905	49,029	337,353	2.2%
Canada-Dollar	672	—	321,365	203,099	158,374	15,654	699,164	4.6%
Chile-Peso	—	—	—	6,394	—	—	6,394	0.0%
China-Yuan	—	—	—	79,338	132,711	250,405	462,454	3.1%
Czech Republic-Koruna	—	—	202	4,004	8,829	12,774	25,809	0.2%
Denmark-Krone	648	—	53,599	20,979	177,591	—	252,817	1.7%
E.M.U.-Euro	36,779	—	1,669,404	652,407	1,355,760	447,836	4,162,186	27.6%
Egypt-Pound	—	—	—	19,038	—	—	19,038	0.1%
French Polynesia - CFP Franc	—	—	—	—	—	105,775	105,775	0.7%
Hong Kong-Dollar	797	—	302,329	106,069	2,444	24,906	436,545	2.9%
Hungary-Forint	—	—	9,913	1,602	—	31,559	43,074	0.3%
India-Rupee	104	—	387	89,466	101,616	18,848	210,421	1.4%
Indonesia-Rupiah	—	—	12,236	26,928	310	—	39,474	0.3%
Israel-Shekel	99	—	3,532	20,677	13,998	—	38,306	0.3%
Japan-Yen	11,100	—	1,147,357	503,395	20,266	136,646	1,818,764	12.1%
Malaysia-Ringgit	—	—	3,518	18,159	—	—	21,677	0.1%
Mexico-Peso	—	22,134	6,862	56,985	6,038	858,915	950,934	6.3%
New Zealand-Dollar	82	—	12,418	2,710	7,332	—	22,542	0.1%
Norway-Krone	285	—	46,287	16,610	31,110	—	94,292	0.6%
Pakistan-Rupee	29	—	—	1,857	—	—	1,886	0.0%
Philippines-Peso	133	—	—	11,283	—	—	11,416	0.1%
Poland-Zloty	—	—	1,721	11,420	9,302	93,174	115,617	0.8%
Romania - Leu	—	—	—	—	—	71,383	71,383	0.5%
Russia-Ruble	798	—	—	68,128	—	751	69,677	0.4%
Singapore-Dollar	45	—	112,972	30,328	91,322	7,404	242,071	1.6%
South Africa-Rand	108	—	54,628	76,787	13,648	—	145,171	1.0%
South Korea-Won	1,680	—	41,608	125,937	13,833	205,978	389,036	2.6%
Sweden-Krona	847	—	147,868	50,441	202,057	751	401,964	2.7%
Switzerland-Franc	40	—	374,755	147,166	5,037	751	527,749	3.5%
Taiwan-Dollar	—	—	6,423	79,776	16,001	—	102,200	0.7%
Thailand-Baht	174	—	1,026	27,429	—	16,828	45,457	0.3%
Turkey-Lira	4,337	49,079	18,636	45,401	42,073	—	159,526	1.1%
United Kingdom - Pound	—	—	1,083,617	424,613	514,240	65,372	2,087,842	13.9%
Other - Misc	—	—	—	5,857	89,132	41,210	136,199	0.9%
Total Foreign Investments	\$63,194	\$303,260	\$5,794,599	\$3,227,797	\$3,089,261	\$2,575,117	\$15,053,228	100.0%

Source: Washington State Investment Board

Securities Lending: Securities lending management responsibilities 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 Board has entered into an agreement with JP Morgan (JPM) to act as agent for the WSIB in securities lending transactions. As JPM is the custodian bank for the WSIB, it is a counterparty to these transactions.

In accordance with GASB Statement No. 28, the Retirement Funds report securities lent (the underlying securities) as assets in the Statement of Plan Net Assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the WSIB has the ability to pledge or sell them without a borrower default. Liabilities resulting from these transactions are reported in the Statement of Plan Net Assets. Securities lending transactions collateralized by securities that the WSIB does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

Securities (consisting of fixed income and equities) were loaned and collateralized by the WSIB's agent with cash and U.S. government securities (exclusive of mortgage backed securities and letters of credit), and irrevocable letters of credit. When the loaned securities had collateral denominated in the same currency, the collateral requirement was 102% of the fair value, including accrued interest, of the securities loaned. All other securities were required to be collateralized at 105% of the fair value, including accrued interest, of the loaned securities.

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.

Custodial Credit Risk: At June 30, 2009, the fair value of securities on loan was \$3,204.9 million. The corresponding collateral held totalled \$3,272.8 million. At year-end, since the amounts that the Retirement Funds owed the borrowers exceeded the amounts the borrowers owed the Retirement Funds, there was no credit risk exposure. The securities lending collateral balances are from securities required to be listed under GASB Statement 3 Category 3 - Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the Funds' name. (This includes the amount of any repurchase agreement that exceeds the fair value of the underlying securities).

During Fiscal Year 2009, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The weighted average maturity of overall loans was overnight for \$2,665.9 million and 16 days for \$539.7 million of term loans.

Cash collateral was invested by the WSIB's agents in securities issued or guaranteed by the U.S. government, the WSIB's short term investment pool (average final maturity of 136 days) or term loans. 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. Accordingly, non-cash collateral held under securities lending contracts with a value of \$364.7 million has not been included in the Statement of Plan Net Assets. There are no restrictions on the amount of securities that can be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. JPM 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. JPM'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 2009, there were no significant violations of legal or contractual provisions nor failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the Retirement Funds incurred no losses during Fiscal Year 2009 resulting from a default by either the borrowers or the securities lending agents.

OST—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.

The OST has statutory authority 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 contracted with a third party securities lending agent, Union Bank (UB), to lend the U.S. Government and Agency securities portfolio. The agent lends securities for collateral in the form of cash or other securities at 102 percent of the loaned securities value. The collateral for the loans is maintained at 102 percent. On June 30, 2009, there were no repurchase agreements outstanding.

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 2009, the OST had no credit risk exposure to borrowers because the amounts the OST owed borrowers exceeded the amounts that the borrowers owed the OST. The contract with the agent requires it 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 OST for income distributions by the securities' issuers while the securities are on loan.

All securities loans can be terminated on demand by either the OST or the borrower. Cash collateral is invested in accordance with the investment guidelines approved by the OST. The OST cannot pledge or sell collateral securities received unless the borrower defaults. Generally, the maturity of the securities on loan is matched with the term of the investment of the cash collateral. During Fiscal Year 2009, the average life of both the loans and the investment of cash collateral received as collateral was one day. On June 30, 2009, the OST had no securities on loan.

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 2009, there were no violations of legal or contractual provisions nor 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 mortgage-backed securities, financial futures, forward contracts, interest rate swaps, credit default swaps, equity swaps and options to manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns. Derivative transactions involve, to varying degrees, market and credit risk. The WSIB mitigates market risks arising from derivative transactions by requiring collateral in cash and investments

to be maintained equal to the securities positions outstanding, and thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Consistent with the WSIB's authority to invest in derivatives, international and domestic active equity managers may make limited investments in financial futures, forward contracts or other derivative securities to equitize excess cash holdings.

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. At June 30, 2009, the exposure to futures contracts, in millions of dollars, consists of the following:

Buy Contracts	
Equity Index Futures- Traded Exposure	\$1,192.2
Equity Index Futures-Market Exposure	<u>\$1,171.0</u>
Unrealized Gain (Loss)	\$ (21.2)

Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The WSIB uses these contracts primarily to hedge the currency exposure of the Retirement Funds' international investments. To reduce the risk of counterparty nonperformance, the WSIB enters into these contracts with institutions meeting high standards of credit worthiness. The unrealized loss on these contracts totaled \$5.9 million at June 30, 2009. Forward exchange contracts payable and receivable at fiscal year end amounted to \$2,248.2 million and \$2,242.3 million, respectively. Their maturity dates ranged from July 1, 2009 to November 19, 2009.

At June 30, 2009, the Retirement Funds' fixed income portfolio held derivative securities consisting of collateralized mortgage obligations of \$1,256.4 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.

Certain investment types in DRS' portfolio cannot be categorized within the guidelines established by GASB Statement Number 3. These investments total approximately \$43.7 billion in both carrying value and fair value.

OST – State law permits 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 2009, the OST incurred no losses by default, nor recovered prior period losses, from these transactions. At June 30, 2009, obligations under reverse repurchase agreements totaled \$3.2 million.

Management Fees: The fees paid by the WSIB are accounted for as a reduction of investment income to the trust funds. These fees include investment

management fees and commissions, investment consultant fees and legal fees. As of June 30, 2009, total investment management fees were \$320.6 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, 2009, the Retirement Funds had the following unfunded investment commitments in millions of dollars:

Private Equity Partnerships	\$8,922.7
Real Estate	\$7,947.8
Tangible Assets	\$515.0
Innovation	\$49.9

G. 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 is required to maintain 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 established by the Employee Retirement Benefits Board (ERBB).

Member reserves as of June 30, 2009 and 2008 are as follows:

	June 30, 2009	June 30, 2008
(expressed in thousands)		
PERS Plan 1	\$ 1,123,509	\$ 1,190,482
PERS Plan 2/3	4,567,451	4,144,795
PERS Plan 3—WSIB	676,562	861,877
PERS Plan 3—SELF	511,922	552,335
SERS Plan 2/3	309,130	277,876
SERS Plan 3—WSIB	664,954	863,402
SERS Plan 3—SELF	253,498	268,210
PSERS Plan 2	34,362	18,939
TRS Plan 1	778,197	847,223
TRS Plan 2/3	471,547	444,053
TRS Plan 3—WSIB	2,058,864	2,554,938
TRS Plan 3—SELF	1,359,842	1,556,381
LEOFF Plan 1	56,053	62,457
LEOFF Plan 2	1,542,388	1,379,022
WSPRS 1/2	69,929	63,259
JRS	3,654	3,900
Judges	—	—
Total Member Reserves	\$ 14,481,862	\$ 15,089,149

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, 2009 and 2008 are as follows:

	June 30, 2009	June 30, 2008
(expressed in thousands)		
PERS Plan 1	\$ 6,441,632	\$ 9,455,298
PERS Plan 2/3	9,609,786	13,516,291
SERS Plan 2/3	1,634,651	2,165,244
PSERS Plan 2	21,392	17,617
TRS Plan 1	5,533,611	8,089,019
TRS Plan 2/3	4,317,287	5,590,739
LEOFF Plan 1	4,298,667	5,972,700
LEOFF Plan 2	2,766,301	3,936,384
WSPRS Plan 1/2	628,554	868,315
JRS	(1,837)	(2,948)
Judges	3,250	3,628
Total Benefit Reserves	\$ 35,253,294	\$ 49,612,287

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.

H. 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 2009:

Assets	Beginning Balance	Acquisition/ Increase Depreciation	Disposal	Ending Balance
(amounts expressed in thousands)				
Improvements Other Than Buildings	\$ 634	\$ —	\$ —	\$ 634
Furnishings & Equipment	2,070	52	(131)	1,991
Accumulated Depreciation	(2,167)	(203)	128	(2,242)
Total	\$ 537	\$ (151)	\$ (3)	\$ 383

I. 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, 2009:

Operating Leases	
(expressed in thousands)	
By Fiscal Year:	
2010	\$ 1,597
2011	1,532
2012	1,440
2013	1,332
2014	1,407
2015 and beyond	7,262
Total Future Minimum Payments	\$14,570

The total operating lease rental expenditure for Fiscal year 2009 was \$1.4 million.

J. 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 \$1.0 million as of June 30, 2009.

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 department 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, 2009.

Following is a summary of changes in compensated absences for the fiduciary funds for Fiscal Year 2009:

Compensated Absences	Beginning Balance	Additions	Deletions	Ending Balance
(amounts expressed in thousands)				
Annual Leave	\$ 979	\$ 1,053	\$ (1,068)	\$ 964
Sick Leave	428	143	(131)	440
Total	\$ 1,407	\$ 1,196	\$ (1,199)	\$ 1,404

K. Transfers

Transfers to and from 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 2009, these transfers totaled \$8.6 million and represented a decrease of \$321.4 million from the previous fiscal year. Last year's amount had been unusually large due to a one-time \$319.5 million gain sharing distribution processed in January 2008 resulting from legislation enacted in 2007. The \$8.6 million recorded for transfers to and from pension plans in Fiscal Year 2009 is more representative of normal transfer activity among the pension funds.

Transfers to other funds totaled \$11.2 million in Fiscal Year 2009 and represented operating state budget transfers into the State General Fund (Chapter 4, Laws of 2009 (ESHB 1694)).

L. Accounting and Reporting Changes

1. The legislatively mandated transfer of the administration of the Dependent Care Assistance Program (DCAP) to the Health Care Authority became effective on January 1, 2009. As a result, DRS made the following changes in this year's report:

a. The following account balances (in thousands of dollars) have been restated in the Statement of Net Asset figures as of June 30, 2008 to remove the Dependent Care Agency Fund:

	As Previously Reported in June 30, 2008 Report	Adjustment	As Restated in June 30, 2009 Report
Cash and Pooled Investments	\$45,706	\$(922)	\$44,784
Other Short Term Liabilities	2,990	(922)	2,068

The above adjustments had no effect on Net Assets at June 30, 2008.

b. The financial statement presentation for the related special revenue fund that accounted for DCAP operations has been discontinued.

2. Investment income and expense amounts (in thousands of dollars) were restated as follows:

	As Previously Reported in June 30, 2008 Report	Adjustment	As Restated in June 30, 2009 Report
Investment Income (Loss):			
Net Appreciation (Depreciation) in Fair Value of Statements	\$(2,953,676)	\$210,940	\$(2,742,736)
Investment Expense	(83,213)	(214,581)	(297,794)
Net Income (Loss) from Investing Activities	(1,142,770)	(3,641)	(1,146,411)
Securities Lending Income:			
Securities Lending Income	\$196,758	3,773	200,531
Costs of Lending Securities	(162,584)	(132)	(162,716)
Net Securities Lending Income	34,174	3,641	37,815
Total Net Investment Income (Loss)	(1,108,596)	0	(1,108,596)

The above adjustments, in thousands of dollars, represent: Previously netted investment expenses of \$214,713 now grossed up and reflected in both net appreciation and investment expense; securities lending income of \$3,773 reclassified out of investment income; and the related \$132 expense for said income reclassified out of investment expenses into costs of lending securities. None of these adjustments had any effect on the Net Increase (Decrease) in Net Assets or the Net Assets for the Fiscal Year 2008.

M. GASB Pronouncements

In April and June 2004 respectively, the GASB issued two related statements: Statement No. 43 (GASB 43) *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (OPEB) and Statement No. 45 (GASB 45) *Accounting and Financial Reporting*

by Employers for Postemployment Benefits Other Than Pensions. Implementation of these statements was set for periods beginning after December 15, 2005 (for GASB 43) and December 15, 2006 (for GASB 45).

DRS administers only pension and deferred compensation plans and was thus not required to implement GASB 43. Additionally, DRS has not implemented GASB 45 since its estimated annual OPEB cost and OPEB obligation lack materiality in relation to the net assets reflected in the financial statements of this report.

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 action, DRS has good defenses and will continue to vigorously defend each case. As of June 30, 2009, there is no threatened litigation against DRS that would implicate a material damage award payable by the State.

O. Subsequent Events—Settlement of Litigation

The \$5.5 million *Probst v. Department of Retirement Systems* lawsuit, outstanding as of June 30, 2009, was successfully mediated and settled. The accrual for this settlement was made in Fiscal Year 2008 and the payment awards were distributed in September 2009.

NOTE 2: GENERAL DESCRIPTION OF THE RETIREMENT SYSTEMS

A. General

The Department of Retirement Systems (DRS) administers retirement systems covering eligible employees of the state and local governments. The state Legislature establishes laws pertaining to the creation and administration of all public retirement systems, and the Governor appoints the Director of DRS to manage the systems. Information pertinent to each system is provided later in this section.

Administration of the PERS, SERS, PSERS, TRS, LEOFF and WSPRS systems and plans was funded by an employer rate of .16 percent of employee salaries. Administration of the JRS and Judges' plans was funded by means of legislative appropriations.

As established in the Revised Code of Washington (RCW) chapter 41.50, DRS administers eight retirement systems comprising of 12 defined benefit pension plans and three combination defined benefit/defined contribution plans 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	54,581	2,271	10,831	832	68,515
PERS Plan 2	17,798	22,092	85,185	38,100	163,175
PERS Plan 3	743	2,904	9,196	17,524	30,367
SERS Plan 2	2,448	4,397	15,367	3,897	26,109
SERS Plan 3	1,425	4,203	15,433	17,077	38,138
PSERS Plan 2	1	—	—	3,981	3,982
TRS Plan 1	35,879	960	5,978	83	42,900
TRS Plan 2	1,879	2,539	6,264	1,839	12,521
TRS Plan 3	1,392	5,200	27,583	24,777	58,952
LEOFF Plan 1	8,134	1	420	1	8,556
LEOFF Plan 2	1,134	649	12,700	3,926	18,409
WSPRS Plan 1	831	116	850	1	1,798
WSPRS Plan 2	—	2	53	181	236
JRS	127	1	10	—	138
Judges	13	—	—	—	13
Total	126,385	45,335	189,870	112,219	473,809

The latest actuarial valuation date for all plans was June 30, 2008.
Source: Washington State Investment Board

Number of Participating Employers

Plan	State Agencies	School Districts	Counties/ Municipalities	Other Political Subdivisions	Total
PERS Plan 1	117	233	172	198	720
PERS Plan 2	177	—	271	484	932
PERS Plan 3	164	—	203	281	648
SERS Plan 2	10	—	63	—	73
SERS Plan 3	—	298	—	—	298
PSERS Plan 2	1	301	—	—	302
TRS Plan 1	62	274	—	—	336
TRS Plan 2	21	282	—	—	303
TRS Plan 3	31	303	—	—	334
LEOFF Plan 1	—	—	60	16	76
LEOFF Plan 2	8	—	217	150	375
WSPRS Plan 1	1	—	—	—	1
WSPRS Plan 2	1	—	—	—	1
JRS	3	—	—	—	3
Judges	—	—	—	—	—
Total	596	1,691	986	1,129	4,402

Employers can participate in multiple systems and/or plans. The actual total number of participating employers as of June 30, 2009 is 1,315.
For a listing of the covered employers, refer to the Statistical Section of this report.

B. Plan Descriptions

Public Employees' Retirement System (PERS):

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 benefit plan with a defined contribution component. PERS participants 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 exercise an option to transfer their membership to Plan 3. PERS participants 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 PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS 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.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of

investment earnings and employer and employee contributions. PERS Plan 3 defined benefits are financed by employer contributions and investment earnings. Employee contributions to the PERS Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS. During Fiscal Year 2009, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PERS Plan 1 and 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in PERS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from PERS-covered employment.

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments. Approximately 52 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement 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 annual benefit is 2 percent of the average final compensation (AFC) per year of service, capped at 60 percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation months.) This annual benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have

been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

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 payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any worker's compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 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. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount which is set at 3 percent annually. Plan 1 members may also elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

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

retire at the age of 65 with five years of service, with an allowance of 2 percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced 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 3 percent annually.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 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 to retire with full benefits at age 65, or they may retire at age 55 with 10 years of service. PERS Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. See section E of Note 2 for a description of the defined contribution component of PERS Plan 3.

PERS Plan 2 and Plan 3 members can purchase service credit for military service that interrupts employment. Effective July 24, 2005, a member

who becomes totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

Beneficiaries of a PERS Plan 2 or Plan 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

PERS members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3 the allowance amount is 1 percent of the AFC for each year of service. Benefits 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.

In addition, a \$150,000 death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service 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 their covered employment, if found eligible by the Department of Labor and Industries.

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS were given the

choice to participate in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5% multiplier. The benefit would be capped at 75% of average final compensation. Judges in PERS Plan 3 could elect a 1.6% of pay per year of service benefit, capped at 37.5% of average final compensation.

Members who chose to participate would:

- Accrue service credit at the higher multiplier beginning with the date of their election.
- Be subject to the benefit cap of 75% of AFC.
- Stop contributing to the Judicial Retirement Account (JRA).
- Pay higher contributions.
- Be given the option to increase the multiplier on past judicial service.

Members who did not choose to participate would:

- Continue to accrue service credit at the regular multiplier (i.e., 1%, 2% or 3%).
- Continue to participate in JRA, if applicable.
- Never be a participant in the JBM Program.
- Continue to pay contributions at the regular PERS rate.

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. Members required into the JBM program would:

- Return to prior PERS Plan if membership had previously been established.
- Be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member.
- Accrue the higher multiplier for all judicial service.
- Not contribute to JRA.
- Not have the option to increase the multiplier for past judicial service.

Changes to the PERS plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64 and 65. Besides those included in the table, there were no other material changes in PERS benefit provisions for the Fiscal Year ended June 30, 2009.

PERS pension benefit provisions have been established by chapters 41.34 and 41.40 RCW.

School Employees' Retirement System (SERS):

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 participants joining the system on or after September 1, 2000, and those who exercised their transfer option, became members of SERS Plan 3. Legislation passed in 2007 now 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 chosen either Plan 2 or Plan 3 membership, becomes a member of Plan 3. Notwithstanding, SERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

SERS is comprised of 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 defined benefit 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 DRS. During Fiscal Year 2009, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from SERS-covered employment. SERS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in SERS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from SERS-covered employment.

The Legislature created SERS in 1998 to be effective in 2000. Membership in the system includes classified employees of school districts or educational service districts. SERS is comprised principally of non-state-agency employees. SERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

SERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service with an allowance of 2 percent of the average final compensation (AFC) per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced 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 3 percent annually.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) 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 Plan 3 members are eligible to retire with full benefits at age 65. SERS Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. See section E of Note 2 for a description of the defined contribution component of SERS Plan 3.

SERS Plan 2 and Plan 3 members can purchase service credit for military service that interrupts employment. Additionally SERS members who become totally incapacitated for continued employment while serving in the uniformed services, may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

SERS members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

Beneficiaries of a SERS Plan 2 or Plan 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

SERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3, the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

In addition, a \$150,000 death benefit is provided to the estate (or duly designated nominee) of a SERS member who dies in the line of service 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 their covered employment, if found eligible by the Department of Labor and Industries.

Changes to the SERS plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64 and 65. Besides those included in the table, there were no other material changes in SERS benefit provisions for the Fiscal Year ended June 30, 2009.

SERS pension benefit provisions have been established by chapters 41.34 and 41.35 RCW.

Public Safety Employees' Retirement System (PSERS): PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created by the 2004 legislature and became effective July 1, 2006.

PSERS Plan 2 membership includes:

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

A "covered employer" is one that participates in PSERS. Covered employers include:

- State of Washington agencies: Department of Corrections, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, Liquor Control Board, and effective July 22, 2007, the Department of Natural Resources;
- Washington state counties; and
- Washington state cities except for Seattle, Tacoma and Spokane.

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 benefit provisions are established in state statute and may be amended only by the State Legislature.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PSERS Plan 2 defined benefit plan accrue interest at a rate specified by DRS. During Fiscal Year 2009, the DRS established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, with an allowance of 2 percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 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 3 percent per year reduction for each year between the age at retirement and age 60 applies. 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 3 percent annually.

Beneficiaries of a PSERS Plan 2 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

PSERS Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services, may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is 2% of the average final compensation (AFC) for each year of service. AFC is based on the member's 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member's age is less than 60 (with 10 or more service credit years in PSERS), or less than 65 (with fewer than 10 service credit years).

In addition, a \$150,000 death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries sustained in the course of 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 and 65. Besides those included in the table, there were no other material changes in PSERS benefit provisions for the Fiscal Year ended June 30, 2009.

PSERS pension benefit provisions have been established by chapter 41.37 RCW.

Teachers' Retirement System (TRS): 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 participants 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. Until June 30, 2007, TRS participants 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 now 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 chosen either Plan 2 or Plan 3 membership, becomes a member of Plan 3. Notwithstanding, TRS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

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 defined benefit 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 DRS. During Fiscal Year 2009, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation

from TRS-covered employment. TRS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in TRS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from TRS-covered employment.

TRS was legislatively established 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 state statute and may be amended only by the State Legislature.

TRS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement 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 annual pension is two percent of the average final compensation (AFC) per year of service (AFC is based on the greatest compensation during the highest of any consecutive two compensation contract years), capped at 60 percent. This annual benefit is subject to a minimum for TRS Plan 1 retirees who have at least 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount, increased by 3% annually. Plan 1 members may also elect to receive an additional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 1 provides death, as well as, permanent and temporary disability benefits. TRS Plan 1 members receive the following additional lump sum death benefits: retired members—\$400 (if retired with ten years of full-time membership), \$400 (if inactive with ten years of membership), active members—\$600 (if employed full-time at time of

death). 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 an allowance based on their salary and service to date of disability. Members enrolled in TRS prior to April 25, 1973, may elect a benefit based on the formula in effect at that time.

TRS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service with an allowance of 2 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) TRS Plan 2 members that are at least 55 years of age and have 20 years of service credit receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise, an actuarial reduction will apply. 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 3 percent annually.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 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 and transferred to Plan 3. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65. TRS Plan 3 members that are at least 55 years of age with at least 10 years of service credit receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial

reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. See section E of Note 2 for a description of the defined contribution component of TRS Plan 3.

Beneficiaries of a TRS Plan 2 or Plan 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

In addition, a \$150,000 death benefit is provided to the estate (or duly designated nominee) of a TRS member who dies in the line of service as a result of injuries sustained in the course of employment, if found eligible by the Department of Labor and Industries.

TRS members can purchase service credit for military service that interrupts employment. Additionally, TRS members who become totally incapacitated for continued employment may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

TRS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

TRS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3, the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

Beginning January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to participate in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in TRS Plan 1 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5% multiplier. The benefit is capped at 75% of average final compensation.

Members who chose to participate would:

- Accrue service credit at the higher multiplier beginning with the date of their election.
- Be subject to the benefit cap of 75% of AFC.
- Stop contributing to the Judicial Retirement Account (JRA).
- Pay higher contributions.
- Be given the option to increase the multiplier on past judicial service.

Members who did not choose to participate would:

- Continue to accrue service credit at the regular multiplier (i.e., 2%).
- Continue to participate in JRA, if applicable.
- Never be a participant in the JBM Program.
- Continue to pay contributions at the regular TRS rate.

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

- Return to prior TRS Plan if membership had previously been established.
- Accrue the higher multiplier for all judicial service.
- Not contribute to JRA.
- Not have the option to increase the multiplier for past judicial service.

Changes to the TRS plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64 and 65. Besides those included in the table, there were no other material changes in TRS benefit provision for the Fiscal Year ended June 30, 2009.

TRS pension benefit provisions have been established by chapters 41.32 and 41.34 RCW.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF): LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants 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.

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, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers who were first included prospectively effective July 27, 2003, being an exception.

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 for the LEOFF Plan 2 retirement plan. LEOFF retirement benefit provisions are established in state statute and may be amended by the state Legislature.

LEOFF defined benefit 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 state legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by DRS. During

Fiscal Year 2009, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings 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 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 1 provides death and disability benefits. Death benefits for Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 per-cent limitation of FAS.

The LEOFF Plan 1 disability allowance is 50

percent of the FAS plus 5 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 allowance or service retirement allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service (FAS is based on the highest consecutive 60 months). Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

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 allowance of at least 10 percent of final average salary and two percent per year of service beyond five years. The first 10 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.

Beneficiaries of a LEOFF Plan 2 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A catastrophic 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 severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

In addition, a \$150,000 death benefit is provided to the estate (or duly designated nominee) of a LEOFF member who dies as a result of injuries or illness

sustained in the course of employment, if found eligible by the Department of Labor and Industries.

Changes to the LEOFF plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64 and 65. Besides those included in the table, there were no other material changes in LEOFF benefit provisions for the Fiscal Year ended June 30, 2009.

LEOFF pension benefit provisions have been established by chapter 41.26 RCW.

Washington State Patrol Retirement System (WSPRS): WSPRS is a single-employer defined benefit retirement system. WSPRS participants 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 DRS. During Fiscal Year 2009 the DRS-established rate on employee contributions was 5.364 percent annually, compounded monthly. Employees in WSPRS can elect to withdraw total employee contributions and interest earnings upon separation from WSPRS-covered employment.

WSPRS was established by the Legislature in 1947. Any commissioned employee of the Washington State Patrol is eligible to participate. WSPRS benefits are established in state statute and may be amended only by the state Legislature.

There is no vesting requirement for active WSPRS members. Inactive WSPRS members are vested after the completion of five years of eligible service. Members are eligible for retirement at the age of 55 with five years of service, or after 25 years of service. The annual pension is 2 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 3 percent annually.

For WSPRS Plan 1 members, AFS is based on the average of the two highest-paid service credit years and excludes voluntary overtime. Death benefits for these members, if on active duty, consist of the following: (1) If eligible spouse, 50 percent of the AFS, plus 5 percent of the AFS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the AFS; or (2) If no eligible spouse, 30 percent of AFS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of AFS.

For WSPRS Plan 2 members, AFS is based on the average of the five consecutive highest-paid service credit years 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 10 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 10 years of service, a reduced benefit allowance reflecting a joint and 100 percent survivor option or 150 percent of the member's accumulated contributions, at the survivor's option.

WSPRS Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, WSPRS Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

Beneficiaries of a WSPRS Plan 2 member with 10 years of service who is killed in the course of employment receive retirement benefits without

actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, 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 health care insurance premiums paid to the Washington state Health Care Authority.

WSPRS members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

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.

In addition, a \$150,000 death benefit is provided to the estate (or duly designated nominee) of a WSPRS member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

Changes to the WSPRS plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64 and 65. Besides those included in the table, there were no other material changes in WSPRS benefit provisions for the Fiscal Year ended June 30, 2009.

WSPRS pension benefit provisions have been established by chapter 43.43 RCW.

Judicial Retirement System (JRS): JRS is an agent multiple-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.

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 state statute and may be amended only by the state Legislature.

During Fiscal Year 2009, the DRS-established rate on employee contributions was 5.5 percent, compounded quarterly. JRS employees who are vested in the plan may not elect to withdraw their contributions upon termination. However, any JRS member that left the system before July 1, 1988, or his/her spouse, who was ineligible to receive a benefit at that time, may apply and receive a refund of such contributions from DRS, if said contributions have not been already refunded via a sundry claims appropriation from the state legislature.

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 average final compensation (AFC) is shown in the table below. This benefit is capped at 75% of AFC, exclusive of cost of living increases.

Term of Service	Percent of AFC
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 a 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 AFC. For members with ten or more years of service, a disability benefit of 50 percent of AFC is provided.

There were no material changes in JRS benefit provisions for the fiscal year ended June 30, 2009.

JRS pension benefit provisions have been established by chapter 2.10 RCW.

Judges' Retirement Fund: The Judges' Retirement Fund is an agent multiple-employer retirement system comprised of a single defined benefit plan. There are currently no active members in this 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. Retirees did not earn interest on their contributions, nor could they elect to withdraw their contributions upon termination.

The Judges' Retirement Fund was created by the Legislature on March 22, 1937, pursuant to RCW 2.12, 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 state statute and may be amended only by the state Legislature.

Judges' members are eligible for retirement at the age of 70 with ten years of service, or at any age with 18 years of service. Members are eligible to receive a partial retirement allowance after 12 years of credited service as a judge. With the exception of a partial retirement allowance, the member receives a benefit equal to one-half of the monthly salary being received as a judge at the time of retirement, or at the end of the term immediately prior to retirement if retirement occurs after the expiration of the member's

term in office. A partial retirement allowance is based on the proportion of the member's 12 or more years of service in relation to 18 years of service.

There were no material changes in Judges' benefit provisions for the fiscal year ended June 30, 2009.

Judges' pension benefit provisions have been established by chapter 2.12 RCW.

Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2009 (page 1 of 2)

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 49, Laws of 2007 (SHB 1261)	7/22/07	SERS, PSERS, TRS, and LEOFF 2	Members may purchase up to 24 consecutive months of service credit (up from 12 months) for each period of temporary duty disability.
Chapter 50, Laws of 2007 (SHB 1262)	7/22/07	TRS 1	Amends the TRS 1 post-retirement employment program to be more consistent with the PERS 1 program.
Chapter 87, Laws of 2007 (SB 5313)	7/01/07	WSPRS	The mandatory retirement age is changed from 60 to 65, but the change does not apply to the member serving as chief of the Washington State Patrol.
Chapter 89, Laws of 2007 (SB 5175)	7/01/07	PERS 1 and TRS 1	After being retired one year, PERS 1 and TRS 1 retirees receive the annual COLA adjustment in July if they turn 66 years of age any time in the calendar year in which the COLA is given.
Chapter 108, Laws of 2007 (SB 5918)	7/22/07	JRA	Allows for the application of valid domestic orders and levies to the funds of participating members and applies the provisions of Washington's community property laws to certain distributions.
Chapter 123, Laws of 2007 (ESHB 1649)	7/22/07	PERS, TRS	Changes the formula for the calculation of the amount at which justices and judges who are members of PERS and TRS may purchase prior judicial service for a higher multiplier at retirement. Any justice or judge who purchased prior service before the passage of this bill may have the cost recalculated with the new formula and have any excess payment returned.
Chapter 207, Laws of 2007 (SHB 1264)	7/22/07	PERS, SERS, PSERS, TRS, and LEOFF 2	The portability of retirement benefits (for indexing purposes) is changed by: 1) adding LEOFF Plan 2 to those plans that are able to combine service under portability for indexing purposes, 2) allowing compensation that is reportable in all dual member systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and 3) removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan.
Chapter 300, Laws of 2007 (ESHB 1260)	7/01/07	WSPRS	Member contribution rates will be no more than seven percent of pay plus half the cost of any future improvements. Employers will pay the contribution rate required to cover all system costs that are not covered by the member contribution rate. Also, a minimum total contribution rate is established for WSPRS, beginning July 1, 2009.
Chapter 303, Laws of 2007 (SHB 1679)	7/22/07	LEOFF 2	The terms of the employer representatives on the LEOFF 2 Board are now staggered so that no more than one position expires in the same year. Legislative terms are now two years and run from January through December. After January 1, 2008, one member of the Board must be a retired LEOFF 2 participant.
Chapter 304, Laws of 2007 (HB 1680)	7/22/07	LEOFF 2	An exception is made to the five-year waiting period required before transferring prior PERS service credit for those Emergency Medical Technicians who joined LEOFF 2 as a result of legislation passed in 2003 and 2005 and who retire due to disability, or die.
Chapter 487, Laws of 2007 (SHB 1266)	7/22/07	PERS, SERS, PSERS, TRS, LEOFF 2 and WSPRS	The \$150,000 duty-related death benefit is extended to include death from occupational disease or duty-related illness. Also, the refund provided to survivors of PERS 2 members that leave eligible employment after earning 10 years of service credit and are subsequently killed in uniformed service to the United States while participating in Operation Enduring Freedom or Persian Gulf, Operation Iraqi Freedom is increased from 100 to 200 percent of the accumulated contributions in the member's account, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a court order filed under RCW 41.50.670.

Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2009 (page 2 of 2)

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 488, Laws of 2007 (SHB 1417)	7/22/07	WSPRS	The spouse and dependent children of a WSPRS member who is killed in the course of employment will be reimbursed for any payments of medical premiums to the Washington State Health Care Authority.
Chapter 491, Laws of 2007 (EHB 2391)	7/22/07	PERS, SERS and TRS	Gain sharing for PERS 1 and PERS 3, SERS 3 and TRS 1 and TRS 3 members is discontinued after the January 2008 distribution. Additional cost of living adjustments are provided for eligible Plan 1 retirees of PERS and TRS in July 2009, and new alternative early retirement provisions are created for the Plan 2 and Plan 3 members of PERS, SERS and TRS.
Chapter 99, Laws of 2008 (ESSB 6573)	6/12/08	LEOFF 2	Beginning in 2011, when state General Fund revenues increase by at least five percent over the prior biennium's revenues, the State Treasurer will transfer, subject to legislative appropriation, specific amounts into a Local Public Safety Enhancement Account. Half of this transfer will be proportionately distributed to all jurisdictions with LEOFF 2 members. The other half will be transferred to a LEOFF Retirement System Benefits Improvement Account to fund benefit enhancements for LEOFF 2 members.
Chapter 101, Laws of 2008 (HB 3024)	6/12/08	TRS 2 and TRS 3	TRS 2 and TRS 3 members need now have only two years of service credit in order to be eligible to purchase up to seven years of service credit for public education experience earned in another state or with the federal government.
Chapter 142, Laws of 2008 (HB 2510)	6/12/08	LEOFF	Active LEOFF members can choose whether or not to obtain and pay for Medicare coverage through a "divided referendum" process.
Chapter 175, Laws of 2008 (SB 6657)	6/12/08	TRS	The definition of "earnable compensation" for TRS members no longer excludes bonuses paid to teachers certified by the National Board for Professional Teaching Standards.
Chapter 204, Laws of 2008 (HB 3019)	6/12/08	SERS, TRS 2 and TRS 3	SERS, TRS 2 and TRS 3 members who work for at least five months of a six-month period, from September through August, and earn 630 hours or more within that six-month period now receive six months of service credit.
Chapter 300, Laws of 2008 (HB 2887)	6/12/08	PERS	Justices and judges who are members of PERS may purchase prior judicial service at a higher multiplier at retirement. Also, during the period of January 1, 2009 through June 30, 2009, active and inactive PERS members who are not then serving as justices or judges, but who have served as such in the past, may request an increase in their benefit multiplier for past periods of judicial service and pay a cost that is the actuarial equivalent of the increase.

C. Funding Policy

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 6 percent for state agencies and local government unit employees, and at 7.5 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. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from five to 15 percent; two of the options are graduated rates dependent on the employee's age.

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 detailed below.

Required employer contribution rates:

- PERS employer of Supreme Court justices—PERS contribution rate plus 2.5% of pay.
- PERS employer of Court of Appeals and Superior Court Judges—PERS contribution rate only (member pays the 2.5% difference, as detailed below).

Required member contribution rates:

- PERS 1 Supreme Court justices—PERS 1 rate of 6.0% plus 3.76%.

- PERS 1 Court of Appeals and Superior Court judges—PERS 1 rate of 6.0% plus 3.76%, plus the 2.50% mentioned previously.
- PERS 2 Supreme Court justices — 250% of the PERS 2 member contribution rate less 2.5% of pay.
- PERS 2 Court of Appeals and Superior Court judges — 250% of the PERS 2 member contribution rate.
- PERS 3 Supreme Court justices, Court of Appeals and Superior Court judges—variable based on member's selection, subject to a 7.5% minimum.

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

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2009 were as follows:

PERS Actual Contribution Rates			
	Plan 1	Plan 2	Plan 3
<u>Members Not Participating in JBM:</u>			
Employer Rates:			
State Agencies*	8.31%	8.31%	8.31%**
Local Governmental Units*	8.31%	8.31%	8.31%**
State Government Elected Officials*	12.39%	8.31%	8.31%**
Employee Rates:			
State Agencies	6.00%	5.45%	***
Local Governmental Units	6.00%	5.45%	***
State Government Elected Officials	7.50%	5.45%	***
<u>Members Participating in JBM:</u>			
Employer Rates:			
State Agencies*	10.81%	10.81%	10.81%
Local Governmental Units*	8.31%	8.31%	8.31%
Employee Rates:			
State Agencies	9.76%	11.13%	7.50%****
Local Governmental Units	12.26%	13.63%	7.50%****

*Includes an administrative expense rate of 0.16 percent.
 **Plan 3 defined benefit portion only.
 ***Variable from 5% to 15% based on rate selected by the member.
 ****Minimum rate.

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. All employers are required to contribute at the level established by the Legislature. Under SERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated dependent on the employee's age.

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

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2009 were as follows:

SERS Actual Contribution Rates		
	Plan 2	Plan 3
Employer Rates:		
State Agencies*	7.54%	7.54%**
Local Governmental Units*	7.54%	7.54%**
Employee Rates:		
State Agencies	4.68%	***
Local Governmental Units	4.68%	***

*Includes an administrative expense rate of 0.16 percent.

**Plan 3 defined benefit portion only.

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

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. All employers are required to contribute at the level established by the Legislature.

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

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2009 were as follows:

PSERS Actual Contribution Rates	
	Plan 2
Employer Rates:	
State Agencies*	9.43%
Local Governmental Units*	9.43%
Employee Rates:	
State Agencies	6.57%
Local Governmental Units	6.57%

*Includes an administrative expense rate of 0.16 percent.

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 6 percent for state agencies and local government unit employees, and at 7.5 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. All employers are required to contribute at the level established by the Legislature. Under TRS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age.

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

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. The required employer contribution rate for a TRS employer of Supreme Court justices, Court of Appeals judges and Superior Court judges equals the TRS contribution rate. The required member contribution rate of TRS Plan 1 Supreme Court justices, Court of Appeals judges and Superior Court judges is the TRS Plan 1 rate of 6.0 percent plus 3.76 percent of pay. These higher rates, along with investment earnings, are intended to fund the increased retirement benefits of those judges that participate in the JBM program.

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2009 were as follows:

TRS Actual Contribution Rates			
	Plan 1	Plan 2	Plan 3
<u>Members Not Participating in JBM:</u>			
Employer Rates*	8.46%	8.46%	8.46%**
Employee Rates:			
State Agencies	6.00%	4.26%	***
Local Governmental Units	6.00%	4.26%	***
State Government Elected Officials	7.50%	4.26%	***
<u>Members Participating in JBM:</u>			
Employer Rates*	8.46%	n/a	n/a
Employee Rates:			
State Agencies	9.76%	n/a	n/a

*Includes an administrative expense rate of 0.16 percent.
 **Plan 3 defined benefit portion only.
 ***Variable from 5% to 15% based on rate selected by the member.

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

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal

Year 2009 were as follows:

LEOFF Actual Contribution Rates		
	Plan 1	Plan 2
Employer Rates:		
Cities, Counties, Fire Districts, etc.*	0.16%	5.46%
Ports and Universities*	n/a	8.99%
Employee Rates:		
Cities, Counties, Fire Districts, etc.	—	8.83%
Ports and Universities	n/a	8.83%
State of Washington	n/a	3.53%

*Includes an administrative expense rate of 0.16 percent.

The Legislature, by means of a special funding arrangement, appropriated 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 requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. For Fiscal Year 2009, the state contributed \$51.1 million to LEOFF Plan 2.

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. State statute also requires employees to contribute at a rate of at least 2 percent.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 43.43 and 41.45 RCW. Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2009 were as follows:

WSPRS Actual Contribution Rates		
	Plan 1	Plan 2
Employer Rate*	7.86%	7.86%
Employee Rate	6.65%	6.65%*

*Includes an administrative expense rate of 0.16 percent.

JRS: Contributions made are based on rates set in chapter 2.10 RCW. By statute, employees are required to contribute 7.5 percent with an equal amount contributed by the state. In addition, 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 2009, the state contributed \$10.2 million.

Judges: Contributions made are based on rates set in chapter 2.12 RCW. By statute, employees are required to contribute 6.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of the Judges' Retirement fund on a pay-as-you-go basis. As of June 30, 2009, there are no active members remaining in the Judges Retirement Fund and member contributions are no longer collected. Each biennium, the Legislature, through biennial appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2009, however, no such appropriations or contributions were made.

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D. Funded Status and Funding Progress

The funded status of each plan as of June 30, 2008, 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)	UAAL as a Percentage of Covered Payroll ((b–a)/c)
PERS Plan 1	\$ 9,852.9	\$ 13,901.0	\$ 4,048.1	71%	\$ 638.5	634%
PERS Plan 2/3*	\$ 16,692.7	\$ 16,508.0	\$ (184.7)	101%	\$ 7,869.3	(2)%
SERS Plan 2/3*	\$ 2,302.6	\$ 2,207.3	\$ (95.3)	104%	\$ 1,379.5	(7)%
PSERS Plan 2*	\$ 38.7	\$ 32.9	\$ (5.7)	117%	\$ 200.0	(3)%
TRS Plan 1	\$ 8,262.3	\$ 10,753.9	\$ 2,491.6	77%	\$ 432.4	576%
TRS Plan 2/3*	\$ 5,681.0	\$ 5,263.8	\$ (417.2)	108%	\$ 3,621.5	(12)%
LEOFF Plan 1	\$ 5,592.5	\$ 4,367.7	\$ (1,224.7)	128%	\$ 37.1	(3,303)%
LEOFF Plan 2*	\$ 5,052.7	\$ 3,998.2	\$ (1,054.5)	126%	\$ 1,344.9	(78)%
WSPRS 1/2*	\$ 869.7	\$ 745.3	\$ (124.4)	117%	\$ 78.7	(158)%
JRS	\$ 1.0	\$ 91.5	\$ 90.6	1%	\$ 1.3	7,141%
Judges	\$ 3.6	\$ 3.5	\$ (0.1)	104%	\$ –	n/a

* These plans use the Aggregate actuarial cost method which does not separately amortize unfunded actuarial liabilities. Therefore, as required by GASB 50, the Entry Age Normal Accrued Liability method was used to determine the UAAL. 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 multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

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	6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2008
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
	8–year graded smoothed fair value ⁶	8–year graded smoothed fair value ⁶	8–year graded smoothed fair value ⁶	8–year graded smoothed fair value ⁶	8–year graded smoothed fair value ⁶
Investment Rate of Return	8.00%	8.00%	8.00%	8.00%	8.00%
Projected Salary Increases					
Salary Inflation at 4.00%, 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 Uniform COLA ⁷	3.50% CPI increase, maximum 3%	n/a Uniform COLA ⁷	3.50% CPI increase, maximum 3%	3.50% 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 LEOFF Plan 2 assumes 4.5% salary inflation.

⁶ 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 values 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
15% and up	8 years	12.50%	6–7%	2 years	50.00%
14–15%	7 years	14.29%	5–6%	3 years	33.33%
13–14%	6 years	16.67%	4–5%	4 years	25.00%
12–13%	5 years	20.00%	3–4%	5 years	20.00%
11–12%	4 years	25.00%	2–3%	6 years	16.67%
10–11%	3 years	33.33%	1–2%	7 years	14.29%
9–10%	2 years	50.00%	1% and lower	8 years	12.50%
7–9%	1 year	100.00%			

Source: Washington State Office of the State Actuary

Chart continued on page 73

Chart continued from page 72

PSERS Plan 2	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	Judicial	Judges
6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2008
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	16.00	open plan	open plan	5.00	5.00
n/a	6/30/2024	n/a	n/a	6/30/2013	6/30/2013
8-year graded smoothed fair value ⁶	8-year graded smoothed fair value ⁶	8-year graded smoothed fair value ⁶	8-year graded smoothed fair value ⁶	market	market
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
6.1%	11.0%	11.0%	7.1%	0.0%	0.0%
17 yrs	21 yrs	21 yrs	26 yrs	n/a	n/a
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
CPI increase maximum 3%	CPI increase	CPI increase maximum 3%	CPI increase maximum 3%	CPI increase maximum 3%	none

⁷ The Uniform COLA

Generally, all retirees over age 66 receive an increase in their monthly benefit at least once a year. The Uniform COLA amount is calculated as the last unrounded Uniform 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>
7/1/2002	Uniform	\$1.14
7/1/2003	Uniform	\$1.18
7/1/2004	Uniform	\$1.21
7/1/2005	Uniform	\$1.25
7/1/2006	Uniform	\$1.29
7/1/2007	Uniform	\$1.33
7/1/2008	Uniform	\$1.73
7/1/2009	Uniform	\$1.83

E. Defined Contribution Plans

Public Employees' Retirement System Plan 3: The Public Employees' Retirement System (PERS) Plan 3 is a defined benefit plan, with a defined contribution component, administered by the state through DRS. Eligible employees include: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS participants 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 exercise an option to transfer their membership to Plan 3. PERS participants who joined 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 PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. As of June 30, 2009, there are 648 participating employers in PERS Plan 3. See section B of Note 2 for PERS plan descriptions.

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 RCW 41.34, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

Membership in PERS Plan 3 consisted of the following as of the latest actuarial valuation date of June 30, 2008:

Retirees and Beneficiaries Receiving Benefits	743
Terminated Plan Members Entitled to but Not Yet Receiving Benefits	2,904
Active Plan Members Vested	9,196
Active Plan Members Nonvested	<u>17,524</u>
Total	30,367

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expense incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For Fiscal Year 2009, employee contributions were \$90.8 million, and plan refunds paid out were \$40.2 million.

School Employees' Retirement System Plan 3: The School Employees' Retirement System (SERS) Plan 3 is a defined benefit plan, with a defined contribution component, administered by the state through DRS. Eligible employees include classified employees of school districts and educational service districts who joined PERS Plan 2 on or after October 1, 1977 and by August 31, 2000, and were transferred to SERS Plan 2 on September 1, 2000. Members transferred from PERS Plan 2 to SERS Plan 2 may exercise an option to transfer their membership to SERS Plan 3. SERS participants joining the system on or after September 1, 2000, and before July 1, 2007, are members of SERS Plan 3. SERS members hired on or after July 1, 2007 have 90 days to choose between SERS Plan 3 and SERS Plan 2. Individuals who fail to make a choice will default to SERS Plan 3. As of

June 30, 2009 there are 302 participating employers in SERS Plan 3. See section B of Note 2 for SERS plan descriptions.

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 RCW 41.34, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of SERS Plan 3.

Membership in SERS Plan 3 consisted of the following as of the latest actuarial valuation date of June 30, 2008:

Retirees and Beneficiaries Receiving Benefits	1,425
Terminated Plan Members Entitled to but Not Yet Receiving Benefits	4,203
Active Plan Members Vested	15,433
Active Plan Members Nonvested	17,077
Total	38,138

SERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, SERS Plan 3 investments are made in the same portfolio as that of the SERS 2/3 defined benefit plan.

For Fiscal Year 2009, employee contributions were \$59.4 million, and plan refunds paid out were \$42.0 million.

Teachers' Retirement System Plan 3: The Teachers' Retirement System (TRS) Plan 3 is a defined benefit plan, with a defined contribution component, administered by the state through DRS. Eligibility for membership requires service as a certificated

public school employee working in an instructional, administrative or supervisory capacity. TRS participants 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 participants joining the system on or after July 1, 1996, and those who exercised their transfer option, are members of TRS Plan 3. As of June 30, 2009, there are 334 participating employers in TRS Plan 3. See section B of Note 2 for TRS plan descriptions.

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 RCW 41.34, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of TRS Plan 3.

Membership in TRS Plan 3 consisted of the following as of the latest actuarial valuation date of June 30, 2008:

Retirees and Beneficiaries Receiving Benefits	1,392
Terminated Plan Members Entitled to but Not Yet Receiving Benefits	5,200
Active Plan Members Vested	27,583
Active Plan Members Nonvested	24,777
Total	58,952

TRS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, TRS Plan 3 investments are made in the same portfolio as that of the TRS 2/3 defined benefit plan.

For Fiscal Year 2009, employee contributions were \$247.9 million and plan refunds paid out were \$76.2 million.

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, 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, and who are members of the PERS for their services as a judge. Vesting is full and immediate. At June 30, 2009, there were 11 active members and 190 inactive members in JRA. There are three participating employers in JRA.

Beginning January 1, 2007 through December 31, 2007 any judicial members of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) 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 can no longer participate in JRA and will be enrolled in the JBM Program enacted in 2006. As of June 30, 2009, 189 JRA member judges have elected to enroll in JBM.

JRA plan members are required to contribute 2.5 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 per RCW 2.14. 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 with DRS for accounting and reporting services, and the Washington State Investment Board (WSIB) for investment services. 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 from the JRA plan, consistent with the provisions of RCW 2.14.080 and RCW 43.84.150. As of April 2006, DRS also became responsible for the collection of all JRA contributions.

F. Employer Contributions Required and Paid

The following table presents DRS' required contributions in thousands of dollars to cost-sharing plans in accordance with the funding policy. All contributions required by the funding method were paid.

	2009	2008	2007
(amounts expressed in thousands)			
PERS Plan 1	\$ 111.7	\$ 82.5	\$ 60.4
PERS Plan 2/3	981.2	717.2	487.9
Total	<u>\$1,092.9</u>	<u>\$799.7</u>	<u>\$548.3</u>

G. Deferred Compensation Plan

The state of Washington offers its employees and employees of those political subdivisions that elect to participate, a deferred compensation plan pursuant to RCW 41.50.770, in accordance with Internal Revenue Code Section 457. Under the plan, eligible employees elect to defer a portion of their salary until future time periods. The deferred compensation is not

available to employees until termination, retirement, disability, death or unforeseeable financial emergency. This deferred compensation plan is administered by DRS.

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 Washington State Investment Board (WSIB), as set forth under RCW 43.33A.030, for the exclusive benefit of the state deferred compensation plan's 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 nonassignable and nontransferable.

Employees participating in the state Deferred Compensation Plan self-direct the investment of the deferred portion of their income through the selection of investment options. These options are provided by the WSIB after consultation with the Employee Retirement Benefits Board. The WSIB has the full power to invest moneys in the state deferred compensation plan in accordance with RCW 43.84.150, 43.33A.140, and 41.50.770. Pursuant to RCW 41.50.770, no state board, commission, agency, or any officer, employee or member thereof is liable for any loss or deficiency resulting from participant investments selected, or from reasonable efforts to implement investment directions.

The Deferred Compensation Plan offers a stable principal Savings Pool and nineteen other investment options. The investment options consist of the following:

- Active U.S. Core Stock Fund
- Active U.S. Value Stock Fund
- Fidelity Growth Company Fund

- International Stock Fund
- Savings Pool
- U.S. Small Stock Index Fund
- U.S. Stock Market Index Fund
- Washington State Bond Fund
- Washington State Socially Responsible Balanced Fund
- 2000 Retirement Strategy
- 2005 Retirement Strategy
- 2010 Retirement Strategy
- 2015 Retirement Strategy
- 2020 Retirement Strategy
- 2025 Retirement Strategy
- 2030 Retirement Strategy
- 2035 Retirement Strategy
- 2040 Retirement Strategy
- 2045 Retirement Strategy
- 2050 Retirement Strategy

More detailed information and discussion regarding investment strategies and an overview of investments in general can be obtained by contacting DRS.

Required Supplementary Information

Schedule of Funding Progress: PERS Plan 1

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$9,853	\$9,715	\$9,591	\$9,707	\$9,928	\$10,227
Actuarial Accrued Liability	\$13,901	\$13,740	\$13,129	\$13,704	\$12,855	\$12,692
Unfunded Actuarial Liability	\$4,048	\$4,025	\$3,538	\$3,997	\$2,927	\$2,465
Funded Ratio	71%	71%	73%	71%	77%	81%
Covered Payroll	\$638	\$676	\$725	\$786	\$863	\$945
Unfunded Actuarial Liability as a Percentage of Covered Payroll	634%	595%	488%	509%	339%	261%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: PERS Plan 2/3

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$16,693	\$14,888	*	*	*	*
Actuarial Accrued Liability	\$16,508	\$14,661	*	*	*	*
Unfunded Actuarial Liability	\$(185)	\$(227)	*	*	*	*
Funded Ratio	101%	102%	*	*	*	*
Covered Payroll	\$7,869	\$7,157	*	*	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(2)%	(3)%	*	*	*	*

*Data not available

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: SERS Plan 2/3

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$2,303	\$2,133	*	*	*	*
Actuarial Accrued Liability	\$2,207	\$1,998	*	*	*	*
Unfunded Actuarial Liability	\$(95)	\$(136)	*	*	*	*
Funded Ratio	104%	107%	*	*	*	*
Covered Payroll	\$1,379	\$1,283	*	*	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(7)%	(11)%	*	*	*	*

*Data not available

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: PSERS Plan 2

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$39	\$14	*	*	*	*
Actuarial Accrued Liability	\$33	\$12	*	*	*	*
Unfunded Actuarial Liability	\$(6)	\$(2)	*	*	*	*
Funded Ratio	117%	115%	*	*	*	*
Covered Payroll	\$200	\$134	*	*	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(3)%	(1)%	*	*	*	*

*Data not available
Source: Washington State Office of the State Actuary

Schedule of Funding Progress: TRS Plan 1

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$8,262	\$8,302	\$8,275	\$8,450	\$8,728	\$9,086
Actuarial Accrued Liability	\$10,754	\$10,826	\$10,359	\$10,894	\$10,401	\$10,325
Unfunded Actuarial Liability	\$2,492	\$2,524	\$2,084	\$2,444	\$1,673	\$1,239
Funded Ratio	77%	77%	80%	78%	84%	88%
Covered Payroll	\$432	\$426	\$478	\$546	\$616	\$692
Unfunded Actuarial Liability as a Percentage of Covered Payroll	576%	592%	436%	448%	272%	179%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: TRS Plan 2/3

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$5,681	\$5,277	*	*	*	*
Actuarial Accrued Liability	\$5,264	\$4,682	*	*	*	*
Unfunded Actuarial Liability	\$(417)	\$(594)	*	*	*	*
Funded Ratio	108%	113%	*	*	*	*
Covered Payroll	\$3,621	\$3,318	*	*	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(12)%	(18)%	*	*	*	*

*Data not available
Source: Washington State Office of the State Actuary

Schedule of Funding Progress: LEOFF Plan 1

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$5,592	\$5,298	\$5,018	\$4,800	\$4,666	\$4,803
Actuarial Accrued Liability	\$4,368	\$4,340	\$4,309	\$4,243	\$4,266	\$4,275
Unfunded Actuarial Liability	\$(1,225)	\$(958)	\$(709)	\$(557)	\$(400)	\$(528)
Funded Ratio	128%	122%	116%	113%	109%	112%
Covered Payroll	\$37	\$43	\$48	\$56	\$64	\$71
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(3,303)%	(2,243)%	(1,475)%	(995)%	(625)%	(744)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: LEOFF Plan 2

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$5,053	\$4,360	*	*	*	*
Actuarial Accrued Liability	\$3,998	\$3,626	*	*	*	*
Unfunded Actuarial Liability	\$(1,054)	\$(734)	*	*	*	*
Funded Ratio	126%	120%	*	*	*	*
Covered Payroll	\$1,345	\$1,234	*	*	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(78)%	(59)%	*	*	*	*

*Data not available

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: WSPRS Plan 1/2

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$870	\$800	*	*	*	*
Actuarial Accrued Liability	\$745	\$702	*	*	*	*
Unfunded Actuarial Liability	\$(124)	\$(98)	*	*	*	*
Funded Ratio	117%	114%	*	*	*	*
Covered Payroll	\$79	\$72	*	*	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(158)%	(136)%	*	*	*	*

*Data not available

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: JRS

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$1.0	\$1.0	\$0.3	\$2	\$4	\$6
Actuarial Accrued Liability	\$92	\$85	\$88	\$89	\$89	\$91
Unfunded Actuarial Liability	\$91	\$85	\$88	\$87	\$85	\$85
Funded Ratio	1%	1%	0%	2%	4%	7%
Covered Payroll	\$1.3	\$1.3	\$1.4	\$1.7	\$2.4	\$2.6
Unfunded Actuarial Liability as a Percentage of Covered Payroll	7,141%	6,374%	6,071%	5,118%	3,542%	3,269%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: Judges

	(dollars in millions)					
	2008	2007	2006	2005	2004	2003
Actuarial Valuation Date	6/30/08	6/30/07	9/30/06	9/30/05	9/30/04	9/30/03
Actuarial Value of Plan Assets	\$3.6	\$4.0	\$4.1	\$4.2	\$4.4	\$4.5
Actuarial Accrued Liability	\$3.5	\$3.9	\$4.0	\$4.5	\$4.7	\$5.2
Unfunded Actuarial Liability	\$(0.1)	\$(0.1)	\$(0.1)	\$0.3	\$0.3	\$0.7
Funded Ratio	104%	103%	103%	93%	94%	87%
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 2004–2009.

	(dollars in millions)											
	Annual Required Contribution*						Percentage Contributed					
	2009	2008	2007	2006	2005	2004	2009	2008	2007	2006	2005	2004
PERS Plan 1	\$620.2	\$453.1	\$397.3	\$438.5	\$340.3	\$295.1	52%	49%	30%	7%	7%	8%
PERS Plan 2/3	369.7	363.3	331.3	307.6	227.7	192.6	119%	88%	73%	49%	33%	36%
SERS Plan 2/3	71.5	75.8	71.5	81.4	64.0	52.3	89%	69%	64%	37%	16%	17%
PSERS Plan 2 **	14.3	12.4	7.1	n/a	n/a	n/a	101%	94%	93%	n/a	n/a	n/a
TRS Plan 1	391.0	294.7	249.8	287.5	224.3	185.7	46%	38%	24%	5%	4%	6%
TRS Plan 2/3	186.9	208.9	167.7	166.4	117.4	96.2	86%	52%	61%	45%	29%	31%
LEOFF Plan 1	0.0	0.0	0.1	0.0	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a
LEOFF Plan 2	105.3	102.1	94.9	101.3	80.8	69.2	122%	117%	101%	79%	67%	74%
WSPRS Plan 1/2	5.0	6.8	5.3	6.1	3.4	2.6	127%	89%	62%	48%	0%	0%
JRS	21.2	26.6	37.3	27.7	21.7	18.5	49%	36%	26%	24%	29%	34%
Judges	0.0	0.0	0.0	0.1	0.1	0.2	n/a	n/a	n/a	300%	500%	250%

* 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 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 using a variation of the Entry Age Normal Cost method over a rolling 10-year period.

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

Source: Washington State Office of the State Actuary

Supporting Schedules

Schedule of Administrative Expenses For the Year Ended June 30, 2009 (expressed in thousands)

	Retirement Pension Trust Funds	Deferred Compensation Pension Trust Fund	Totals	
			June 30, 2009	June 30, 2008 ¹
Current				
Personnel:				
Salaries and Wages	\$ 11,909	\$ 884	\$ 12,793	\$ 12,518
Employee Benefits	3,449	264	3,713	3,797
Personal Service Contracts	1,075	32	1,107	1,160
Total Personnel Expenses	16,433	1,180	17,613	17,475
Goods and Services:				
Supplies and Materials	58	8	66	66
Communications	561	17	578	631
Utilities	141	9	150	142
Rental and Leases	1,359	91	1,450	1,376
Repairs and Alterations	521	6	527	406
Printing and Reproduction	326	23	349	428
Employee Professional Development and Training	100	2	102	151
Subscriptions	7	1	8	18
Facilities and Services	408	17	425	363
Data Processing Services	2,031	20	2,051	2,257
Attorney General Services	60	14	74	49
Personnel Services	50	3	53	68
Medical Consultant Services	74	—	74	107
Insurance	34	2	36	64
Other Contractual Services	466	23	489	729
Vehicle Maintenance	8	8	16	20
Actuary Services	1,594	—	1,594	1,522
Pension Funding Council Services	54	—	54	94
Audit Services	206	14	220	242
Archives and Records Management	55	4	59	59
Legal Fees	1,820	—	1,820	3,516
Bad Debts Expense	23	—	23	47
Fraudulent Collections	131	—	131	127
Office of Minority and Women's Business Enterprises Services	3	—	3	3
Other Goods and Services	253	1	254	61
Total Goods and Services	10,343	263	10,606	12,546
Miscellaneous Expenses:				
Travel	35	24	59	117
Noncapitalized Equipment	102	1	103	297
Total Miscellaneous Expenses	137	25	162	414
Total Current Expenses	26,913	1,468	28,381	30,435
Capital Outlays:				
Furnishings, Equipment and Software	—	—	—	123
Total Capital Outlays	—	—	—	123
Depreciation – Capital Assets	204	—	204	233
Total Administrative Expenses	\$ 27,117	\$ 1,468	\$ 28,585	\$ 30,791

¹ 2008 amounts have been adjusted to exclude the \$106 in expenditures of the Dependent Care Special Revenue Fund, a fund which is no longer administered by DRS.

Schedule of Investment Expenses
Pension Trust Funds
For the Year Ended June 30, 2009
(expressed in thousands)

	Investment Management Expense
Public Equity Securities	
International Active Equity Managers	\$ 34,071
International Passive Equity Managers	145
U.S. Active Equity Managers	826
U.S. Passive Equity Managers	<u>2,535</u>
Total Public Equity Securities	<u>37,577</u>
Alternative Investments	
Innovation	2,991
Private Equity	171,257
Real Estate	36,197
Tangibles	<u>533</u>
Total Alternative Investments	<u>210,978</u>
Cash Management	<u>702</u>
Securities Selling, Lending, Broker Rebates & Bank Fees Paid	<u>42,898</u>
Other Expenses	
Accounting	643
Consultants and Advisors	11,106
Custodians	14
Deferred Compensation Management Fees	2,764
Legal Fees	720
Miscellaneous Fees	120
PERS Plan 3 Management Fees	603
Research Services	1,373
SERS Plan 3 Management Fees	297
TRS Plan 3 Management Fees	1,629
WSIB Operating Costs	<u>9,208</u>
Total Other Expenses	<u>28,477</u>
Total Investment Expenses	<u>\$ 320,632</u>

Schedule of Payments to Consultants
For the Year Ended June 30, 2009
(expressed in thousands)

	Commissions/Fees
Communications	
Daniels–Brown Communications	\$ 9
Total Communications	9
Computer/Technology	
Aetea Information Technology Inc.	176
Daniels Consulting	9
Martin Analysis and Programming, Inc.	288
Seitel Leeds & Associates, Inc.	11
Total Computer/Technology	484
Legal	
Dixie Cattell & Associates	2
Foster Pepper & Shefelman PLLC	293
Ice Miller Legal and Business Advisors	146
Lane Powell Sears & Lubersky LLP	1
Total Legal	442
Management	
Bartel Associates, LLC	54
Cost Effective Measurement, Inc.	30
ING	17
Mercer Investment Consulting	64
Peterson Sullivan LLP	56
Professional Personnel Services	23
Total Management	244
Recordkeeping	
ICMA Retirement Corporation	1,012
Total Recordkeeping	1,012
Total Payments to Consultants	\$ 2,191

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

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Investment Section

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), decreased in value by \$14.8 billion during fiscal 2009 to \$47.4 billion. The CTF return was (22.8) percent 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 99.8% of the CTF. Their respective concentrations are:
 - PERS 1 (15.9%)
 - PERS 2/3 DB and DC plans (31.1%)
 - SERS 2/3 DB and DC plans (5.4%)
 - PSERS 2 (0.1%)
 - TRS 1 (13.3%)
 - TRS 2/3 DB and DC plans (14.3%)
 - WSPRS 1/2 (1.5%)
 - LEOFF 1 (9.2%)
 - LEOFF 2 (9.0%)
 - Judicial (0.0%)
- **External Managers** – The WSIB engages approximately 135 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 March 31, 2009 was 0.5495%.
- **Yield** – The CTF's fixed income portfolio has a yield of 4.91%.
- **Weighted Average Maturity** – The CTF fixed income portfolio has a weighted average maturity of 6.46 years. Additional maturity information is available in Note 1 of the Financial Section of this report.

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 6/30/2009

	1 Year	3 Year	5 Year
TOTAL FUND	(22.84)%	(2.58)%	4.05%
<i>Passive benchmark</i>	<i>(18.58)%</i>	<i>(3.00)%</i>	<i>2.07%</i>
Fixed Income	6.10%	6.99%	5.63%
<i>Barclays Capital Universal</i>	<i>4.93%</i>	<i>5.92%</i>	<i>4.95%</i>
Tangible	(9.26)%	n/a	n/a
<i>CPI (Lagged One Quarter) + 400 bp</i>	<i>3.55%</i>	<i>n/a</i>	<i>n/a</i>
Real Estate	(25.74)%	0.80%	9.84%
<i>NCREIF (Lagged One Quarter) + 100 bp</i>	<i>(13.68)%</i>	<i>5.15%</i>	<i>10.43%</i>
U.S. Equity	(28.10)%	(9.34)%	(2.38)%
<i>Dow Jones U.S. TSMI</i>	<i>(26.39)%</i>	<i>(8.12)%</i>	<i>(1.60)%</i>
International Equity	(31.28)%	(5.99)%	4.50%
<i>Custom Blended Benchmark (MSCI ACW ex U.S./ACW IMI)</i>	<i>(30.50)%</i>	<i>(5.59)%</i>	<i>4.79%</i>
Global Equity	(29.91)%	(7.66)%	0.54%
<i>Dow Jones Wilshire Global Index</i>	<i>(28.48)%</i>	<i>(6.59)%</i>	<i>1.64%</i>
Private Equity	(30.92)%	(2.82)%	9.46%
<i>S&P 500 (Lagged One Quarter) + 500 bp</i>	<i>(33.09)%</i>	<i>(8.06)%</i>	<i>0.24%</i>
Innovation	(32.44)%	n/a	n/a
<i>Lehman TIPS + 300 bp</i>	<i>(28.48)%</i>	<i>n/a</i>	<i>n/a</i>
Cash	1.34%	3.59%	3.31%
<i>90 Day T-bills</i>	<i>0.95%</i>	<i>3.24%</i>	<i>3.17%</i>

Performance information is compiled by the custodian, State Street Bank and Trust. 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 percent 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, 2009, 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%	23.15%
Tangible Assets	5.00%	1.11%
Real Estate	13.00%	17.53%
Global Equity	37.00%	36.01%
Private Equity	25.00%	21.23%
Innovation	0.00%	0.80%
Cash	0.00%	0.16%

GLOBAL EQUITY

In September 2007, the WSIB revised its investment policy to consider all global, publicly-traded equity as one asset class. This reflects the fact that companies are increasingly global. Leading U.S. companies like Coca-Cola, Microsoft and Ford do business around the world. Similarly, international companies like Honda, Sony and Nestle are recognizable names in the U.S. market. The adoption of a global equity asset class, benchmarked to the Dow Jones Wilshire Global Index, acknowledges the new reality and allows the WSIB to manage its public equity in an optimal and flexible way, although for now, most managers are still separated into U.S. equity and international equity mandates.

**Retirement Funds' Ten Largest Global Equity Holdings
As of 6/30/2009**

Exxon Mobil Corp.	1.46%	Total S.A.	0.63%
Microsoft Corp.	0.78%	Procter and Gamble Co.	0.63%
BP PLC	0.74%	Telefonica S.A.	0.62%
GlaxoSmithKline PLC	0.66%	AT&T Inc.	0.61%
Johnson and Johnson	0.64%	HSBC Holdings PLC (UK Reg)	0.61%

**Retirement Funds' Ten Largest Global Equity Exposures by Country
As of 6/30/2009**

	CTF Weight	DJW Global Index Weight		CTF Weight	DJW Global Index Weight
United States	41.90%	41.32%	Switzerland	3.48%	3.20%
Japan	10.42%	10.83%	Australia	3.21%	2.81%
United Kingdom	9.79%	8.16%	Germany	3.12%	2.96%
France	4.80%	3.94%	Spain	1.94%	1.66%
Canada	3.59%	4.01%	Hong Kong	1.92%	1.89%

The ten largest country exposures comprise 84.2% of the portfolio versus the index at 80.8%.

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 primarily passive management strategies that track the index. The remainder is invested in active enhanced strategies.

INTERNATIONAL

Approximately 89 percent of the International equity portfolio is invested in the developed markets with the remaining portion invested in the emerging markets. Portfolios are managed by external managers employing a combination of both active and passive management strategies.

FIXED INCOME

The Fixed Income portfolio is internally managed by WSIB staff with Barclays Capital Universal as the

performance benchmark. The management strategy is primarily one of the 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 1.32 years shorter than that of the Barclays Capital Universal Index.

**Retirement Funds' Fixed Income Sector Distribution
As of 6/30/2009**

<u>Investment Type</u>	<u>Barclays Capital Universal</u>	<u>WSIB Fixed Income</u>
Treasury Inflation Protected Securities (TIPS)	12.30%	0.00%
U.S. Treasury	0.00%	22.89%
U.S. Credit	50.85%	30.95%
U.S. Agency	0.00%	8.59%
Pass Through Mortgages	18.13%	33.98%
Commercial Mtge. Backed Securities (CMBS)	4.28%	3.17%
Collateralized Mortgage Obligations (CMO)	10.32%	0.00%
Asset Backed Securities (ABS)	0.00%	0.42%
Cash	4.12%	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. At the portfolio company level, approximately 36 percent is invested in private equity outside the United States.

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 percent, plus or minus 2 percent, 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 consistent with the desire to control asset volatility;
- Ensure protection for long-term liabilities, since shorter term liabilities are more suitably protected by lower volatility instruments such as fixed income securities; and
- Provide diversification to the WSIB's overall investment program.

The public markets equity portion of the Retirement Funds includes strategies in the U.S., developed international, and emerging markets. Since the U.S. equity markets are generally efficient, the domestic equity portfolio is 75 percent passively managed with the rest in an active enhanced index strategy. Over time, the domestic equity portfolio should track the return of a broad U.S. market benchmark, the Dow Jones U.S. Total Stock Market Index (TSMI). Non-U.S. markets are generally less efficient than the U.S. market; therefore, more active management will be included in the approach taken with international markets. The weightings of the elements of the developed markets and emerging markets of the international equity program will be similar to the weightings of the MSCI All Country World ex. U.S. IMI Index which serves as the benchmark for the WSIB's entire international program.

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 one percent 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 percent 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-Back Securities	5-45%
Below Investment Grade Credit Bonds	0-15%

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 calls for a target net return of one percent above the National Council of Real Estate Investment Fiduciaries (NCREIF) property index.

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.

Schedule of Investment Management Fees and Commissions

For the Year Ended June 30, 2009
(expressed in thousands)

	Assets Under Management	Total Fees and Expenses
Public Equity Securities:		
International Active Equity Managers	\$ 6,506,722	\$ 34,071
International Passive Equity Managers	2,678,802	145
U.S. Active Equity Managers	1,210,472	826
U.S. Passive Equity Managers	5,353,359	2,535
Alternative Investments:		
Innovation	379,579	2,991
Private Equity	10,411,589	171,257
Real Estate	7,822,094	36,197
Tangibles	527,477	533
Cash Management	1,641,790	702
Securities Selling, Lending, Broker Rebates and Bank Fees Paid	—	42,898
Other Fees:		
Accounting	—	643
Consultants and Advisors	—	11,106
Custodians	—	14
Deferred Compensation Management Fees	—	2,764
Legal Fees	—	720
Miscellaneous Fees	—	120
PERS Plan 3 Management Fees	—	603
Research Services	—	1,373
SERS Plan 3 Management Fees	—	297
TRS Plan 3 Management Fees	—	1,629
WSIB Operating Costs	—	9,208
Total	\$ 36,531,884	\$ 320,632

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2009 (page 1 of 6)

Dealer	Equity				Fixed Income	
	Volume Transacted	Number of Shares Traded	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
ABG SECURITIES	\$ 18,863,800	1,373,772	\$ 25,617	\$ 0.02	\$ —	\$ —
ABN AMRO BANK, NV	98,034,061	15,852,264	131,573	0.01	—	—
ACCESS SECURITIES	4,287,646	250,478	7,514	0.03	—	—
ACCIONES Y VALORES, SA	680,583	128,025	271	—	—	—
ADAMS, HARKNESS & HILL	1,653,550	68,114	2,471	0.04	—	—
ADP CLEARING & OUTSOURCING	148,130	4,092	164	0.04	—	—
AGORA FINANCIAL	3,289,265	251,168	3,056	0.01	—	—
ALPHA FINANCE	283,387	12,536	706	0.06	—	—
ARBUTHNOT SECURITIES	1,027,467	46,090	1,544	0.03	—	—
BAIRD, ROBERT & COMPANY	409,145	10,781	323	0.03	—	—
BANC OF AMERICA SEC, LLC	13,468,006	480,423	7,206	0.01	71,834,252	33,881,467
BANCA POPOLARE DI CREMONA	57,929	88,611	23	—	—	—
BANCO BILBAO VISCAYA	14,400,514	803,691	22,501	0.03	—	—
BANCO BRADESCO, SA	5,213,421	651,671	11,402	0.02	—	—
BANCO ITUA, SA	1,362,493	193,521	623	—	—	—
BANCO SANTANDER DE NEGOCIOS	33,106,665	3,096,461	54,383	0.02	—	—
BANK AM BELLEVUE ZURICH	2,996,721	92,510	3,816	0.04	—	—
BANK OF AMERICA	—	—	—	—	282,637,577	—
BANK OF NEW YORK SECURITIES	8,792,978	755,508	9,397	0.01	—	—
BANQUE DEGROOF	122,420	7,031	61	0.01	—	—
BANQUE NATIONALE DE PARIS	4,328,561	187,359	4,780	0.03	—	—
BANQUE PARIBAS	71,287	22,029	21	—	—	—
BARCLAYS CAPITAL, INC	329,366,350	20,234,257	221,367	0.01	7,323,662	5,419,598
BARCLAYS TRUST & BANKING COMPANY	—	—	—	—	197,109,795	—
BATUCHA SECURITIES	689,584	313,663	1,036	—	—	—
BEAR, STEARNS & COMPANY	364,724,105	65,148,228	203,231	—	7,560,979	—
BELTONE SECURITIES	282,310	14,222	1,419	0.10	—	—
BERENDBERG BANK	3,921,474	227,266	5,888	0.03	—	—
BMO CAPITAL MARKETS	230,339	8,141	244	0.03	—	—
BNP PARIBAS	54,957,239	13,660,635	81,199	0.01	2,806,304	—
BROCKHOUSE & COOPER	190,351,811	24,701,333	78,628	—	—	—
BROWN BROTHERS HARRIMAN & CO	39,782	1,792	90	0.05	—	—
BTIG, LLC	37,151	5,892	177	0.03	—	—
BUNTING WARBURG, INC	39,058,060	2,006,177	46,978	0.02	—	—
CAIB SECURITIES	617,005	49,700	2,265	0.05	—	—
CALYON SECURITIES	133,269	423,365	67	—	—	—
CANACCORD CAPITAL	12,183,107	1,577,919	24,422	0.02	—	—
CANTOR FITZGERALD & COMPANY	19,536,692	4,460,887	21,736	—	—	—
CAPP SECURITIES	27,486,284	148,038,341	—	—	14,802,888	66,062,594
CARNEGIE CORPORATION	12,237,279	874,623	16,678	0.02	—	—
CAZENOVE & COMPANY	47,836,161	6,627,061	67,429	0.01	—	—

Schedule of Broker Volume and Equity Commissions Paid
For the Year Ended June 30, 2009 (page 2 of 6)

Dealer	Equity				Fixed Income	
	Volume Transacted	Number of Shares Traded	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
CEDEL BANK	\$ 8,800,586	198,609	\$ 13,221	\$ 0.07	\$ —	\$ —
CHARLES STANLEY	402,909	60,876	173	—	—	—
CHASE MANHATTAN BANK	3,422,301	76,443	5,141	0.07	—	—
CHEMICAL BANK	8,441	187	—	—	—	—
CHINA INTERNATIONAL	669,670	1,133,694	1,414	—	—	—
CI NORDIC	11,497,801	770,804	13,796	0.02	—	—
CIBC WORLD MARKETS	23,970,330	1,009,140	29,509	0.03	—	—
CITATION GROUP	90,430,455	2,967,663	44,515	0.01	—	—
CITIBANK	520,155	49,165	589	0.01	—	—
CITICORP SECURITIES, INC	5,040,053	194,735	5,048	0.03	—	—
CITIGROUP	771,145,093	123,399,032	634,578	0.01	382,236,140	—
CLSA SINGAPORE	8,058,246	2,778,894	14,637	0.01	—	—
COLLINS STEWART PLC	3,060,899	318,508	4,567	0.01	—	—
COMMERZBANK, AG	5,276,303	26,562	7,922	0.30	—	—
COMPAGNIE ITALIANO	58,877	14,471	88	0.01	—	—
COWEN & COMPANY	707,666	27,435	849	0.03	—	—
CREDIT AGRIGOLE	115,362,894	7,765,070	121,504	0.02	—	—
CREDIT LYONNAIS	77,426,133	15,385,370	100,613	0.01	—	—
CREDIT SUISSE	1,824,908,574	217,137,868	1,106,634	0.01	129,568,732	28,534,163
CRESTCO LIMITED	447,665	56,884	538	0.01	—	—
DAIN RAUSCHER	9,414,024	302,784	10,522	0.03	244,583,203	—
DAIWA BANK, LTD.	7,620,978	722,349	6,488	0.01	—	—
DAIWA SECURITIES GROUP	26,736,849	2,100,450	31,899	0.02	—	—
DAVY STOCKBROKERS	11,591,787	1,358,705	14,046	0.01	—	—
DBS VICKERS BALLAS	1,343,211	265,859	2,012	0.01	—	—
DEN DANSKE BANK	10,965,315	1,844,076	5,064	—	—	—
DEN NORSKE BANK	3,002,623	91,620	4,511	0.05	—	—
DEUTSCHE BANK	737,150,168	72,595,729	510,565	0.01	77,134,879	1,097,767
DEUTSCHE SECURITIES	79,320,336	6,150,565	90,197	0.01	—	—
DEXIA BANK	20,987,782	1,498,846	13,442	0.01	—	—
DIRECT INVESTMENT	519,357,486	196,813,673	3,038	—	3,031	39,661,349
DNB NOR MARKETS CUSTODY	8,612,393	442,370	12,902	0.03	—	—
DRESDNER BANK	20,277,336	1,229,472	28,921	0.02	—	—
DRESDNER SECURITIES	13,186,802	500,344	17,388	0.03	—	—
DUNDEE SECURITIES	18,295	2,096	54	0.03	—	—
EFG EUROBANK SECURITIES	646,043	28,442	2,986	0.10	—	—
EVLI SECURITIES, AS	427,895	70,040	643	0.01	—	—
ENSKILDA SECURITIES	21,422,797	1,786,426	31,804	0.02	—	—
ERSTE BANK DER OESTERREICHISCH	1,389,727	41,334	2,085	0.05	—	—
ESN NORTH	4,263,655	156,527	6,180	0.04	—	—
EUROCLEAR	14,673,218	2,095,888	2,839	—	—	—

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2009 (page 3 of 6)

Dealer	Equity				Fixed Income	
	Volume Transacted	Number of Shares Traded	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
EUROMOBILIARE	\$ 18,666,965	6,255,459	\$ 27,453	\$ —	\$ —	\$ —
EVOLUTION BEESON GREGORY	2,786,164	853,086	4,079	—	—	—
EXANE	53,501,838	2,214,351	67,442	0.03	—	—
EXECUTION SERVICES, INC	2,675,091	377,617	3,237	0.01	—	—
FIDENTIS B.V.	3,609,569	141,742	5,423	0.04	—	—
FIM SECURITIES	63,257	5,292	95	0.02	—	—
FIRST SECURITIES	81,211	51,282	122	—	—	—
FIRST TENNESSEE BANK, NA	—	—	—	—	795,325	—
FOKUS BANK	5,956,630	2,171,635	2,979	—	—	—
FOX-PITT, KELTON, INC	28,742,329	3,343,871	43,216	0.01	—	—
FRANK RUSSELL	—	48,520	—	—	—	—
FRENCH AMERICAN BANKING CORP	14,636,767	563,179	4,224	0.01	—	—
FRIEDMAN, BILLINGS & RAMSEY	42,159	3,232	113	0.03	—	—
G.K. GOH	114,935	141,712	230	—	—	—
GARBAN SECURITIES	42,063,040	2,377,803	41,251	0.02	—	—
GLOBAL EQUITIES	4,150,551	1,099,269	1,660	—	—	—
GOLDMAN SACHS & COMPANY	403,453,632	33,357,281	388,293	0.01	669,745,499	59,569,907
GOODBODY STOCKBROKERS	10,994,184	1,690,748	15,914	0.01	—	—
GRANVILLE DAVIS	601,109	18,627	931	0.05	—	—
GREENWICH CAPITAL MARKETS, INC	—	—	—	—	327,189,315	—
GRIFFITHS MCBURNEY	4,157,236	1,562,061	20,367	0.01	—	—
GRISWOLD COMPANY	31,053,904	1,191,486	19,533	0.02	—	—
HEDGING	868,864	280,529	2,167	0.01	—	—
HELVEA, SA	123,848	1,647	199	0.12	—	—
HENDERSON CROSTHWAIT	109,298	22,766	109	—	—	—
HONG KONG SAR GVT. EXCH. FD	1,210,218	119,615	1,818	0.02	—	—
HSBC INVESTMENT BANK, PLC	81,576,648	12,417,935	118,098	0.01	—	—
HSBC SECURITIES, INC	46,941,988	6,639,276	73,691	0.01	179,414,977	—
ICAP SECURITIES	169,084	10,312	351	0.03	—	—
ING BANK BRAZIL	24,276,702	913,615	40,017	0.04	—	—
ING SECURITIES	570,794	8,977	855	0.10	—	—
INSTINET	1,137,559,212	166,717,504	770,826	—	—	—
INTERMONTE SIM	883,526	94,680	1,327	0.01	—	—
INTERNATIONAL STRATEGY & INVESTMENTS	336,441	24,210	670	0.03	—	—
INTERSTATE SECURITIES	9,964,625	3,948,249	9,012	—	—	—
INVESTEC SECURITIES	1,424,473	32,112	2,140	0.07	—	—
INVESTMENT TECHNOLOGY GROUP, INC	535,345,623	73,122,271	181,240	—	—	—
ITG, INC	226,766,627	14,927,804	86,306	0.01	—	—
IVY SECURITIES	43,544	536	16	0.03	—	—
IXIS SECURITIES	541,353	5,289	761	0.14	—	—
J.B. WERE & SON	4,753,328	687,224	7,139	0.01	—	—
J.P. MORGAN SECURITIES, INC	809,131,450	91,431,738	535,128	0.01	1,016,196,183	19,691,483

Schedule of Broker Volume and Equity Commissions Paid
For the Year Ended June 30, 2009 (page 4 of 6)

Dealer	Equity				Fixed Income	
	Volume Transacted	Number of Shares Traded	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
JAMES CAPEL	\$ 1,036,174	5,118,434	\$ 1,557	\$ —	\$ —	\$ —
JEFFERIES & COMPANY	108,568,580	4,621,930	55,413	0.01	—	—
JMP SECURITIES	417,547	29,779	1,489	0.05	—	—
JNK SECURITIES	32,726	2,850	86	0.03	—	—
JONES & ASSOCIATES	51,239,027	2,412,913	81,987	0.03	—	—
JULIUS BAER	33,519,592	763,764	21,838	0.03	—	—
KARL JOHAN	343,422	8,383	—	—	—	—
KAS-ASSOCIATES	9,556,545	582,895	9,227	0.02	—	—
KAUPTHING BANK	5,371,151	68,537	8,069	0.12	—	—
KB SECURITIES, NV	905,314	81,986	1,667	0.02	—	—
KBC FINANCE	21,741,948	1,039,875	30,542	0.03	—	—
KEEFE, BRUYETTE & WOODS, INC	11,759,277	2,560,210	17,028	0.01	—	—
KEPLER EQUITIES	21,796,061	1,123,104	29,353	0.03	—	—
KEYBANC CAPITAL MARKETS	39,359	3,461	104	0.03	—	—
KNIGHT SECURITIES	50,063,115	10,350,772	92,939	0.01	—	—
LA BRANCHE & COMPANY	2,369,985	108,701	3,261	0.03	—	—
LAZARD ASSET MANAGEMENT	3,201,047	906,419	6,319	0.01	—	—
LAZARD BROTHERS CAPITAL MARKETS	16,499,191	1,808,095	20,812	0.01	—	—
LAZARD FRERES & COMPANY	14,774,528	1,177,431	11,480	0.01	—	—
LEERINK SWANN & COMPANY	152,213	5,025	182	0.04	—	—
LEHMAN BROTHERS, INC	202,701,433	12,031,717	130,930	0.01	346,473,213	2,579,023
LINK, SA	2,603,064	535,810	6,523	0.01	—	—
LIQUIDNET	58,671,023	6,349,831	41,530	0.01	—	—
M.M. WARBURG & COMPANY	956,227	7,225	1,436	0.20	—	—
MACQUARIE EQUITIES	125,710,929	42,297,435	169,029	—	—	—
MAIN FIRST BANK	1,779,676	25,022	2,446	0.10	—	—
MALAYSIAN CENTRAL DEPOSITORY	11,767	59,878	15	—	—	—
MAN FINANCIAL	16,552,778	2,144,568	20,454	0.01	—	—
MEDIOBANCA SPA MIALANO	8,581,197	845,018	12,891	0.02	—	—
MERRILL LYNCH	998,147,921	143,160,534	707,134	—	8,703,704	13,487,129
MERRIMAN, CURHAN, FORD & COMPANY	232,299	11,120	556	0.05	—	—
MERRION GROUP	2,103,582	211,270	3,130	0.01	—	—
MITSUBISHI BANK	1,762,286	10,978	1,606	0.15	—	—
MIZUHO SECURITIES	22,213,667	1,128,752	27,452	0.02	155,555,811	—
MONUMENT DERIVATIVES	1,140,386	30,837	912	0.03	—	—
MORGAN KEEGAN & COMPANY	110,596	2,988	90	0.03	—	—
MORGAN STANLEY & COMPANY	1,240,338,879	143,155,371	841,608	0.01	904,259,760	2,738,432
MURPHEY, MARSEILLES, SMITH & NAMMACK	—	458	—	—	—	—
NATEXIS BLEICHROEDER	11,392,055	489,638	16,849	0.03	—	—
NATIONAL FINANCIAL	3,001,827	71,772	2,850	0.04	—	—
NBC INTERNATIONAL USA LIMITED	152,473	4,591	129	0.03	—	—
NBC LEVESQUE	8,194,950	464,655	12,709	0.03	—	—

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2009 (page 5 of 6)

Dealer	Equity				Fixed Income	
	Volume Transacted	Number of Shares Traded	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
NCB STOCKBROKERS	\$ 7,247,441	430,350	\$ 10,166	\$ 0.02	\$ —	\$ —
NESBITT BURNS	41,453,914	1,270,930	39,662	0.03	—	—
NOMURA SECURITIES INTERNATIONAL	137,107,489	12,965,124	132,689	0.01	—	—
NORDEA BANK	7,099,781	298,200	10,466	0.04	—	—
NORDIC PARTNERS, INC	1,402,914	94,221	2,106	0.02	—	—
NUMIS SECURITIES	4,230,358	1,329,480	5,865	—	—	—
NZB NEUE ZÜRCHER BANK	8,618,698	188,662	12,938	0.07	—	—
OKASAN SECURITIES COMPANY	171,412	3,692	240	0.06	—	—
OPPENHEIMER & COMPANY	30,729,660	1,136,671	43,415	0.04	—	—
OPSTOCK SECURITIES LTD	3,440,315	493,689	1,376	—	—	—
ORIEL SECURITIES	765,328	51,430	1,141	0.02	—	—
PAINWEBBER, INC	—	—	—	—	2,863,211	—
PAREL PARIS	6,174,923	327,611	3,099	0.01	—	—
PARETO FUNDS & SECURITIES, LTD	1,860,616	219,637	2,789	0.01	—	—
PATERSONS SECURITIES	14,945	614	30	0.05	—	—
PENSON FINANCIAL SERVICES, INC	24,096,701	1,280,401	17,217	0.01	—	—
PERSHING & COMPANY	159,325,427	13,239,756	185,887	0.01	5,737,180	—
PETERCAM AMSTERDAM	13,014,895	2,005,460	12,525	0.01	—	—
PETERS & COMPANY	8,935,679	262,167	6,764	0.03	—	—
PICTET & COMPANY	2,255	160	—	—	—	—
PIPELINE T	530,986	31,572	631	0.02	—	—
PIPER JAFFRAY, INC	2,823,284	51,271	2,433	0.05	—	—
PIPER PRIVATE EQUITY	589,667	18,598	886	0.05	—	—
RABOBANK NETHERLAND	973,933	79,538	1,167	0.01	—	—
RAIFFEISEN ZENTRALBANK	4,870,264	657,157	14,326	0.02	—	—
RAYMOND JAMES & ASSOCIATES	8,478,794	669,147	14,150	0.02	—	—
RBC DAIN RAUSCHER	368,679	27,244	774	0.03	—	—
RBC DOMINION SECURITIES	31,373,377	1,905,321	37,950	0.02	—	—
REDBURN PARTNERS	23,501,020	1,304,369	31,488	0.02	—	—
ROYAL BANK OF CANADA	—	—	—	—	147,511,486	—
ROYAL BANK OF SCOTLAND	—	—	—	—	156,815,200	—
SALOMON BROTHERS	21,224,901	4,962,667	17,483	—	—	—
SAMSUNG SECURITIES	2,121,001	14,449	6,344	0.44	—	—
SANFORD BERNSTEIN	255,727,185	18,116,576	169,881	0.01	—	—
SANTANDER CENTRAL HISPANO	4,785,028	265,502	6,403	0.02	—	—
SANTANDER INVESTMENT SECURITIES	3,229,542	94,508	3,780	0.04	98,960,336	—
SBC WARBURG, LONDON	296,137	12,275	327	0.03	—	—
SCOTIA CAPITAL MARKET	7,660,584	305,299	11,942	0.04	120,099,878	—
SCOTIA MCLEOD	24,613,440	1,289,047	32,328	0.03	—	—
SCOTT & STRINGFELLOW	44,573	4,652	140	0.03	—	—
SEA ASIA LIMITED	293,087	4,128	440	0.11	—	—
SEB COPENHAGEN	177,716	7,057	17	—	—	—
SECURITY PACIFIC BANK	6,698,525	130,715	10,063	0.08	—	—

Schedule of Broker Volume and Equity Commissions Paid
For the Year Ended June 30, 2009 (page 6 of 6)

Dealer	Equity				Fixed Income	
	Volume Transacted	Number of Shares Traded	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
SG COWEN SECURITIES CORP	\$ 104,506,194	30,224,204	\$ 47,017	\$ —	\$ —	\$ —
SIGNAL HILL CAPITAL GROUP	38,652	325	10	0.03	—	—
SIS SEGAINTERSETTLE, AG	756,813	17,331	1,137	0.07	—	—
SKANDINAVISKA ENSKILDA	2,166,222	111,223	3,251	0.03	—	—
SOCIETE GENERALE	459,663,696	55,367,391	251,524	—	—	—
SOLEIL SECURITIES CORP	22,783	1,559	47	0.03	—	—
SPEAR, LEEDS & KELLOG	60,637,248	2,461,964	31,251	0.01	1,810,769	—
SPROTT SECURITIES, LTD	2,576,355	165,264	3,863	0.02	—	—
SSGA	6,199,390	125,176	—	—	—	—
STANFORD GROUP	42,632	1,742	52	0.03	—	—
STATE STREET BANK & TRUST	659,430,595	110,391,044	166,965	—	—	—
STIFEL NICOLAUS & COMPANY	1,639,203	64,076	2,614	0.04	—	—
STURDIVANT & COMPANY	63,372	2,052	72	0.03	—	—
SVENSKA HANDELSBANKEN	12,723,230	955,053	18,474	0.02	—	—
SWEDBANK STOCKHOLM	5,176,436	296,324	7,769	0.03	—	—
TAYLOR, D. W. & COMPANY	8,322	2,836	3	—	—	—
TD WATERHOUSE INVESTOR SERVICES	1,285	141	3	0.02	—	—
TERA MENKUL DEGERLER	10,184,808	3,058,203	8,134	—	—	—
THINK EQUITY	913,847	44,909	2,245	0.05	—	—
THOMAS WEISEL PARTNERS	3,346,245	159,193	7,424	0.05	—	—
TORONTO DOMINION SECURITIES, INC	34,315,144	1,170,865	37,122	0.03	—	—
TRADITION ASIEL SECURITIES, INC	124,045	4,131	124	0.03	—	—
TROIKA DIALOG, LTD	119,303	6,471	324	0.05	—	—
TRUSTEE EXECUTORS	3,449,604	144,096	1,441	0.01	—	—
TUDOR PICKERING HOLT SECURITIES	112,585	2,615	28	0.01	—	—
TULLETT AND TOKYO FOREX	49,136	412	12	0.03	—	—
UBS SECURITIES	829,079,403	102,117,654	641,206	0.01	229,715,958	—
UNION BANK OF SWITZERLAND	93,221	11,776	383	0.03	—	—
UNPUBLISHED EUROCLEAR	947,895	42,669	1,568	0.04	—	—
US BANCORP PIPER JAFFRAY	—	—	—	—	3,527,346	—
VONTOBEL	9,002,221	221,314	13,481	0.06	—	—
WACHOVIA BANK	247,529	27,351	716	0.03	—	—
WARBURG SECURITIES	2,720,218	294,152	3,222	0.01	118,810	—
WEDBUSH MORGAN SECURITIES	35,125	3,076	92	0.03	—	—
WEEDEN & COMPANY	11,840,223	959,891	27,370	0.03	—	—
WEST DEUTSCHE LANDESBANK	1,064,262	16,466	1,599	0.10	—	—
WILLIAM BLAIR & COMPANY	132,412	16,411	492	0.03	—	—
WILSON HTM, LTD	202,684	11,497	508	0.04	—	—
WITTOW & COMPANY, INC	3,732,024	132,968	1,493	0.01	—	—
WOOD & COMPANY	998,086	375,945	3,003	0.01	—	—
Total	\$15,434,040,758	2,165,466,333	\$10,972,659	\$0.01	\$5,793,095,403	\$272,722,912

Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 1 of 7)
(expressed in thousands)

<u>Description</u>	<u>Rate</u>	<u>Maturity</u>	<u>Market Value</u>	<u>Percent of Total Market Value</u>
ASSET BACKED SECURITIES				
CENTURION CDO VI LTD	1.466%	11/7/2015	\$ 5,207	0.01%
CWABS INC	0.613%	2/25/2036	4,478	0.01%
CASTLE HILL II INGOTS LTD	1.611%	10/15/2014	3,437	0.01%
CWABS ASSET-BACKED CERTIFICATE	1.213%	2/25/2036	3,378	0.01%
COMPUCREDIT ACQRD PRFTLO VLTGE	0.489%	9/15/2018	3,084	0.01%
ZFS FINANCE USA TRUST 205	1.779%	12/15/2065	2,995	0.01%
BAYVIEW COMMERCIAL ASSET TRUST	0.613%	1/25/2036	2,733	—
COUNTRYWIDE ASSET BACKED CERTIFICATE	0.653%	9/25/2035	2,712	—
STRUCTURED ASSETS INVESTMENTS II 07 AR4	0.513%	9/25/2037	2,585	—
Other			38,897	0.07%
TOTAL ASSET BACKED SECURITIES			69,506	0.13%
RESIDENTIAL MORTGAGE BACKED SECURITIES				
FANNIE MAE (FN 889011)	6.00%	1/1/2023	77,275	0.14%
FANNIE MAE (FN 2006-53 BE)	6.00%	6/25/2035	74,897	0.14%
FREDDIE MAC (FG G13078)	6.00%	3/1/2023	72,274	0.13%
FANNIE MAE (FN 944361)	6.00%	6/1/2022	64,962	0.12%
GNMA (G2 3852)	6.00%	5/20/2036	61,620	0.11%
FNMA POOL (FN 889598)	6.00%	12/1/2022	53,043	0.10%
FANNIE MAE (FN 897936)	5.50%	8/1/2021	48,304	0.09%
FANNIE MAE (FN 735681)	5.50%	7/1/2020	46,624	0.09%
FREDDIE MAC (FG A66632)	6.00%	10/1/2037	44,741	0.08%
Other			2,775,158	5.08%
TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES			3,318,898	6.08%
COMMERCIAL MORTGAGE-BACKED SECURITIES				
CITIGROUP/DEUTSCHE BANK COMMERCIAL MORTGAGE (CD 2006-CD2-A4)	5.362%	1/15/2046	40,750	0.07%
GOLDMAN SACHS MORTGAGE SECURITIES (GSMS 2006-GG6 A4)	5.553%	4/10/2038	33,316	0.06%
CITIGROUP/DEUTSCHE BANK COMMERCIAL MORTGAGE (CD 2007-CD4 A4)	5.322%	1/11/2017	32,876	0.06%
MORGAN STANLEY CAPITAL I (MSC 2006-HQ8 A4)	5.385%	3/12/2016	32,428	0.06%
MERRILL LYNCH/COUNTRYWIDE COMMERCIAL LOANS (MLCFC 2007-5 A4)	5.378%	1/12/2017	32,219	0.06%
BEAR STEARNS COMMERCIAL MORTGAGE (BSCMS 2006-PW13 A4)	5.540%	9/11/2041	30,590	0.05%
CREDIT SUISSE FIRST BOSTON (CSFB 2002-CKP1 A3)	6.439%	12/15/2035	25,621	0.05%
FIRST UNION NATIONAL BANK (FUNBC 2002-C1 A2)	6.141%	2/12/2034	25,488	0.05%
CREDIT SUISSE FIRST BOSTON (CSFB 2001-CK6 A3)	6.387%	10/15/2011	25,380	0.05%
Other			197,219	0.36%
TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES			475,887	0.87%

Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 2 of 7)
(expressed in thousands)

Description	Rate	Maturity	Market Value	Percent of Total Market Value
CORPORATE BONDS - DOMESTIC (USD)				
ANHEUSER-BUSCH INBEV WOR	6.875%	11/15/2019	\$ 51,747	0.09%
DIAMOND OFFSHORE DRILLING INC	4.875%	7/1/2015	49,014	0.09%
BNI	6.750%	7/15/2011	42,681	0.08%
CHESAPEAKE ENERGY CORP	6.500%	8/15/2017	41,917	0.08%
ANADARKO PETROLEUM CORP	8.700%	3/15/2019	38,993	0.07%
GOLDMAN SACHS GROUP INC	6.150%	4/1/2018	38,213	0.07%
NORFOLK SOUTHERN CORP	7.700%	5/15/2017	36,353	0.07%
UNION PACIFIC RR CO	5.866%	7/2/2030	35,308	0.06%
GOLDMAN SACHS GROUP	5.750%	10/1/2016	33,973	0.06%
Other			1,380,877	2.53%
TOTAL CORPORATE BONDS - DOMESTIC (USD)			1,749,076	3.20%
CORPORATE BONDS - FOREIGN (Non USD)				
INTERNATIONAL BANK OF RECONSTRUCTION & DEVELOPMENT	13.625%	5/9/2017	49,079	0.09%
INTERNATIONAL FINANCE CORP	7.500%	2/28/2013	46,893	0.09%
FEDERATIVE REPUBLIC OF BRAZIL	10.250%	1/10/2028	45,287	0.08%
INTERNATIONAL FINANCE CORP	5.750%	6/24/2014	31,873	0.06%
ASIAN DEVELOPMENT BANK	7.125%	3/19/2013	25,409	0.05%
NESTLE HOLDINGS INC	6.000%	1/29/2010	24,464	0.05%
AMBEV INTL FINANCE CO LT	9.500%	7/24/2017	24,285	0.04%
EUROPEAN INVESTMENT BANK	11.250%	2/14/2013	23,659	0.04%
AMERICA MOVIL SA DE CV	8.460%	12/18/2036	22,135	0.04%
Other			10,177	0.02%
TOTAL CORPORATE BONDS - FOREIGN (Non USD)			303,261	0.56%
CORPORATE BONDS - FOREIGN (USD)				
NATIONAL AUSTRALIA BANK	5.550%	6/15/2011	74,047	0.14%
PETROBRAS INTL FINANCE	6.125%	10/6/2016	67,613	0.12%
SANTANDER ISSUANCES	5.911%	6/20/2016	62,977	0.12%
NOVA SCOTIA PROVINCE	5.125%	1/26/2017	58,141	0.11%
NEXEN INC	6.400%	5/15/2037	55,857	0.10%
GTL TRADE FINANCE INC	7.250%	10/20/2017	54,702	0.10%
CANADIAN OIL SANDS	7.750%	5/15/2019	52,049	0.10%
ENCANA CORP	6.500%	2/1/2038	50,786	0.09%
ICICI BANK LIMITED SINGAPORE	5.750%	11/16/2010	50,253	0.09%
Other			3,058,780	5.60%
TOTAL CORPORATE BONDS - FOREIGN (USD)			3,585,205	6.57%

Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 3 of 6)
(expressed in thousands)

Description	Rate	Maturity	Market Value	Percent of Total Market Value
TREASURY INFLATION PROTECTED SECURITIES (TIPS)				
U.S. TREASURY INFLATION INDEX	0.875%	4/15/2010	\$ 484,894	0.89%
U.S. TREASURY INFLATION INDEX	3.000%	7/15/2012	276,900	0.51%
U.S. TREASURY INFLATION INDEX	2.000%	7/15/2014	231,416	0.42%
U.S. TREASURY INFLATION INDEX	3.375%	1/15/2012	154,451	0.28%
U.S. TREASURY INFLATION INDEX	2.000%	1/15/2014	147,437	0.27%
U.S. TREASURY INFLATION INDEX	2.000%	1/15/2016	70,829	0.13%
TOTAL TREASURY INFLATION PROTECTED SECURITIES (TIPS)			1,365,927	2.50%
CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED				
ISHARES MSCI INDIA			28,375	0.05%
RESEARCH IN MOTION LTD			11,857	0.02%
ISHARES INC			11,654	0.02%
ISHARES INC MSCI TAIWAN INDEX			10,794	0.02%
JARDINE MATHESON			10,238	0.02%
RELIANCE INDUSTRIES GDR			10,069	0.02%
CHUNGHWA TELECOMMUNICATIONS ADR			8,613	0.02%
ISHARES TRUST ISHARES FTSE/XIN			8,197	0.02%
MICROSOFT CORP			7,825	0.01%
Other			230,807	0.42%
TOTAL CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED			338,429	0.62%
CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED				
BP AMOCO			82,926	0.15%
GLAXOSMITHKLINE			79,975	0.15%
TOTAL SA			77,350	0.14%
TELEFONICA CA			75,335	0.14%
ROCHE HOLDINGS AG			62,633	0.11%
NOVARTIS AG			57,554	0.11%
BG GROUP			56,660	0.10%
SANOFI SYNTHELABO			55,254	0.10%
CREDIT SUISSE GROUP			54,158	0.10%
Other			5,192,754	9.51%
TOTAL CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED			5,794,599	10.61%

Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 4 of 7)
(expressed in thousands)

Description	Market Value	Percent of Total Market Value
CORPORATE STOCK - FOREIGN - U.S. DOLLAR DENOMINATED		
TAIWAN SEMICONDUCTOR MFG CO LTD	\$ 19,764	0.04%
AMERICA MOVIL S A DEC V	12,248	0.02%
KOMERCNI BANKA A S	11,516	0.02%
TEVA PHARMACEUTICAL INDUSTRIES LTD	8,664	0.02%
HDFC BANK LTD	8,634	0.02%
POTASH CORPORATION OF SASKATCHEWAN, INC	6,774	0.01%
BARRICK GOLD CORP	6,338	0.01%
GAZPROM OAO	6,162	0.01%
NEW ORIENTAL EDUCATION & TECHNOLOGY	5,046	0.01%
Other	42,917	0.08%
TOTAL CORPORATE STOCK - FOREIGN - U.S. DOLLAR DENOMINATED	128,063	0.24%
COMMINGLED INDEX FUNDS - DOMESTIC		
BGI US EQUITY MARKET FUND	5,353,359	9.80%
RUSSELL 3000 ALPHA TILTS FUND L	1,210,036	2.22%
TOTAL COMMINGLED INDEX FUNDS - DOMESTIC	6,563,395	12.02%
COMMINGLED INDEX FUNDS - FOREIGN		
MSCI CANADA SMALL CAP PROVISIONAL	1,161,378	2.13%
WORLD EX US ALPHA TILTS	842,359	1.54%
GMO EMERGING MARKETS FUND V	351,461	0.64%
EMERGING MARKETS GROWTH FUND I	223,740	0.41%
LAZARD FRERES CAPITAL MANAGEMENT	216,098	0.39%
JPMCB EMERGING MARKETS EQUITY	212,788	0.39%
MSCI SMALL CAP INDEX PROVISIONAL CTF	145,557	0.27%
CANADA MSCI INDEX	116,629	0.21%
GMO EMERGING MARKET ILLIQUID FUND	20,283	0.04%
Other	14,154	0.03%
TOTAL COMMINGLED INDEX FUNDS - FOREIGN	3,304,447	6.05%
MONEY MARKET FUNDS		
JPM INTRA-DAY LIQUIDITY FUND	1,087,167	1.99%
JP MORGAN DOMESTIC LIQUIDITY FUND	355,012	0.65%
UNITED STATES DOLLAR	109,882	0.20%
TOTAL MONEY MARKET FUNDS	1,552,061	2.84%

Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 5 of 7)
(expressed in thousands)

Description	Market Value	Percent of Total Market Value
PRIVATE EQUITY		
KKR MILLENNIUM FUND	\$ 984,562	1.80%
KKR 2006 FUND	802,702	1.47%
WARBURG PINCUS PRIVATE EQUITY IX	631,737	1.16%
TPG PARTNERS V	293,065	0.53%
MADISON DEARBORN CAPITAL PARTNERS IV LP	255,135	0.47%
KKR EUROPEAN FUND II LP	222,301	0.41%
WARBURG PINCUS PRIVATE EQUITY VIII	217,674	0.40%
BLACKSTONE CAPITAL PARTNERS V	206,367	0.38%
KKR EUROPEAN FUND	201,001	0.37%
Other	6,597,046	12.08%
TOTAL PRIVATE EQUITY	10,411,590	19.07%
REAL ESTATE		
HOMETOWN AMERICA, LLC	1,264,326	2.32%
FILLMORE STRATEGIC INVESTORS LLC	975,790	1.79%
CORPORATE PROPERTIES OF THE AMERICAS LLC	804,278	1.47%
PRINCIPAL ENTERPRISE CAPITAL HOLDINGS	732,091	1.34%
LONE STAR FUND VI, LP	498,729	0.91%
UNION SQUARE LP	419,287	0.77%
TERRAMAR RETAIL CENTER	404,795	0.74%
LONE STAR FUND V (U.S.), LP	302,079	0.55%
EVERGREEN REAL ESTATE PARTNERS	291,806	0.54%
Other	2,128,913	3.90%
TOTAL REAL ESTATE	7,822,094	14.33%
TANGIBLE ASSETS		
HAWTHORNE TIMBER LLC	235,308	0.43%
ALINDA CAPITAL MANAGEMENT	103,741	0.19%
ALINDA INFRASTRUCTURE FUND II	89,588	0.16%
HIGHSTAR CAPITAL III	74,422	0.14%
SHERIDAN PRODUCTION PARTNERS I, LP	24,418	0.05%
TOTAL TANGIBLE ASSETS	527,477	0.97%

Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 6 of 7)
(expressed in thousands)

<u>Description</u>	<u>Market Value</u>	<u>Percent of Total Market Value</u>
CURRENCIES		
E.M.U. - EURO	\$ 36,779	0.07%
UNITED STATES - DOLLAR	26,908	0.05%
JAPAN - YEN	11,099	0.02%
BRITAIN - POUND	4,337	0.01%
AUSTRALIA - DOLLAR	3,329	0.01%
SWEDEN - KRONA	1,680	—
BRAZIL - REAL	1,108	—
SWITZERLAND - FRANC	847	—
SINGAPORE - DOLLAR	798	—
Other	3,217	0.01%
TOTAL CURRENCIES	90,102	0.17%
SECURITIES SELLING AND LENDING PORTFOLIO		
COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS	2,908,140	5.32%
INVESTMENTS UNDER REVERSE REPURCHASE AGREEMENTS	3,246	0.01%
TOTAL SECURITIES SELLING AND LENDING PORTFOLIO	2,911,386	5.33%
GUARANTEED INVESTMENT CONTRACTS		
SAVINGS POOL	960,100	1.76%
TOTAL GUARANTEED INVESTMENT CONTRACTS	960,100	1.76%
LIFE ANNUITY		
G.E. CAPITAL ASSURANCE	4	—
TOTAL LIFE ANNUITY	4	—
MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)		
WASHINGTON STATE MONEY MARKET FUND	517,015	0.95%
WSIB SHORT TERM INVESTMENT FUND	284	—
TOTAL MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)	517,299	0.95%

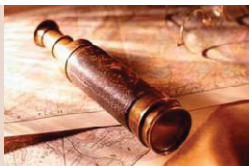
Summary of Investments Owned As of June 30, 2009

Pension Trust Funds (page 7 of 7)
(expressed in thousands)

<u>Description</u>	<u>Market Value</u>	<u>Percent of Total Market Value</u>
MUTUAL FUNDS		
U.S. STOCK MARKET INDEX	\$ 407,594	0.75%
INTERNATIONAL STOCK INDEX FUND	305,366	0.56%
U.S. LARGE STOCK INDEX	288,488	0.53%
U.S. SMALL STOCK INDEX	263,150	0.48%
GROWTH COMPANY FUND	225,145	0.41%
U.S. ACTIVE VALUE FUND	214,386	0.39%
U.S. ACTIVE CORE FUND	181,647	0.33%
RETIREMENT STRATEGY 2015	102,505	0.19%
RETIREMENT STRATEGY 2020	95,981	0.18%
Other	292,308	0.53%
TOTAL MUTUAL FUNDS	2,376,570	4.35%
BOND FUNDS		
WASHINGTON STATE BOND FUND	427,026	0.78%
TOTAL BOND FUNDS	427,026	0.78%
TOTAL INVESTMENTS	\$ 54,592,402	100.00%

Actuarial Section

State Actuary's Certification Letter



Office of the State Actuary

"Securing tomorrow's pensions today."

November 19, 2009

Mr. Steve Hill, Director
Department of Retirement Systems
PO Box 48380
Olympia, Washington 98504-8380

RE: ACTUARIAL CERTIFICATION LETTER

Dear Steve:

We prepared the following information for inclusion in the 2009 Comprehensive Annual Financial Report (CAFR):

- ❖ Number of Participating Members
- ❖ Distribution of Membership
- ❖ Schedule of Benefit Recipients by Type of Benefit
- ❖ Schedule of Average Benefit Payments to Service Retirees in Year of Retirement
- ❖ GASB 45 Requirements
- ❖ Financial Information - Funding Paragraph and Footnote
- ❖ Schedule of Funding Progress
- ❖ Schedule of Active Member Valuation Data
- ❖ Schedule of Retirees and Beneficiaries Added to and Removed from Rolls
- ❖ Solvency Test
- ❖ Note 2: General Description of the Retirement System – Part C: Funding Policy
- ❖ Schedule of Contributions from Employers and Other Contributing Entities
- ❖ Note 2: General Description of the Retirement System – Part D: Employer Contributions Required and Paid
- ❖ Notes to the Required Supplementary Information
- ❖ Summary of Actuarial Assumptions and Methods
- ❖ Analysis of Selected Experience



Mr. Steve Hill

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The primary purpose of this information is to satisfy the actuarial reporting requirements of the Governmental Accounting Standards Board (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 2009 with a valuation date of June 30, 2008.

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 recommended 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. The 2009 Legislature enacted a new funding method for PERS Plan 1 and TRS Plan 1. The new funding method is based upon a variation of the Entry Age Normal (EAN) 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 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



Mr. Steve Hill
Page 3 of 3

adequate and substantially complete for purposes of this valuation. Please see the Actuarial Certification Letter in the 2008 Actuarial Valuation Report for additional information on the certification of the latest actuarial valuation results.

I certify that the actuarial submissions in the 2009 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

Summary of Plan Provisions

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, 2009 is provided below.

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
PERS Plan 1 (By 9/30/77)	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	After five years of eligible service	After 30 years of service, or at age 60 with five years 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 (On or after 10/1/77)	Same as PERS Plan 1, except classified school district employees; new employees hired on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers, must choose Plan 2 or Plan 3	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 (Varies by employer)	Same as PERS Plan 2; new employees hired on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers, must choose Plan 2 or 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 (By 8/31/00)	All classified employees of school districts or educational service districts. Also includes individuals first hired on or after July 1, 2007 with no past PERS Plan 2 service who chose Plan 2 within the 90-day window	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 (On or after 9/1/00)	All classified employees of school districts or educational service districts. Also includes individuals first hired on or after July 1, 2007 with no past PERS Plan 2 service who chose Plan 3 within the 90-day window	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 (On or after 7/1/06)	All full-time public safety officers at select state agencies, counties and cities except Seattle, Spokane and Tacoma	After five years of eligible service	At age 65 with five years of service, 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 (By 9/30/77)	All certificated public school employees who work in an instructional, administrative or supervisory capacity	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

Chart continued on page 115

Chart continued from page 114

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
TRS Plan 2 (On or after 10/1/77 and by 6/30/96)	All certificated public school employees who work in an instructional, administrative or supervisory capacity	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 (On or after 7/1/96)	All certified public school employees who work in an instructional, administrative or supervisory capacity	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 (By 9/30/77)	All full-time, fully compensated law enforcement officers and fire fighters	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 (On or after 10/1/77)	All full-time, fully compensated law enforcement officers, fire fighters and, as of 7/24/05, emergency medical technicians	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 (On or after 8/1/47 and by 12/31/02)	Commissioned employees of the Washington State Patrol	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 per year of service (AFS); capped at 75% of AFS.
WSPRS Plan 2 (On or after 1/1/03)	Commissioned employees of the Washington State Patrol	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 per year of service (AFS); capped at 75% of AFS.
JRS (On or after 8/9/71 and by 6/30/88 – New judges on or after 7/1/88 join PERS Plan 2 or 3)	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts	After 15 years of service	At age 60	15 years of service = 3.5% of AFC per year of service; capped at 75% of AFC. 10-14 years of service = 3% of AFC per year of service; capped at 75% of AFC
Judges (By 8/8/71)	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts	After 12 years of service	At age 70 with 10 years of service of 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 Web site 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 latest actuarial valuation report.

2. INVESTMENT RETURN:

8.0% per annum

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 rates by projecting the mortality rates using 50 percent of Scale AA (published by the Society of Actuaries) beginning with the 2007 valuation. JRS utilizes the RP-2000 Combined Healthy Mortality Table with age offsets of -6 and 6, for males and females respectively.

Probabilities of mortality are illustrated in the following tables.

Projected Healthy Mortality

	PERS				TRS				SERS		
	Plan 1 -2018		Plan 2/3 2034		Plan 1 - 2018		Plan 2/3 - 2036		Plan 2/3 - 2030		
Offsets Age	-1 Male	-1 Female	-1 Male	-1 Female	-2 Male	-2 Female	-2 Male	-2 Female	0 Male	-2 Female	Offsets Age
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%	23.1404%	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

	PSERS		LEOFF				WSPRS		
	Plan 2 - 2038		Plan 1 - 2019		Plan 2 - 2034		Plan 1/2 - 2028		
Offsets Age	-1 Male	-1 Female	-1 Male	1 Female	-1 Male	1 Female	-1 Male	1 Female	Offsets Age
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%	0.1358%	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**

	PERS				TRS				SERS		
	Plan 1 - 2018		Plan 2/3 - 2034		Plan 1 - 2018		Plan 2/3 - 2036		Plan 2/3 - 2030		
Offsets Age	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	Offsets Age
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

	PSERS		LEOFF				WSPRS		
	Plan 2 - 2038		Plan 1 - 2019		Plan 2 - 2034		Plan 1/2 - 2028		
Offsets Age	0 Male	0 Female	2 Male	2 Female	0 Male	0 Female	0 Male	0 Female	Offsets Age
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%	34.4456%	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.

	PERS						SERS				PSERS		
	Plan 1		Plan 2/3*				Plan 2/3*				Plan 2		
Age	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	Age
50	55%	35%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50
51	45%	35%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	51
52	45%	35%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	52
53	45%	31%	0%	0%	0%	0%	0%	0%	0%	0%	3%	3%	53
54	45%	48%	0%	0%	0%	0%	0%	0%	0%	0%	3%	3%	54
55	22%	23%	3%	3%	13%	14%	3%	3%	13%	14%	3%	3%	55
56	18%	18%	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%	33%	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	33%	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):

	TRS										LEOFF			WSPRS	JRS	
	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				
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female	Male & Female	Male & Female	Age
50	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	14%	5%	28%	0%	50
51	0%	0%	0%	30%	0%	0%	0%	0%	0%	0%	7%	14%	5%	23%	0%	51
52	0%	20%	40%	35%	0%	0%	0%	0%	0%	0%	7%	14%	5%	23%	0%	52
53	25%	20%	40%	35%	0%	0%	0%	0%	0%	0%	7%	15%	10%	23%	0%	53
54	25%	20%	40%	35%	0%	0%	0%	0%	0%	0%	11%	19%	12%	23%	0%	54
55	25%	22%	40%	35%	3%	2%	24%	21%	15%	13%	12%	20%	15%	23%	0%	55
56	25%	22%	35%	35%	3%	3%	23%	23%	17%	15%	12%	21%	15%	23%	0%	56
57	25%	22%	35%	35%	3%	7%	25%	25%	18%	16%	15%	24%	15%	23%	0%	57
58	25%	23%	40%	35%	3%	7%	31%	27%	20%	18%	16%	25%	20%	20%	0%	58
59	25%	28%	45%	35%	3%	7%	38%	29%	21%	24%	16%	26%	20%	23%	0%	59
60	25%	23%	45%	35%	11%	9%	41%	32%	23%	21%	23%	33%	20%	23%	1%	60
61	25%	25%	50%	45%	11%	12%	48%	43%	24%	24%	25%	34%	25%	25%	1%	61
62	40%	30%	60%	60%	25%	25%	60%	60%	40%	35%	25%	33%	25%	25%	14%	62
63	29%	23%	50%	50%	20%	25%	50%	50%	30%	30%	25%	31%	25%	27%	14%	63
64	27%	25%	50%	50%	50%	45%	55%	50%	55%	50%	25%	30%	25%	33%	18%	64
65	40%	44%	70%	60%	50%	45%	50%	45%	50%	45%	25%	30%	25%	100%	30%	65
66	40%	36%	70%	60%	40%	30%	40%	30%	40%	30%	25%	29%	25%	100%	33%	66
67	33%	26%	70%	60%	35%	25%	35%	25%	35%	25%	25%	28%	25%	100%	18%	67
68	28%	30%	70%	60%	30%	25%	30%	25%	30%	25%	25%	27%	25%	100%	18%	68
69	28%	28%	70%	60%	30%	40%	30%	40%	30%	40%	25%	27%	25%	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.

	PERS				SERS		PSERS		
	Plan 1*		Plan 2/3		Plan 2/3		Plan 2		
Age	Male	Female	Male	Female	Male	Female	Male	Female	Age
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.

	TRS				LEOFF		WSPRS	JRS	
	Plan 1		Plan 2/3		Plan 1**	Plan 2	Plan 1/2**		
Age	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female		Age
20	0.0013%	0.0014%	0.0003%	0.0003%	0.1000%	0.0982%	0.0256%	***	20
25	0.0091%	0.0092%	0.0024%	0.0019%	0.1000%	0.1089%	0.0353%	***	25
30	0.0187%	0.0190%	0.0048%	0.0040%	0.7968%	0.1209%	0.0488%	***	30
35	0.0321%	0.0326%	0.0083%	0.0068%	1.4888%	0.1654%	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%	1.0162%	0.1783%	***	50
55	0.3347%	0.3393%	0.1118%	0.0750%	9.0000%	2.4129%	0.2465%	***	55
60	0.4686%	0.4750%	0.2500%	0.1875%	10.0000%	2.4129%	0.3408%	***	60
65	0.7213%	0.7311%	0.2362%	0.1552%	10.0000%	2.4129%	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 1 members with more than 30 years.

***A 1 percent rate of disability is assumed at all ages after ten years of service.

6. TERMINATION:

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

	PERS		SERS		PSERS		TRS		LEOFF		WSPRS	JRS	
	All Plans		All Plans		Plan 2		All Plans		Plan 1	Plan 2	Plan 1/2		
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female	Male & Female	Age
0	26.2397%	26.7698%	25.5974%	19.9030%	26.2397%	26.7698%	10.7968%	10.8867%	10.7153%	10.6171%	3.3365%	2.0000%	0
1	15.4534%	16.7747%	15.8775%	13.1281%	15.4534%	16.7747%	9.2756%	9.7130%	4.8178%	4.7197%	2.8665%	2.0000%	1
2	10.0683%	11.7007%	11.6915%	10.2908%	10.0683%	11.7007%	5.9747%	7.2137%	2.4604%	2.3623%	2.5639%	2.0000%	2
3	7.5236%	9.2904%	9.9510%	7.8600%	7.5236%	9.2904%	4.3174%	5.9168%	2.1731%	2.0750%	2.3870%	2.0000%	3
4	6.3052%	7.6024%	8.1055%	6.7558%	6.3052%	7.6024%	4.1379%	5.0333%	2.0554%	1.9572%	2.2614%	2.0000%	4
5	5.4443%	6.6544%	7.0001%	6.2423%	5.4443%	6.6544%	3.6574%	4.5110%	1.9806%	1.8825%	1.5865%	2.0000%	5
6	4.5887%	6.0712%	6.1045%	5.5595%	4.5887%	6.0712%	3.1921%	4.0204%	1.9379%	1.8397%	1.5069%	2.0000%	6
7	4.2956%	5.4587%	5.6497%	5.2581%	4.2956%	5.4587%	2.4566%	3.4185%	1.9344%	1.8362%	1.4396%	2.0000%	7
8	3.8441%	5.0026%	4.9878%	4.9707%	3.8441%	5.0026%	2.2431%	2.9563%	1.7982%	1.7001%	1.3813%	2.0000%	8
9	3.6120%	4.4536%	4.7679%	4.7491%	3.6120%	4.4536%	2.1313%	2.4037%	1.7549%	1.6568%	1.3299%	2.0000%	9
10	3.4062%	4.0754%	4.3892%	4.5725%	3.4062%	4.0754%	2.0225%	2.3050%	1.7151%	1.6170%	1.0034%	2.0000%	10
11	3.1228%	3.7102%	4.0911%	4.4832%	3.1228%	3.7102%	1.9121%	2.1650%	1.5263%	1.4281%	0.9618%	0.0000%	11
12	3.0279%	3.3673%	3.8637%	4.4156%	3.0279%	3.3673%	1.8631%	1.9982%	1.5122%	1.4141%	0.9238%	0.0000%	12
13	2.8580%	3.2309%	3.6863%	4.4032%	2.8580%	3.2309%	1.3880%	1.6962%	1.4522%	1.3541%	0.8889%	0.0000%	13
14	2.7921%	3.1248%	3.2877%	4.2560%	2.7921%	3.1248%	1.3353%	1.6596%	1.1562%	1.0581%	0.8566%	0.0000%	14
15	2.6640%	2.9525%	3.0517%	4.2740%	2.6640%	2.9525%	1.2356%	1.5984%	1.0816%	0.9835%	0.6999%	0.0000%	15
16	2.4254%	2.7411%	2.8186%	3.9160%	2.4254%	2.7411%	1.1763%	1.5336%	1.0571%	0.9589%	0.6718%	0.0000%	16
17	2.1960%	2.4231%	2.5793%	3.6424%	2.1960%	2.4231%	1.0705%	1.3331%	0.8522%	0.7541%	0.6453%	0.0000%	17
18	1.9650%	2.1981%	2.2867%	3.4565%	1.9650%	2.1981%	1.0276%	1.2106%	0.8696%	0.7715%	0.6204%	0.0000%	18
19	1.6561%	1.9927%	2.0112%	3.2224%	1.6561%	1.9927%	0.9342%	1.1378%	0.8644%	0.7662%	0.5968%	0.0000%	19
20	1.3551%	1.7270%	1.8112%	2.8822%	1.3551%	1.7270%	0.8641%	1.0689%	0.8773%	0.7792%	0.3269%	0.0000%	20
21	1.1848%	1.4418%	1.7086%	2.7134%	1.1848%	1.4418%	0.7229%	0.8065%	0.8544%	0.7563%	0.3056%	0.0000%	21
22	1.0082%	1.2500%	1.5797%	2.5300%	1.0082%	1.2500%	0.7090%	0.7507%	0.8178%	0.7197%	0.2853%	0.0000%	22
23	0.8454%	1.0608%	1.5356%	2.0548%	0.8454%	1.0608%	0.6964%	0.7282%	0.7594%	0.6613%	0.2659%	0.0000%	23
24	0.7544%	0.8007%	1.5275%	1.9208%	0.7544%	0.8007%	0.6974%	0.6871%	0.7248%	0.6267%	0.2473%	0.0000%	24
25	0.6909%	0.6627%	1.1837%	1.5628%	0.6909%	0.6627%	0.6776%	0.6864%	0.6671%	0.5690%	0.0000%	0.0000%	25
26	0.5537%	0.5548%	1.0103%	1.1826%	0.5537%	0.5548%	0.6634%	0.6591%	0.7674%	0.6693%	0.0000%	0.0000%	26
27	0.6646%	0.5862%	0.7945%	0.8882%	0.6646%	0.5862%	0.6491%	0.6487%	0.7033%	0.6052%	0.0000%	0.0000%	27
28	0.5876%	0.4781%	0.4945%	0.7339%	0.5876%	0.4781%	0.5385%	0.5369%	0.6222%	0.5241%	0.0000%	0.0000%	28
29	0.5174%	0.4290%	0.4945%	0.7339%	0.5174%	0.4290%	0.4563%	0.4634%	0.1841%	0.0860%	0.0000%	0.0000%	29
30+	0.4516%	0.3866%	0.4945%	0.7339%	0.4516%	0.3866%	0.3953%	0.3817%	0.1646%	0.0665%	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 4.00 percent per annum rate of increase in the general salary level of the membership. Exception: 4.50 percent in LEOFF Plan 2. The salary ratio describes the final salary over the current salary.

Step Salary Increases													
	PERS		SERS		PSERS		TRS		LEOFF		WSPRS		
	All Plans		All Plans		Plan 2		All Plans		All Plans		All Plans		
Age	Percent Increase	Salary Ratio	Percent Increase	Salary Ratio	Percent Increase	Salary Ratio	Percent Increase	Salary Ratio	Percent Increase	Salary Ratio	Percent Increase	Salary Ratio	Age
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	5.30%	4.94%	5.30%	5.81%	5.30%	4.00%
Attributed to Growth In Active Group Size	1.25%	0.90%	1.25%	1.25%	1.25%	0.00%
Attributed to the Effects of Inflation on Salaries	4.00%	4.00%	4.00%	4.50%	4.00%	4.00%

8. OTHER SPECIFIC ASSUMPTIONS THAT HAVE A MATERIAL IMPACT ON VALUATION RESULTS:

- Members of PERS Plan 1 increase their Average Final Compensation by an average of up to 4.5% by cashing out sick leave or annual leave pay, or by increasing overtime.
- Members of TRS Plan 1 increase their Average Final Compensation by an average of up to 1% by cashing out sick leave or annual leave pay, or by increasing overtime.
- LEOFF Plan 1 post-retirement cost-of-living increases are assumed to be 3.5% each year.
- Members of WSPRS Plan 1 increase their Average Final Compensation by an average of up to 7.5% by cashing out sick leave or annual leave pay, or by increasing overtime.
- 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:

- Salary growth assumption – The Legislature changed from 4.25% to 4.00% (except LEOFF Plan 2 - still at 4.50%).
- Salary growth assumption for TRS now includes additional expected increases for Chapter 75 Laws of 2008.
- The Joint and Survivor reduction factors and early retirement factors were updated to reflect new factors adopted by DRS.

10. ACTUARIAL COST METHOD:

Valuation assets are at market value with 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 and TRS plans 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. No contributions are required when the LEOFF Plan 1 UAAL 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, TRS Plan 1, and LEOFF Plan 1 is not an acceptable method for the GASB Statement Number 25 disclosures. 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. For LEOFF Plan 1, the end of the amortization period is June 30, 2024. PERS and TRS use a rolling ten-year amortization period. JRS and Judges use a rolling five-year amortization period.

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.

11. CHANGE IN FUNDING POLICY:

Chapter 561, Laws of 2009 (below) delays the implementation of contribution rate floors that were supposed to take effect in 2009-11.

- WSPRS floors begin on time, but represent 50% of the entry age normal cost (EANC) rate for 2009-11. Will increase to 70% beginning in 2011-13.
- LEOFF 2 floors are unchanged (90% of EANC rate – took effect 7/1/09).
- PERS, TRS, and SERS Plan 2/3 floors will begin in 2011-13 biennium (80% of EANC rate).
- PSERS now has a rate floor beginning in 2011-13 (80% of EANC rate).
- PERS 1 and TRS 1 (in Chapter 561, Laws of 2009) have a new funding policy. PERS 1 amortizes the UAAL over a rolling 10-year period using all PERS, SERS and PSERS payroll, including projected system growth. TRS 1 amortizes the UAAL over a rolling 10-year period using all TRS payroll, including projected system growth. They have contribution rate ceilings, effective 2009-2015. After 2015, PERS 1 has a minimum UAAL rate of 5.25%, and TRS 1 has a minimum UAAL of 8.00%.

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, 2008.

The following laws, enacted in 2009 had an immediate impact on the latest actuarial valuation contribution

rates:

- Actuarial Funding of Pension Systems (Chapter 561, Laws of 2009)
- Calculation of Compensation for Retirement (Chapter 430, Laws of 2009)
- Department of Fish and Wildlife Officers (Chapter 157, Laws of 2009)
- Interruptive Military Service Credit (Chapter 205, Laws of 2009)
- LEOFF 2 Domestic Partners (Chapter 523, Laws of 2009)
- Military Death Benefits (Chapter 226, Laws of 2009)
- Operating Budget for 2009-11, Section 912 (Chapter 564, Laws of 2009)
- Registered Domestic Partners (Chapter 521, Laws of 2009)
- Survivors of PERS 1 Inactive Deaths (Chapter 111, Laws of 2009)
- WSPRS Domestic Partners (Chapter 522, Laws of 2009)

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
6/30/08	11,663	\$638.5	\$54,743	5.0%
6/30/07	12,975	676.4	52,130	2.1%
9/30/06	14,213	725.5	51,042	3.6%
9/30/05	15,962	786.1	49,248	1.8%
9/30/04	17,829	862.6	48,383	1.1%
9/30/03	19,740	945.1	47,876	1.7%

Source: Washington State Office of the State Actuary

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
6/30/08	123,285	\$6,537.5	\$53,028	6.5%
6/30/07	120,625	6,004.6	49,779	2.9%
9/30/06	118,341	5,726.6	48,391	4.3%
9/30/05	118,400	5,493.7	46,399	3.0%
9/30/04	118,572	5,340.3	45,038	2.7%
9/30/03	117,262	5,142.5	43,855	3.5%

Source: Washington State Office of the State Actuary

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
6/30/08	26,720	\$1,331.7	\$49,840	5.7%
6/30/07	24,422	1,152.0	47,172	1.5%
9/30/06	22,473	1,043.9	46,452	3.6%
9/30/05	21,216	950.8	44,817	1.1%
9/30/04	19,855	880.3	44,335	(1.1)%
9/30/03	17,548	786.6	44,823	(1.8)%

Source: Washington State Office of the State Actuary

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
6/30/08	19,264	\$522.4	\$27,118	2.2%
6/30/07	17,767	471.4	26,531	4.3%
9/30/06	18,464	469.5	25,426	3.8%
9/30/05	19,387	474.9	24,494	3.8%
9/30/04	20,424	482.1	23,604	2.8%
9/30/03	21,504	493.9	22,967	6.4%

Source: Washington State Office of the State Actuary

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
6/30/08	32,510	\$857.1	\$26,364	7.4%
6/30/07	33,058	811.4	24,544	2.7%
9/30/06	32,354	773.4	23,905	1.9%
9/30/05	30,963	726.5	23,462	0.6%
9/30/04	29,430	686.2	23,315	1.1%
9/30/03	27,710	638.7	23,051	4.8%

Source: Washington State Office of the State Actuary

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
6/30/08	3,981	\$200.0	\$50,231	3.1%
6/30/07	2,755	134.2	48,710	(2.0)%
9/30/06	2,073	103.1	49,714	n/a
9/30/05	—	—	—	—
9/30/04	—	—	—	—
9/30/03	—	—	—	—

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

Source: Washington State Office of the State Actuary

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
6/30/08	6,061	\$432.4	\$71,340	6.0%
6/30/07	6,331	426.1	67,310	3.9%
9/30/06	7,382	478.3	64,796	2.0%
9/30/05	8,592	545.9	63,531	1.7%
9/30/04	9,862	616.1	62,470	0.8%
9/30/03	11,175	692.3	61,954	4.1%

Source: Washington State Office of the State Actuary

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
6/30/08	8,103	\$510.8	\$63,043	1.3%
6/30/07	6,752	420.1	62,213	5.2%
9/30/06	6,983	413.1	59,164	3.1%
9/30/05	7,205	413.4	57,379	3.3%
9/30/04	7,470	414.9	55,540	2.2%
9/30/03	7,637	414.9	54,333	6.3%

Source: Washington State Office of the State Actuary

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
6/30/08	52,360	\$3,110.6	\$59,408	6.3%
6/30/07	51,856	2,897.6	55,879	6.1%
9/30/06	53,371	2,812.0	52,689	2.5%
9/30/05	51,473	2,645.0	51,386	2.9%
9/30/04	49,302	2,463.0	49,958	2.3%
9/30/03	47,263	2,308.1	48,836	5.3%

Source: Washington State Office of the State Actuary

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
6/30/08	421	\$37.1	\$88,070	5.8%
6/30/07	513	42.7	83,262	3.3%
9/30/06	596	48.1	80,630	4.5%
9/30/05	723	55.8	77,139	2.5%
9/30/04	848	63.8	75,222	4.6%
9/30/03	991	71.3	71,924	3.2%

Source: Washington State Office of the State Actuary

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
6/30/08	16,626	\$1,344.9	\$80,889	5.6%
6/30/07	16,099	1,233.7	76,632	2.8%
9/30/06	15,718	1,172.0	74,562	3.5%
9/30/05	15,168	1,092.3	72,015	4.2%
9/30/04	14,754	1,019.5	69,098	4.1%
9/30/03	14,560	966.6	66,388	3.2%

Source: Washington State Office of the State Actuary

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
6/30/08	851	\$65.3	\$76,751	6.7%
6/30/07	885	63.6	71,907	3.3%
9/30/06	906	63.1	69,606	6.7%
9/30/05	941	61.4	65,254	5.2%
9/30/04	997	61.9	62,042	0.3%
9/30/03	1,045	64.6	61,848	2.4%

Source: Washington State Office of the State Actuary

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
6/30/08	234	\$13.4	\$57,233	5.7%
6/30/07	152	8.2	54,162	3.6%
9/30/06	116	6.1	52,278	8.3%
9/30/05	81	3.9	48,250	9.1%
9/30/04	60	2.7	44,206	7.8%
9/30/03*	34	1.4	41,018	n/a

*WSPRS Plan 2 became effective on January 1, 2003.

Source: Washington State Office of the State Actuary

Schedule of Active Member Valuation Data: JRS

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/08	10	\$1.4	\$142,328	5.9%
6/30/07	11	1.5	134,386	2.2%
9/30/06	11	1.4	131,436	3.0%
9/30/05	13	1.7	127,647	2.3%
9/30/04	19	2.4	124,801	0.1%
9/30/03	21	2.6	124,636	2.4%

Source: Washington State Office of the State Actuary

Note for all schedules: Averages are based on actual, not rounded amounts.

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		
6/30/08	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%
9/30/06	2,345	58,991,956	2,306	25,314,598	54,834	966,044,139	17,618	5.3%
9/30/05	2,453	59,678,441	2,226	23,265,522	54,795	917,109,978	16,737	5.8%
9/30/04	2,508	61,107,155	2,312	22,315,395	54,568	867,079,469	15,890	6.4%
9/30/03	2,661	63,493,857	2,295	21,236,351	54,372	815,176,602	14,993	7.3%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	1,753	19,273,543	343	2,418,970	14,881	132,989,872	8,937	17.9%
9/30/05	1,667	17,489,923	302	2,004,746	13,471	112,808,257	8,374	18.2%
9/30/04	1,460	14,389,517	258	1,585,538	12,106	95,405,344	7,881	18.0%
9/30/03	1,403	12,591,831	240	1,365,574	10,904	80,863,349	7,416	19.3%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	149	788,987	6	28,021	486	2,490,907	5,125	48.2%
9/30/05	124	603,358	3	10,266	343	1,681,231	4,902	57.4%
9/30/04	140	660,151	4	17,401	222	1,068,252	4,812	154.7%
9/30/03	77	375,280	—	—	86	419,481	4,878	859.8%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	410	2,890,809	21	120,279	1,815	12,492,085	6,883	32.2%
9/30/05	345	2,373,320	16	83,179	1,426	9,452,517	6,629	34.4%
9/30/04	370	2,399,840	9	25,759	1,097	7,032,456	6,411	53.8%
9/30/03	307	1,968,085	8	45,290	736	4,573,302	6,214	76.5%

Source: Washington State Office of the State Actuary

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

Year Ended	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls-End of Year</u>		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
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%
9/30/06	246	830,604	8	24,025	943	3,040,090	3,224	39.5%
9/30/05	231	738,686	7	15,225	705	2,179,342	3,091	52.2%
9/30/04	177	570,787	2	3,717	481	1,432,100	2,977	68.6%
9/30/03	124	376,893	3	8,584	306	849,635	2,777	80.3%

Source: Washington State Office of the State Actuary

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

Year Ended	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls-End of Year</u>		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/08	1	\$653	—	\$—	1	\$653	\$653	0.0%
6/30/07	—	—	—	—	—	—	—	—
9/30/06	—	—	—	—	—	—	—	—
9/30/05	—	—	—	—	—	—	—	—
9/30/04	—	—	—	—	—	—	—	—
9/30/03	—	—	—	—	—	—	—	—

*PSERS 2 became effective July 1, 2006.

Source: Washington State Office of the State Actuary

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

Year Ended	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls-End of Year</u>		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
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)%
9/30/06	1,522	41,976,669	1,041	15,570,734	35,745	740,789,520	20,724	5.1%
9/30/05	1,599	43,037,533	959	13,226,439	35,264	704,678,752	19,983	5.8%
9/30/04	1,724	45,066,813	955	13,060,274	34,624	666,008,994	19,235	6.5%
9/30/03	1,667	41,501,938	960	11,973,348	33,855	625,084,100	18,464	6.5%

Source: Washington State Office of the State Actuary

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

Year Ended	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls-End of Year</u>		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
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%
9/30/06	239	3,646,802	16	140,601	1,574	21,157,013	13,442	23.5%
9/30/05	233	3,546,914	9	96,832	1,351	17,129,967	12,679	27.9%
9/30/04	183	2,463,176	13	105,183	1,127	13,398,162	11,888	23.9%
9/30/03	151	1,770,105	17	133,929	957	10,809,534	11,295	21.1%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	233	1,707,380	6	34,323	933	5,863,113	6,284	44.0%
9/30/05	172	1,203,187	7	17,172	706	4,070,809	5,766	44.0%
9/30/04	160	941,453	4	31,834	541	2,827,124	5,226	50.4%
9/30/03	105	578,041	3	9,313	385	1,879,859	4,883	47.3%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	229	10,517,551	206	6,565,445	8,172	296,662,837	36,302	4.2%
9/30/05	221	9,390,330	182	5,893,176	8,149	284,639,305	34,929	2.8%
9/30/04	252	9,912,303	196	6,146,955	8,110	277,017,151	34,157	2.5%
9/30/03	234	9,466,933	167	5,043,126	8,054	270,247,173	33,554	3.3%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	211	5,655,854	6	89,270	779	17,388,315	22,321	51.4%
9/30/05	151	3,758,745	9	103,594	574	11,487,120	20,012	49.2%
9/30/04	120	2,577,269	4	58,849	432	7,698,642	17,821	51.4%
9/30/03	77	1,551,039	5	33,065	316	5,083,630	16,087	46.2%

Source: Washington State Office of the State Actuary

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		
6/30/08	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%
9/30/06	28	1,101,085	12	321,334	808	31,134,976	38,533	6.3%
9/30/05	49	1,781,905	19	443,543	792	29,291,456	36,984	7.5%
9/30/04	40	1,426,848	13	273,255	762	27,245,683	35,755	7.1%
9/30/03	28	1,222,157	11	216,943	735	25,438,609	34,610	7.1%

Source: Washington State Office of the State Actuary

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

Year Ended	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls-End of Year</u>		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
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)%
9/30/06	6	385,845	5	376,793	132	9,434,152	71,471	3.0%
9/30/05	8	631,467	4	217,950	131	9,163,352	69,949	7.5%
9/30/04	5	355,654	7	399,709	127	8,525,718	67,132	1.8%
9/30/03	6	367,945	8	415,446	129	8,373,681	64,912	1.4%

Source: Washington State Office of the State Actuary

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

Year Ended	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls-End of Year</u>		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/08	—	\$—	2	\$—	13	\$499,719	\$38,440	(13.6)%
6/30/07	—	—	—	75,233	15	578,135	38,542	0.0%
9/30/06	1	18,033	2	75,234	15	578,135	38,542	(9.0)%
9/30/05	1	16,763	1	7,011	16	635,336	39,709	1.6%
9/30/04	1	39,168	2	111,861	16	625,584	39,099	(10.4)%
9/30/03	2	94,021	3	20,715	17	698,277	41,075	11.7%

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
6/30/08	\$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%
9/30/06	1,186.4	9,473.0	2,470.1	13,129.4	9,591.0	100%	89%	0%
9/30/05	1,271.5	9,455.7	2,976.5	13,703.7	9,706.9	100%	89%	0%
9/30/04	1,343.2	8,827.4	2,684.9	12,855.5	9,928.2	100%	97%	0%
9/30/03	1,411.3	8,327.8	2,952.8	12,691.9	10,227.3	100%	100%	17%

Note: Totals may not agree due to rounding.
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
6/30/08	\$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%
9/30/06	2,294.7	2,470.0	8,764.2	13,528.9	13,528.9	100%	100%	100%
9/30/05	2,154.9	2,131.4	7,987.7	12,274.0	12,274.0	100%	100%	100%
9/30/04	2,055.1	1,816.0	7,560.0	11,431.1	11,431.1	100%	100%	100%
9/30/03	1,962.7	1,582.3	7,297.3	10,842.3	10,842.3	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
6/30/08	\$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%
9/30/06	188.7	350.1	1,395.5	1,934.3	1,934.3	100%	100%	100%
9/30/05	178.2	288.1	1,281.1	1,747.4	1,747.4	100%	100%	100%
9/30/04	175.1	216.4	1,238.5	1,630.0	1,630.0	100%	100%	100%
9/30/03	173.8	150.0	1,222.2	1,546.0	1,546.0	100%	100%	100%

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
6/30/08	\$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%
9/30/06	0.6	—	0.5	1.1	1.1	100%	100%	100%
9/30/05	—	—	—	—	—	—	—	—
9/30/04	—	—	—	—	—	—	—	—
9/30/03	—	—	—	—	—	—	—	—

*PSERS Plan 2 became effective July 1, 2006.

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
6/30/08	\$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%
9/30/06	839.3	7,831.8	1,687.5	10,358.6	8,275.5	100%	95%	0%
9/30/05	915.5	7,848.6	2,129.9	10,894.0	8,449.7	100%	96%	0%
9/30/04	985.0	7,345.6	2,070.7	10,401.3	8,728.3	100%	100%	19%
9/30/03	1,049.5	6,934.0	2,341.6	10,325.1	9,085.9	100%	100%	47%

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
6/30/08	\$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%
9/30/06	285.5	653.4	3,896.4	4,835.3	4,835.3	100%	100%	100%
9/30/05	275.8	548.4	3,587.0	4,411.2	4,411.2	100%	100%	100%
9/30/04	272.2	442.2	3,423.7	4,138.1	4,138.1	100%	100%	100%
9/30/03	264.5	364.5	3,320.0	3,949.0	3,949.0	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
6/30/08	\$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%
9/30/06	80.7	3,826.1	402.1	4,309.0	5,017.8	100%	100%	100%
9/30/05	92.8	3,763.8	386.7	4,243.3	4,799.9	100%	100%	100%
9/30/04	103.6	3,757.7	404.7	4,266.0	4,665.9	100%	100%	100%
9/30/03	115.2	3,718.5	441.2	4,274.9	4,803.3	100%	100%	100%

Note: Totals may not agree due to rounding.

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
6/30/08	\$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%
9/30/06	1,087.8	355.6	2,400.3	3,843.8	3,843.8	100%	100%	100%
9/30/05	980.4	264.7	2,084.0	3,329.1	3,329.1	100%	100%	100%
9/30/04	896.4	192.7	1,858.2	2,947.3	2,947.3	100%	100%	100%
9/30/03	820.0	137.2	1,783.2	2,740.4	2,740.4	100%	100%	100%

Note: Totals may not agree due to rounding.

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
6/30/08	\$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%
9/30/06	48.7	413.3	281.5	743.5	743.5	100%	100%	100%
9/30/05	46.2	392.9	255.0	694.1	694.1	100%	100%	100%
9/30/04	47.0	356.6	256.4	660.0	660.0	100%	100%	100%
9/30/03	47.4	335.4	281.2	664.0	664.0	100%	100%	100%

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
6/30/08	\$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%
9/30/06	3.5	78.7	5.8	88.0	0.3	7%	0%	0%
9/30/05	3.8	78.7	6.9	89.4	1.7	46%	0%	0%
9/30/04	4.9	73.9	10.2	89.0	4.3	88%	0%	0%
9/30/03	4.9	74.5	11.4	90.8	6.3	100%	2%	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
6/30/08	\$—	\$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
9/30/06	—	4.0	—	4.0	4.1	n/a	100%	n/a
9/30/05	—	4.5	—	4.5	4.2	n/a	93%	n/a
9/30/04	—	4.7	—	4.7	4.4	n/a	93%	n/a
9/30/03	—	5.2	—	5.2	4.5	n/a	87%	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 2003 to 2008
Resulting from Difference Between Assumed Experience and Actual Experience
(dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 151.6	\$ 186.0	\$ 5.6	\$ (163.9)	\$ (321.7)	\$ (679.7)
Salary Gains	(59.2)	30.7	(7.6)	63.3	106.7	90.8
Termination of Employment	(0.4)	7.2	6.1	5.4	17.3	16.4
Return to Work from Terminated Status	(49.1)	(14.4)	(25.1)	(25.1)	(17.8)	(16.6)
Gain (or Loss) During Year from Selected Experience	\$ 42.9	\$ 209.5	\$ (21.0)	\$ (120.3)	\$ (215.5)	\$ (589.1)

*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 2003 to 2008
Resulting from Difference Between Assumed Experience and Actual Experience
(dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 273.4	\$ 327.6	\$ 97.0	\$ (112.4)	\$ (295.7)	\$ (802.9)
Salary Gains	(326.1)	124.2	12.1	178.4	326.9	245.5
Termination of Employment	47.8	131.1	155.5	57.9	41.8	41.5
Return to Work from Terminated Status	(97.1)	(86.8)	(92.6)	(87.9)	(82.5)	(77.9)
Gain (or Loss) During Year from Selected Experience	\$ (102.0)	\$ 496.1	\$ 172.0	\$ 36.0	\$ (9.5)	\$ (593.8)

*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 2003 to 2008
Resulting from Difference Between Assumed Experience and Actual Experience
(dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 39.1	\$ 46.3	\$ 11.3	\$ (18.7)	\$ (45.1)	\$ (101.4)
Salary Gains	(27.5)	9.6	23.8	25.4	59.3	5.8
Termination of Employment	11.0	16.1	11.7	9.8	25.6	32.0
Return to Work from Terminated Status	(8.4)	(74.3)	(27.1)	(13.8)	(13.3)	(9.5)
Gain (or Loss) During Year from Selected Experience	\$ 14.2	\$ (2.3)	\$ 19.7	\$ 2.7	\$ 26.5	\$ (73.1)

*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 2003 to 2008
 Resulting from Difference Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ (0.3)	\$ —	—	—	—	—
Salary Gains	(5.1)	1.3	—	—	—	—
Termination of Employment	0.4	(1.0)	—	—	—	—
Return to Work from Terminated Status	(0.9)	—	—	—	—	—
Gain (or Loss) During Year from Selected Experience	\$ (5.9)	\$ 0.3	—	—	—	—

*Actuarial value of assets

**PSERS 2 became effective July 1, 2006.

Source: Washington State Office of the State Actuary

Analysis of Selected Experience: TRS Plan 1
 Selected Gains and Losses During Years Ended 2003 to 2008
 Resulting from Difference Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 26.1	\$ 24.9	\$ (111.7)	\$ (260.0)	\$ (400.6)	\$ (405.9)
Salary Gains	(28.9)	4.3	45.6	59.1	102.6	(2.1)
Termination of Employment	0.7	(7.5)	0.8	2.6	10.8	14.9
Return to Work from Terminated Status	(23.6)	(6.8)	(22.9)	(19.4)	(13.7)	(12.1)
Gain (or Loss) During Year from Selected Experience	\$ (25.7)	\$ 14.9	\$ (88.2)	\$ (217.7)	\$ (300.9)	\$ (405.2)

*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 2003 to 2008
 Resulting from Difference Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 66.8	\$ 88.5	\$ (1.7)	\$ (79.0)	\$ (146.2)	\$ (160.1)
Salary Gains	(52.7)	20.6	70.1	62.0	148.7	1.1
Termination of Employment	54.8	56.5	33.6	33.7	79.6	78.5
Return to Work from Terminated Status	(85.4)	(139.7)	(43.1)	(47.5)	(44.3)	(46.7)
Gain (or Loss) During Year from Selected Experience	\$ (16.5)	\$ 25.9	\$ 58.9	\$ (30.8)	\$ 37.8	\$ (127.2)

*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 2003 to 2008
Resulting from Difference Between Assumed Experience and Actual Experience
(dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 196.4	\$ 217.8	\$ 134.2	\$ 54.0	\$ (236.5)	\$(422.1)
Salary Gains	(2.2)	4.8	2.3	10.5	13.7	17.9
Termination of Employment	(0.1)	(0.1)	(0.7)	(1.6)	—	—
Return to Work from Terminated Status	(2.7)	(1.0)	—	(1.0)	(3.3)	(2.4)
Gain (or Loss) During Year from Selected Experience	\$ 191.4	\$ 221.5	\$ 135.8	\$ 61.9	\$ (226.1)	\$(406.6)

*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 2003 to 2008
Resulting from Difference Between Assumed Experience and Actual Experience
(dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 135.8	\$ 159.7	\$ 95.2	\$ 39.4	\$ (108.3)	\$(198.6)
Salary Gains	(29.7)	61.2	48.3	28.0	101.9	113.9
Termination of Employment	2.9	4.4	5.2	4.0	31.7	20.9
Return to Work from Terminated Status	(22.6)	(43.9)	(25.8)	(0.3)	—	(21.3)
Gain (or Loss) During Year from Selected Experience	\$ 86.4	\$ 181.4	\$ 122.9	\$ 71.1	\$ 25.3	\$(85.1)

*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 2003 to 2008
Resulting from Difference Between Assumed Experience and Actual Experience
(dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2008	2007	2006	2005	2004	2003
Investment Gains*	\$ 28.4	\$ 32.0	\$ 19.6	\$ 8.0	\$ (31.0)	\$(55.6)
Salary Gains	(5.9)	5.5	(1.9)	2.3	23.8	11.2
Termination of Employment	1.1	0.1	1.2	1.4	(0.6)	(0.9)
Return to Work from Terminated Status	0.0	(49.7)	(0.7)	(0.5)	(0.7)	(0.7)
Gain (or Loss) During Year from Selected Experience	\$ 23.6	\$ (12.1)	\$ 18.2	\$ 11.2	\$ (8.5)	\$(46.0)

*Actuarial value of assets

Source: Washington State Office of the State Actuary

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Statistical Section

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.

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Financial Trends	147
These schedules contain trend information to help the reader understand how DRS' financial performance and well-being have changed over time.	
Demographic Information	158
These schedules contain demographic and historical information regarding membership and employer participation in the pension plans offered by DRS.	
Operating Information	178
These schedules contain detailed payment information to enhance the reader's understanding of the benefit services provided by DRS.	
Deferred Compensation Information	205
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.

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Schedule of Changes in Plan Net Assets: PERS Plan 1

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 37,791	\$ 41,925	\$ 44,775	\$ 48,457	\$ 52,246	\$ 57,196	\$ 62,065	\$ 67,670	\$ 70,266	\$ 73,260
Employer Contributions	325,248	221,787	118,660	29,601	22,360	22,789	56,618	68,631	181,712	200,135
Transfers	1	343	519	68	242	310	487	355	789	663
Investment Income ¹	(2,373,373)	(114,595)	2,086,563	1,534,382	1,163,797	1,319,155	320,787	(644,307)	(662,074)	1,319,575
Miscellaneous ²	10,700	13,262	9,513	7,719	10,048	10,147	10,268	10,868	8,636	8,122
<i>Total Additions</i>	(1,999,633)	162,722	2,260,030	1,620,227	1,248,693	1,409,597	450,225	(496,783)	(400,671)	1,601,755
Deductions from Plan Net Assets by Type:										
Benefits	1,070,929	1,027,934	978,995	929,423	880,874	828,765	776,683	718,730	669,877	617,114
Administrative Expenses	4,401	4,739	4,763	4,754	4,903	4,917	5,596	6,181	6,847	5,811
Refunds	5,071	5,573	6,215	6,553	5,143	5,628	5,678	7,446	8,466	8,807
Transfers	2,021	159	31	369	966	4	358	245	408	252
<i>Total Deductions</i>	1,082,422	1,038,405	990,004	941,099	891,886	839,314	788,315	732,602	685,598	631,984
Total Changes in Plan Net Assets	\$ (3,082,055)	\$ (875,683)	\$ 1,270,026	\$ 679,128	\$ 356,807	\$ 570,283	\$ (338,090)	\$ (1,229,385)	\$ (1,086,269)	\$ 969,771

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	10,649,796	11,525,479	10,255,453	9,576,325	9,219,518	8,649,235	8,987,325	10,216,710	11,302,979	10,333,208
End of Year	\$ 7,567,741	\$10,649,796	\$11,525,479	\$10,255,453	\$ 9,576,325	\$ 9,219,518	\$ 8,649,235	\$ 8,987,325	\$10,216,710	\$11,302,979
<i>Employer Contributions: Percent of Covered Payroll</i>	49.7%	31.1%	15.6%	3.6%	2.5%	2.3%	5.4%	6.1%	15.7%	16.6%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Plan Net Assets: PERS Plan 2/3

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 368,127	\$ 268,573	\$ 207,144	\$ 127,800	\$ 63,806	\$ 60,953	\$ 34,498	\$ 48,579	\$ 116,564	\$ 102,549
Employer Contributions	439,744	318,740	242,544	149,579	74,720	69,377	38,287	50,953	115,039	101,869
Transfers	722	316	292	239	254	251	602	275	727	443
Investment Income (Loss) ¹	(4,058,631)	(224,724)	3,054,707	2,020,702	1,415,136	1,453,909	365,915	(659,567)	(599,323)	1,438,869
Miscellaneous ²	14,157	17,245	11,825	10,655	9,609	9,749	8,400	10,295	7,164	7,538
<i>Total Additions</i>	<i>(3,235,881)</i>	<i>380,150</i>	<i>3,516,512</i>	<i>2,308,975</i>	<i>1,563,525</i>	<i>1,594,239</i>	<i>447,702</i>	<i>(549,465)</i>	<i>(359,829)</i>	<i>1,651,268</i>
Deductions from Plan Net Assets by Type:										
Benefits	207,319	170,317	143,802	121,096	102,742	86,174	72,460	60,551	50,798	40,976
Administrative Expenses	8,277	9,889	7,344	6,599	5,960	5,779	6,054	6,270	6,638	5,989
Refunds	26,442	26,574	26,465	26,476	24,086	27,082	30,835	42,087	48,311	59,394
Transfers	8,903	70,935	3,904	4,296	4,718	22,918	611,867	31,165	1,903,538	1,192
<i>Total Deductions</i>	<i>250,941</i>	<i>277,715</i>	<i>181,515</i>	<i>158,467</i>	<i>137,506</i>	<i>141,953</i>	<i>721,216</i>	<i>140,073</i>	<i>2,009,285</i>	<i>107,551</i>
Total Changes in Plan Net Assets	\$(3,486,822)	\$ 102,435	\$ 3,334,997	\$ 2,150,508	\$ 1,426,019	\$ 1,452,286	\$ (273,514)	\$ (689,538)	\$ (2,369,114)	\$ 1,543,717
Net Assets Held in Trust for Pension Benefits:										
Beginning of Year	17,665,520	17,563,085	14,228,088	12,077,580	10,651,561	9,199,275	9,472,789	10,162,327	12,531,441	10,987,724
End of Year	\$ 14,178,698	\$17,665,520	\$17,563,085	\$14,228,088	\$12,077,580	\$10,651,561	\$9,199,275	\$9,472,789	\$10,162,327	\$12,531,441
<i>Employer Contributions: Percent of Covered Payroll³</i>	<i>5.4%</i>	<i>4.1%</i>	<i>3.5%</i>	<i>2.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>0.7%</i>	<i>0.9%</i>	<i>2.2%</i>	<i>1.8%</i>

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

²Miscellaneous additions include restorations of employee contributions.

³2004-2008 ratios have been adjusted to include PERS Plan 3 covered payroll.

Schedule of Changes in Plan Net Assets: SERS Plan 2/3

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 26,062	\$ 20,726	\$ 17,371	\$ 11,818	\$ 4,166	\$ 3,501	\$ 1,828	\$ 5,171	\$ 14,168	**
Employer Contributions	63,526	52,139	45,950	30,419	10,160	9,076	6,154	11,312	19,939	**
Transfers	2,050	2,118	1,998	2,589	1,959	1,631	1,970	17,923	1,902,646	**
Investment Income (Loss) ¹	(560,165)	(29,922)	435,696	287,224	201,723	203,668	55,417	(90,080)	(152,510)	**
Miscellaneous ²	1,517	1,398	1,301	1,313	1,316	1,562	1,234	1,241	1,154	**
<i>Total Additions</i>	(467,010)	46,459	502,316	333,363	219,324	219,438	66,603	(54,433)	1,785,397	**
Deductions from Plan Net Assets by Type:										
Benefits	28,307	22,627	17,641	13,500	10,114	6,692	4,305	2,048	285	**
Administrative Expenses	1,327	1,267	1,124	1,069	990	1,080	1,113	1,117	1,098	**
Refunds	2,125	2,045	2,516	2,477	2,191	2,025	2,220	2,397	1,397	**
Transfers	956	89,481	275	434	568	545	355	1,495	478,439	**
<i>Total Deductions</i>	32,715	115,420	21,556	17,480	13,863	10,342	7,993	7,057	481,219	**
Total Changes in Plan Net Assets	\$ (499,725)	\$ (68,961)	\$ 480,760	\$ 315,883	\$ 205,461	\$ 209,096	\$ 58,610	\$ (61,490)	\$ 1,304,178	**
Net Assets Held in Trust for Pension Benefits:										
Beginning of Year	2,443,537	2,512,498	2,031,738	1,715,855	1,510,394	1,301,298	1,242,688	1,304,178	—	**
End of Year	\$ 1,943,812	\$ 2,443,537	\$ 2,512,498	\$ 2,031,738	\$ 1,715,855	\$ 1,510,394	\$ 1,301,298	\$ 1,242,688	\$ 1,304,178	**
<i>Employer Contributions: Percent of Covered Payroll³</i>	4.0%	3.4%	3.3%	2.3%	0.8%	0.8%	0.5%	1.1%	2.4%	**

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

²Miscellaneous additions include restorations of employee contributions.

³2005-2008 ratios have been adjusted to include SERS Plan 3 covered payroll.

**SERS Plan 2/3 became effective September 1, 2000.

Schedule of Changes in Plan Net Assets: PSERS Plan 2

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 14,557	\$ 11,740	\$ 6,664	**	**	**	**	**	**	**
Employer Contributions	14,510	11,700	6,612	**	**	**	**	**	**	**
Transfers	—	3	—	**	**	**	**	**	**	**
Investment Income (Loss) ¹	(9,383)	(765)	813	**	**	**	**	**	**	**
Miscellaneous ²	30	14	6	**	**	**	**	**	**	**
<i>Total Additions</i>	19,714	22,692	14,095	**	**	**	**	**	**	**
Deductions from Plan Net Assets by Type:										
Benefits	5	—	—	**	**	**	**	**	**	**
Administrative Expenses	40	26	27	**	**	**	**	**	**	**
Refunds	466	152	23	**	**	**	**	**	**	**
Transfers	3	2	—	**	**	**	**	**	**	**
<i>Total Deductions</i>	514	180	50	**	**	**	**	**	**	**
Total Changes in Plan Net Assets	\$ 19,200	\$ 22,512	\$ 14,045	**	**	**	**	**	**	**
Net Assets Held in Trust for Pension Benefits:										
<i>Beginning of Year</i>	36,557	14,045	—	**	**	**	**	**	**	**
End of Year	\$ 55,757	\$ 36,557	\$ 14,045	**	**	**	**	**	**	**
<i>Employer Contributions: Percent of Covered Payroll</i>	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 Plan Net Assets: TRS Plan 1
(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 23,810	\$ 26,480	\$ 29,995	\$ 33,790	\$ 38,087	\$ 42,706	\$ 46,790	\$ 50,180	\$ 55,898	\$ 57,538
Employer Contributions	178,850	113,089	60,462	15,077	8,793	11,385	20,352	59,434	141,351	182,982
Transfers	27	5	84	78	168	147	333	253	355	397
Investment Income (Loss) ¹	(1,979,081)	(93,982)	1,762,480	1,292,574	981,556	1,112,120	275,057	(548,365)	(567,631)	1,142,019
Miscellaneous ²	7,011	7,870	8,546	8,941	8,607	7,338	6,433	6,761	6,527	6,165
<i>Total Additions</i>	(1,769,383)	53,462	1,861,567	1,350,460	1,037,211	1,173,696	348,965	(431,737)	(363,500)	1,389,101
Deductions from Plan Net Assets by Type:										
Benefits	850,262	844,986	802,344	763,613	741,118	692,243	689,254	679,009	632,674	579,261
Administrative Expenses	3,266	3,646	3,752	3,790	3,894	3,926	4,555	5,132	5,619	4,673
Refunds	1,260	1,000	1,878	1,042	1,180	1,792	1,521	2,313	2,762	2,188
Transfers	1,449	82	3	314	817	—	283	207	348	199
<i>Total Deductions</i>	856,237	849,714	807,977	768,759	747,009	697,961	695,613	686,661	641,403	586,321
Total Changes in Plan Net Assets	\$ (2,625,620)	\$ (796,252)	\$ 1,053,590	\$ 581,701	\$ 290,202	\$ 475,735	\$ (346,648)	\$ (1,118,398)	\$ (1,004,903)	\$ 802,780

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	8,939,681	9,735,933	8,682,343	8,100,642	7,810,440	7,334,705	7,681,352	8,799,750	9,804,653	9,001,873
End of Year	\$ 6,314,061	\$ 8,939,681	\$ 9,735,933	\$ 8,682,343	\$ 8,100,642	\$ 7,810,440	\$ 7,334,704	\$ 7,681,352	\$ 8,799,750	\$ 9,804,653
<i>Employer Contributions: Percent of Covered Payroll</i>	37.3%	21.5%	10.3%	2.3%	1.2%	1.4%	2.4%	6.7%	15.6%	19.1%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Plan Net Assets: TRS Plan 2/3

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 23,277	\$ 14,739	\$ 12,227	\$ 8,990	\$ 3,549	\$ 3,108	\$ 633	\$ 5,433	\$ 11,078	\$ 12,744
Employer Contributions	160,793	109,523	102,180	75,353	33,767	29,921	18,225	46,359	69,579	75,311
Transfers	547	339	201	261	500	439	429	369	296	140
Investment Income (Loss) ¹	(1,383,054)	(73,457)	1,078,134	712,495	500,432	503,551	136,127	(224,452)	(197,822)	390,190
Miscellaneous ²	4,429	4,432	3,951	3,385	3,827	4,154	3,461	3,297	3,168	2,533
<i>Total Additions</i>	<i>(1,194,008)</i>	<i>55,576</i>	<i>1,196,693</i>	<i>800,484</i>	<i>542,075</i>	<i>541,173</i>	<i>158,875</i>	<i>(168,994)</i>	<i>(113,701)</i>	<i>480,918</i>
Deductions from Plan Net Assets by Type:										
Benefits	44,795	36,016	28,534	22,351	17,118	13,416	10,862	8,669	6,810	4,943
Administrative Expenses	3,824	3,629	3,067	2,781	3,027	2,940	3,093	3,108	3,053	2,433
Refunds	2,189	2,190	2,726	2,399	3,110	2,858	3,537	4,510	3,871	4,964
Transfers	2,670	168,866	440	963	1,278	1,003	956	1,704	3,574	77,351
<i>Total Deductions</i>	<i>53,478</i>	<i>210,701</i>	<i>34,767</i>	<i>28,494</i>	<i>24,533</i>	<i>20,217</i>	<i>18,448</i>	<i>17,991</i>	<i>17,308</i>	<i>89,691</i>
Total Changes in Plan Net Assets	\$ (1,247,486)	\$ (155,125)	\$ 1,161,926	\$ 771,990	\$ 517,542	\$ 520,956	\$ 140,427	\$ (186,985)	\$ (131,009)	\$ 391,227
Net Assets Held in Trust for Pension Benefits:										
Beginning of Year	6,036,834	6,191,959	5,030,033	4,258,043	3,740,501	3,219,545	3,079,118	3,266,103	3,397,112	3,005,885
End of Year	\$ 4,789,348	\$ 6,036,834	\$ 6,191,959	\$ 5,030,033	\$ 4,258,043	\$ 3,740,501	\$ 3,219,545	\$ 3,079,118	\$ 3,266,103	\$ 3,397,112
<i>Employer Contributions: Percent of Covered Payroll³</i>	<i>4.1%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>2.4%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>0.7%</i>	<i>1.9%</i>	<i>3.2%</i>	<i>3.9%</i>

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

²Miscellaneous additions include restorations of employee contributions.

³2005-2008 ratios have been adjusted to include TRS Plan 3 covered payroll.

Schedule of Changes in Plan Net Assets: LEOFF Plan 1

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 154	\$ -	\$ 50	\$ 61	\$ (2)	\$ -	\$ 40	\$ 76	\$ 21	\$ 6,300
Employer Contributions	216	8	56	70	9	1	62	98	130	6,303
State Contributions	-	-	-	-	-	-	-	-	-	-
Transfers	173	-	-	102	-	-	167	163	256	117
Investment Income (Loss) ¹	(1,353,904)	(68,055)	1,152,792	818,343	604,304	665,380	162,220	(314,972)	(324,373)	649,734
Miscellaneous ²	2,658	3,185	3,109	2,736	2,651	2,896	2,762	2,963	3,105	2,640
<i>Total Additions</i>	<i>(1,350,703)</i>	<i>(64,862)</i>	<i>1,156,007</i>	<i>821,312</i>	<i>606,962</i>	<i>668,277</i>	<i>165,251</i>	<i>(311,672)</i>	<i>(320,861)</i>	<i>665,094</i>
Deductions from Plan Net Assets by Type:										
Benefits	327,033	313,530	300,452	288,209	279,957	272,118	264,618	252,625	238,938	225,175
Administrative Expenses	2,339	2,417	2,544	2,405	2,455	2,450	2,789	3,088	3,218	2,612
Refunds	193	150	11	3	5	133	158	92	12	82
Transfers	998	56	2	201	526	27	166	135	203	372
<i>Total Deductions</i>	<i>330,563</i>	<i>316,153</i>	<i>303,009</i>	<i>290,818</i>	<i>282,943</i>	<i>274,728</i>	<i>267,731</i>	<i>255,940</i>	<i>242,371</i>	<i>228,241</i>
Total Changes in Plan Net Assets	\$ (1,681,266)	\$ (381,015)	\$ 852,998	\$ 530,494	\$ 324,019	\$ 393,549	\$ (102,480)	\$ (567,612)	\$ (563,232)	\$ 436,853
Net Assets Held in Trust for Pension Benefits:										
Beginning of Year	6,037,179	6,418,194	5,565,196	5,034,702	4,710,683	4,317,134	4,419,614	4,987,226	5,550,458	5,113,605
End of Year	\$ 4,355,913	\$ 6,037,179	\$ 6,418,194	\$ 5,565,196	\$ 5,034,702	\$ 4,710,683	\$ 4,317,134	\$ 4,419,614	\$ 4,987,226	\$ 5,550,458
<i>Employer Contributions: Percent of Covered Payroll</i>	<i>0.5%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>6.0%</i>

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Plan Net Assets: LEOFF Plan 2

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 128,206	\$ 115,567	\$ 95,552	\$ 79,780	\$ 53,913	\$ 50,698	\$ 41,372	\$ 39,401	\$ 52,939	\$ 43,729
Employer Contributions	77,849	73,364	58,191	48,472	32,780	30,773	25,583	23,997	31,450	26,214
State Contributions	51,137	45,926	37,928	31,666	21,266	20,193	16,404	15,551	20,919	17,093
Transfers	1,218	117	-	1	17	-	234	62	96	54
Investment Income (Loss) ¹	(1,223,154)	(70,257)	892,480	576,139	393,129	391,911	98,627	(155,059)	(146,265)	273,831
Miscellaneous ²	4,466	2,987	3,905	4,273	2,440	2,371	1,759	1,595	1,500	1,259
<i>Total Additions</i>	<i>(960,278)</i>	<i>167,704</i>	<i>1,088,056</i>	<i>740,331</i>	<i>503,545</i>	<i>495,946</i>	<i>183,979</i>	<i>(74,453)</i>	<i>(39,361)</i>	<i>362,180</i>

Deductions from Plan Net Assets by Type:

Benefits	36,615	27,505	20,813	14,433	8,978	6,043	4,059	2,743	1,726	929
Administrative Expenses	2,288	2,298	2,073	1,842	1,659	1,490	1,528	1,477	1,450	1,092
Refunds	7,223	7,639	7,995	7,115	7,765	5,720	5,124	9,143	8,343	11,054
Transfers	1,146	49	32	250	331	-	94	109	165	135
<i>Total Deductions</i>	<i>47,272</i>	<i>37,491</i>	<i>30,913</i>	<i>23,640</i>	<i>18,733</i>	<i>13,253</i>	<i>10,805</i>	<i>13,472</i>	<i>11,684</i>	<i>13,210</i>
Total Changes in Plan Net Assets	\$ (1,007,550)	\$ 130,213	\$ 1,057,143	\$ 716,691	\$ 484,812	\$ 482,693	\$ 173,174	\$ (87,925)	\$ (51,045)	\$ 348,970

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	5,316,430	5,186,217	4,129,074	3,412,383	2,927,571	2,444,878	2,271,704	2,359,629	2,410,674	2,061,704
End of Year	\$ 4,308,880	\$ 5,316,430	\$ 5,186,217	\$ 4,129,074	\$ 3,412,383	\$ 2,927,571	\$ 2,444,878	\$ 2,271,704	\$ 2,359,629	\$ 2,410,674

Employer Contributions: Percent of Covered Payroll

5.3%

5.5%

4.8%

4.2%

3.1%

3.1%

2.7%

2.7%

3.9%

3.9%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Plan Net Assets: WSPRS Plan 1/2

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 5,501	\$ 5,239	\$ 3,278	\$ 3,134	\$ 1,316	\$ 1,322	\$ 1,314	\$ 1,245	\$ 1,817	\$ 4,050
Employer Contributions	6,371	6,064	3,278	3,133	—	1	—	—	—	15
Transfers	331	89	163	8	98	121	144	265	252	403
Investment Income (Loss) ¹	(210,676)	(10,992)	171,393	118,855	86,150	92,736	22,783	(42,059)	(42,487)	83,669
Miscellaneous ²	500	478	385	409	381	452	377	396	408	430
<i>Total Additions</i>	<i>(197,973)</i>	<i>878</i>	<i>178,497</i>	<i>125,539</i>	<i>87,945</i>	<i>94,632</i>	<i>24,618</i>	<i>(40,153)</i>	<i>(40,010)</i>	<i>88,567</i>
Deductions from Plan Net Assets by Type:										
Benefits	34,522	32,963	31,393	30,666	27,606	25,724	24,047	22,316	20,359	18,787
Administrative Expenses	354	391	381	408	358	347	378	398	410	324
Refunds	211	269	291	125	173	303	220	199	88	317
Transfers	160	8	—	29	70	—	23	16	26	15
<i>Total Deductions</i>	<i>35,247</i>	<i>33,631</i>	<i>32,065</i>	<i>31,228</i>	<i>28,207</i>	<i>26,374</i>	<i>24,668</i>	<i>22,929</i>	<i>20,883</i>	<i>19,443</i>
Total Changes in Plan Net Assets	\$ (233,220)	\$ (32,753)	\$ 146,432	\$ 94,311	\$ 59,738	\$ 68,258	\$ (50)	\$ (63,082)	\$ (60,893)	\$ 69,124

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	931,844	964,597	818,165	723,854	664,116	595,858	595,908	658,990	719,883	650,759
End of Year	\$ 698,624	\$ 931,844	\$ 964,597	\$ 818,165	\$ 723,854	\$ 664,116	\$ 595,858	\$ 595,908	\$ 658,990	\$ 719,883
<i>Employer Contributions: Percent of Covered Payroll</i>	<i>7.7%</i>	<i>7.7%</i>	<i>4.5%</i>	<i>4.5%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Plan Net Assets: JRS

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ 104	\$ 112	\$ 111	\$ 115	\$ 155	\$ 196	\$ 215	\$ 229	\$ 257	\$ 306
Employer Contributions	105	112	111	115	155	197	215	229	257	306
State Contributions	10,200	9,600	9,539	6,601	5,995	5,995	6,000	6,000	7,000	7,000
Transfers	—	—	—	—	—	—	—	—	—	—
Investment Income ¹	48	98	139	61	73	54	116	243	576	503
Miscellaneous ²	1	1	—	—	1	3	4	6	5	5
<i>Total Additions</i>	10,458	9,923	9,900	6,892	6,379	6,445	6,550	6,707	8,095	8,120

Deductions from Plan Net Assets by Type:

Benefits	9,583	9,514	9,356	9,247	8,761	8,404	8,279	8,060	7,719	7,331
Administrative Expenses	1	—	—	—	1	2	4	5	5	5
Refunds	7	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	1	—
<i>Total Deductions</i>	9,591	9,514	9,356	9,247	8,762	8,406	8,283	8,065	7,725	7,336
Total Changes in Plan Net Assets	\$ 867	\$ 409	\$ 544	\$ (2,355)	\$ (2,383)	\$ (1,961)	\$ (1,733)	\$ (1,358)	\$ 370	\$ 784

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	956	547	3	2,358	4,741	6,702	8,435	9,793	9,423	8,639
End of Year	\$ 1,823	\$ 956	\$ 547	\$ 3	\$ 2,358	\$ 4,741	\$ 6,702	\$ 8,435	\$ 9,793	\$ 9,423
<i>Employer Contributions: Percent of Covered Payroll</i>	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 Plan Net Assets: JUDGES

(dollars in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
Additions to Plan Net Assets by Source:										
Employee Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 8	\$ 8	\$ 8
Employer Contributions	-	-	-	-	-	-	6	9	8	8
State Contributions	-	-	300	300	500	500	250	250	750	750
Transfers	-	-	-	-	-	-	-	-	-	-
Investment Income ¹	141	179	184	139	86	20	109	214	335	190
Miscellaneous ²	2	1	2	2	2	3	3	3	4	2
<i>Total Additions</i>	143	180	486	441	588	523	374	484	1,105	958

Deductions from Plan Net Assets by Type:

Benefits	501	545	581	624	641	685	639	656	662	662
Administrative Expenses	1	2	1	2	2	2	3	3	4	2
Refunds	-	-	-	-	13	-	-	-	-	-
Transfers	1	-	-	-	1	-	-	-	-	-
<i>Total Deductions</i>	503	547	582	626	657	687	642	659	666	664
Total Changes in Plan Net Assets	\$ (360)	\$ (367)	\$ (96)	\$ (185)	\$ (69)	\$ (164)	\$ (268)	\$ (175)	\$ 439	\$ 294

Net Assets Held in Trust for Pension Benefits:

Beginning of Year	3,635	4,002	4,098	4,283	4,352	4,516	4,784	4,959	4,520	4,226
End of Year	\$ 3,275	\$ 3,635	\$ 4,002	\$ 4,098	\$ 4,283	\$ 4,352	\$ 4,516	\$ 4,784	\$ 4,959	\$ 4,520

Employer Contributions: Percent of Covered Payroll

n/a

n/a

n/a

n/a

n/a

n/a

n/a

n/a

6.5%

6.5%

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

²Miscellaneous additions include restorations of employee contributions.

Distribution of Membership

For the Years Ended June 30, 2007-2008 and September 30, 1999-2006

Active Members by System and Plan:

Plan		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
PERS 1	Percent	3.86%	4.41%	4.85%	5.50%	6.16%	6.89%	7.59%	8.46%	9.24%	10.26%
	Individuals	11,663	12,975	14,213	15,962	17,829	19,740	21,737	23,981	25,833	28,168
	Avg. Age	59	58	57	57	56	55	55	54	54	53
PERS 2	Percent	40.81%	41.00%	40.39%	40.81%	40.97%	40.93%	40.85%	45.50%	45.23%	61.27%
	Individuals	123,285	120,625	118,341	118,400	118,572	117,262	116,939	128,955	126,428	168,214
	Avg. Age	47	46	46	46	45	45	44	43	43	43
PERS 3	Percent	8.85%	8.30%	7.67%	7.31%	6.86%	6.12%	5.42%	—	—	—
	Individuals	26,720	24,422	22,473	21,216	19,855	17,548	15,509	—	—	—
	Avg. Age	42	42	42	42	42	42	43	—	—	—
SERS 2	Percent	6.38%	6.04%	6.30%	6.68%	7.06%	7.51%	7.99%	8.49%	9.20%	—
	Individuals	19,264	17,767	18,464	19,387	20,424	21,504	22,870	24,063	25,714	—
	Avg. Age	51	51	51	50	49	48	47	47	46	—
SERS 3	Percent	10.76%	11.24%	11.04%	10.67%	10.17%	9.67%	9.40%	8.57%	7.87%	—
	Individuals	32,510	33,058	32,354	30,963	29,430	27,710	26,921	24,284	22,011	—
	Avg. Age	48	47	47	46	46	46	45	45	45	—
PSERS 2	Percent	1.32%	0.94%	0.71%	—	—	—	—	—	—	—
	Individuals	3,981	2,755	2,073	—	—	—	—	—	—	—
	Avg. Age	37	38	39	—	—	—	—	—	—	—
TRS 1	Percent	2.01%	2.15%	2.52%	2.96%	3.41%	3.90%	4.35%	4.93%	6.16%	6.83%
	Individuals	6,061	6,331	7,382	8,592	9,862	11,175	12,456	13,971	17,222	18,737
	Avg. Age	59	58	58	57	56	55	55	54	53	53
TRS 2	Percent	2.68%	2.30%	2.38%	2.48%	2.58%	2.67%	2.73%	2.84%	2.99%	3.16%
	Individuals	8,103	6,752	6,983	7,205	7,470	7,637	7,809	8,056	8,356	8,663
	Avg. Age	49	52	51	51	50	49	49	48	47	46
TRS 3	Percent	17.33%	17.63%	18.22%	17.74%	17.03%	16.50%	16.00%	15.59%	13.70%	12.85%
	Individuals	52,360	51,856	53,371	51,473	49,302	47,263	45,798	44,193	38,280	35,284
	Avg. Age	43	43	42	42	42	41	41	40	40	40
LEOFF 1	Percent	0.14%	0.17%	0.20%	0.25%	0.29%	0.35%	0.40%	0.46%	0.54%	0.64%
	Individuals	421	513	596	723	848	991	1,147	1,315	1,499	1,743
	Avg. Age	58	57	56	56	55	54	53	52	52	51
LEOFF 2	Percent	5.50%	5.47%	5.37%	5.23%	5.10%	5.08%	4.90%	4.79%	4.70%	4.63%
	Individuals	16,626	16,099	15,718	15,168	14,754	14,560	14,011	13,585	13,133	12,713
	Avg. Age	41	41	41	41	40	40	39	39	38	38
WSPRS 1	Percent	0.28%	0.30%	0.31%	0.33%	0.34%	0.36%	0.36%	0.36%	0.36%	0.35%
	Individuals	851	885	906	941	997	1,045	1,035	1,027	1,013	968
	Avg. Age	42	41	41	40	39	39	38	38	38	38
WSPRS 2	Percent	0.08%	0.05%	0.04%	0.03%	0.02%	0.01%	—	—	—	—
	Individuals	234	152	116	81	60	34	—	—	—	—
	Avg. Age	30	31	30	30	29	29	—	—	—	—
JRS	Percent	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	10	11	11	13	19	21	24	26	32	38
	Avg. Age	67	66	66	65	63	63	61	61	61	60
Judges	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	—	—	—	—	—	—	1	1	1	1
	Avg. Age	n/a	n/a	n/a	n/a	n/a	n/a	76	75	74	73
Totals	Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	302,089	294,201	293,001	290,124	289,422	286,490	286,257	283,457	279,522	274,529

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, 2007-2008 and September 30, 1999-2006

Inactive and Retired Members by System and Plan:

Plan		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
PERS 1	Percent	33.11%	34.34%	35.47%	37.53%	39.14%	40.64%	42.00%	43.41%	45.42%	46.97%
	Individuals	56,852	57,342	57,509	57,628	57,561	57,514	57,286	56,848	56,381	55,810
	Avg. Age	73	73	73	72	72	72	72	72	72	72
PERS 2	Percent	23.23%	22.34%	21.88%	20.46%	19.62%	19.08%	18.64%	18.14%	17.74%	16.50%
	Individuals	39,890	37,302	35,485	31,412	28,860	26,993	25,415	23,753	22,021	19,603
	Avg. Age	60	59	59	59	59	58	57	57	57	56
PERS 3	Percent	2.12%	1.91%	1.74%	1.39%	1.02%	0.61%	0.15%	—	—	—
	Individuals	3,647	3,183	2,817	2,136	1,506	856	207	—	—	—
	Avg. Age	53	52	51	50	49	48	46	—	—	—
SERS 2	Percent	3.99%	3.61%	3.36%	2.93%	2.40%	1.86%	1.35%	0.85%	0.45%	—
	Individuals	6,845	6,019	5,442	4,499	3,525	2,638	1,834	1,120	564	—
	Avg. Age	58	57	56	56	55	54	53	52	49	—
SERS 3	Percent	3.28%	2.87%	2.60%	2.08%	1.71%	1.38%	0.98%	0.55%	0.16%	—
	Individuals	5,628	4,796	4,210	3,196	2,516	1,954	1,333	715	196	—
	Avg. Age	57	56	56	55	54	53	52	51	49	—
PSERS 2	Percent	0.00%	—	—	—	—	—	—	—	—	—
	Individuals	1	—	—	—	—	—	—	—	—	—
	Avg. Age	66	—	—	—	—	—	—	—	—	—
TRS 1	Percent	21.45%	22.41%	22.80%	23.83%	24.54%	25.09%	25.64%	26.11%	25.63%	26.09%
	Individuals	36,839	37,420	36,969	36,592	36,099	35,504	34,970	34,190	31,824	31,005
	Avg. Age	71	71	71	70	70	70	70	70	70	70
TRS 2	Percent	2.57%	2.57%	2.54%	2.53%	2.47%	2.44%	2.43%	2.33%	2.19%	2.17%
	Individuals	4,418	4,288	4,116	3,887	3,637	3,450	3,310	3,051	2,718	2,578
	Avg. Age	60	59	58	57	56	54	53	52	50	49
TRS 3	Percent	3.84%	3.48%	3.07%	2.52%	2.24%	1.98%	1.78%	1.48%	1.08%	0.81%
	Individuals	6,592	5,811	4,978	3,864	3,302	2,803	2,434	1,933	1,334	969
	Avg. Age	56	55	54	53	52	50	49	48	45	44
LEOFF 1	Percent	4.74%	4.89%	5.04%	5.31%	5.52%	5.70%	5.87%	6.05%	6.29%	6.45%
	Individuals	8,135	8,165	8,177	8,156	8,117	8,068	8,009	7,923	7,811	7,663
	Avg. Age	68	68	67	67	66	65	65	64	64	63
LEOFF 2	Percent	1.04%	0.93%	0.85%	0.74%	0.65%	0.53%	0.45%	0.37%	0.31%	0.27%
	Individuals	1,783	1,553	1,376	1,144	953	755	620	487	391	316
	Avg. Age	54	53	52	52	51	51	50	50	50	50
WSPRS 1	Percent	0.55%	0.56%	0.56%	0.58%	0.59%	0.59%	0.60%	0.60%	0.61%	0.61%
	Individuals	947	933	918	894	862	828	813	785	756	729
	Avg. Age	64	64	64	63	63	63	63	62	62	62
WSPRS 2	Percent	0.00%	0.00%	—	—	—	—	—	—	—	—
	Individuals	2	1	—	—	—	—	—	—	—	—
	Avg. Age	32	29	—	—	—	—	—	—	—	—
JRS	Percent	0.07%	0.08%	0.08%	0.09%	0.09%	0.09%	0.10%	0.10%	0.11%	0.11%
	Individuals	128	131	133	133	129	132	134	137	133	133
	Avg. Age	79	78	77	77	76	76	76	75	75	76
Judges	Percent	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%
	Individuals	13	15	15	16	16	17	18	18	18	18
	Avg. Age	80	79	79	78	78	78	80	79	78	77
Totals	Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	171,720	166,959	162,145	153,557	147,083	141,512	136,383	130,960	124,147	118,824

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

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Dept. of Social & Health Services	810	1	7.7%	Dept. of Social & Health Services	2,228	1	8.7%
University of Washington	722	2	6.9%	University of Washington	1,639	2	6.4%
Dept. of Transportation	336	3	3.2%	Dept. of Transportation	889	3	3.4%
King County	283	4	2.7%	King County	832	4	3.2%
KC Metro	265	5	2.5%	KC Metro	683	5	2.6%
Dept. of Employment Security	245	6	2.3%	Dept. of Employment Security	660	6	2.6%
Dept. of Labor & Industries	197	7	1.9%	Dept. of Labor & Industries	481	7	1.9%
Seattle SD 001	183	8	1.7%	Dept. of Fish & Wildlife	383	8	1.5%
Pierce County	127	9	1.2%	Seattle SD 001	382	9	1.5%
Washington State University	121	10	1.2%	Washington State University	380	10	1.5%
All other*	7,217		68.7%	All other	17,119		66.7%
Total (749 employers)	10,506		100.0%	Total (917 employers)	25,676		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	140	2,645
School Districts	232	2,080
Counties/Municipalities	170	1,586
Other Political Subdivisions	197	906
Total	739	7,217

**2000 calendar year statistics.

Principal Participating Employers by Plan: PERS 2

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	11,257	1	9.1%	University of Washington	11,819	1	9.5%
Dept. of Social & Health Services	8,617	2	6.9%	Dept. of Social & Health Services	8,889	2	7.1%
KC Metro	4,610	3	3.7%	King County	5,643	3	4.5%
Dept. of Transportation	4,570	4	3.7%	Dept. of Transportation	4,135	4	3.3%
King County	4,561	5	3.7%	KC Metro	3,951	5	3.2%
Pierce County	2,395	6	1.9%	Pierce County	2,326	6	1.9%
Dept. of Labor & Industries	2,122	7	1.7%	Washington State University	2,202	7	1.8%
Corrections SW Region	2,121	8	1.7%	Dept. of Labor & Industries	2,198	8	1.7%
Snohomish County	2,021	9	1.6%	Snohomish County	2,161	9	1.7%
Western State Hospital	1,717	10	1.4%	Western State Hospital	1,860	10	1.5%
All other*	80,128		64.6%	All other	79,615		63.8%
Total (932 employers)	124,119		100.0%	Total (1,043 employers)	124,799	***	100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	171	34,677
School Districts	—	—
Counties/Municipalities	268	25,840
Other Political Subdivisions	483	19,611
Total	922	80,128

**August 31, 2000 statistics.

***2000 statistics do not include SERS 2 or SERS 3 employees who were PERS 2 members in 2000.

Principal Participating Employers by Plan: PERS 3

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	3,770	1	13.8%				
Dept. of Social & Health Services	1,690	2	6.2%				
Dept. of Transportation	1,086	3	4.0%				
King County	766	4	2.8%				
Washington State University	761	5	2.8%				
KC Metro	676	6	2.5%				
Pierce County	461	7	1.7%				
Dept. of Ecology	451	8	1.6%				
Corrections SW Region	408	9	1.5%				
Dept. of Employment Security	396	10	1.4%				
All other*	16,902		61.7%				
Total (648 employers)	27,367		100.0%				

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	157	8,416
School Districts	—	—
Counties/Municipalities	201	4,878
Other Political Subdivisions	280	3,608
Total	638	16,902

**PERS 3 was not available in 2000.

Principal Participating Employers by Plan: SERS 2

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	972	1	4.6%	Seattle SD 001	1,727	1	3.8%
Tacoma SD 010	724	2	3.5%	Spokane Public Schools	1,309	2	2.9%
Spokane Public Schools	487	3	2.3%	Tacoma SD 010	1,241	3	2.8%
Vancouver SD 037	483	4	2.3%	Kent SD 415	1,203	4	2.7%
Highline SD 401	474	5	2.3%	Vancouver SD 037	1,150	5	2.6%
Kent SD 415	467	6	2.2%	Evergreen SD 114	1,018	6	2.3%
Evergreen SD 114	422	7	2.0%	Highline SD 401	983	7	2.2%
Lake Washington SD 414	402	8	1.9%	Edmonds SD 015	970	8	2.2%
Federal Way SD 210	381	9	1.8%	Lake Washington SD 414	953	9	2.1%
Edmonds SD 015	365	10	1.7%	Federal Way SD 210	897	10	2.0%
All other*	15,824		75.4%	All other	33,304		74.4%
Total (298 employers)	21,001		100.0%	Total (522 employers)	44,755	***	100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	—	—
School Districts	288	15,824
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	288	15,824

**August 31, 2000 statistics.

***SERS 2 was not available in 2000. This total represents those SERS 2 employees who were PERS 2 members in 2000.

Principal Participating Employers by Plan: SERS 3

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	1,050	1	3.2%	Tacoma SD 010	67	1	7.2%
Kent SD 415	963	2	2.9%	Kennewick SD 017	57	2	6.2%
Spokane Public Schools	845	3	2.5%	Seattle SD 001	55	3	5.9%
Evergreen SD 114	838	4	2.5%	Vancouver SD 037	50	4	5.4%
Tacoma SD 010	718	5	2.2%	Walla Walla SD 140	39	5	4.2%
Vancouver SD 037	713	6	2.2%	Evergreen SD 114	31	6	3.4%
Federal Way SD 210	679	7	2.0%	Selah SD 119	28	7	3.0%
Puyallup SD 003	661	8	2.0%	South Kitsap SD 402	28	8	3.0%
Bethel SD 403	659	9	2.0%	Kent SD 415	24	9	2.6%
Edmonds SD 015	646	10	1.9%	Battle Ground SD 119	21	10	2.3%
All other*	25,387		76.6%	All other	526		56.8%
Total (302 employers)	33,159		100.0%	Total (123 employers)	926		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	1	1
School Districts	291	25,386
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	292	25,387

**SERS 3 was not available in 2000. This total represents those SERS 3 members who were PERS 2 members in 2000.

Principal Participating Employers by Plan: PSERS 2

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Corrections NW Region	832	1	18.8%				
Corrections SE Region	650	2	14.7%				
Corrections SW Region	582	3	13.1%				
King County	335	4	7.6%				
Pierce County	199	5	4.5%				
Corrections NE Region	169	6	3.8%				
Snohomish County	148	7	3.3%				
Spokane County	143	8	3.2%				
Parks & Recreation Commission	136	9	3.1%				
Yakima County	122	10	2.8%				
All other*	1,113		25.1%				
Total (73 employers)	4,429		100.0%				

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	5	167
School Districts	—	—
Counties/Municipalities	58	946
Other Political Subdivisions	—	—
Total	63	1,113

**PSERS 2 was not available in 2000.

Principal Participating Employers by Plan: TRS 1

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	283	1	5.3%	Seattle SD 001	914	1	5.8%
Tacoma SD 010	214	2	4.0%	Tacoma SD 010	644	2	4.1%
Spokane Public Schools	144	3	2.7%	Spokane Public Schools	514	3	3.2%
Northshore SD 417	143	4	2.7%	Northshore SD 417	381	4	2.4%
Lake Washington SD 414	123	5	2.3%	Kent SD 415	357	5	2.3%
Evergreen SD 114	111	6	2.1%	Vancouver SD 037	341	6	2.1%
Kent SD 415	105	7	1.9%	Lake Washington SD 414	339	7	2.1%
Vancouver SD 037	99	8	1.9%	Evergreen SD 114	320	8	2.0%
Puyallup SD 003	94	9	1.7%	Yakima SD 007	291	9	1.8%
Yakima SD 007	86	10	1.6%	Edmonds SD 015	285	10	1.8%
All other*	3,942		73.8%	All other	11,521		72.4%
Total (336 employers)	5,344		100.0%	Total (378 employers)	15,907		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	62	264
School Districts	264	3,678
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	326	3,942

**August 31, 2000 statistics.

Principal Participating Employers by Plan: TRS 2

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	643	1	6.7%	Seattle SD 001	662	1	7.8%
Tacoma SD 010	410	2	4.3%	Tacoma SD 010	448	2	5.2%
Spokane Public Schools	276	3	2.9%	Spokane Public Schools	317	3	3.7%
Kent SD 415	222	4	2.3%	Kent SD 415	200	4	2.4%
Evergreen SD 114	221	5	2.3%	Highline SD 401	187	5	2.2%
Federal Way SD 210	197	6	2.1%	Edmonds SD 015	179	6	2.1%
Lake Washington SD 414	187	7	1.9%	Lake Washington SD 414	176	7	2.0%
Highline SD 401	183	8	1.9%	Federal Way SD 210	168	8	2.0%
Vancouver SD 037	181	9	1.9%	Bethel SD 403	163	9	1.9%
Puyallup SD 003	165	10	1.7%	Vancouver SD 037	160	10	1.9%
All other*	6,902		72.0%	All other	5,864		68.8%
Total (303 employers)	9,587		100.0%	Total (307 employers)	8,524		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	21	59
School Districts	272	6,843
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	293	6,902

**August 31, 2000 statistics.

Principal Participating Employers by Plan: TRS 3

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	2,638	1	4.8%	Seattle SD 001	1,869	1	4.7%
Spokane Public Schools	1,752	2	3.2%	Spokane Public Schools	1,223	2	3.0%
Tacoma SD 010	1,532	3	2.8%	Kent SD 415	1,167	3	2.9%
Kent SD 415	1,497	4	2.7%	Tacoma SD 010	1,128	4	2.8%
Evergreen SD 114	1,491	5	2.7%	Lake Washington SD 414	989	5	2.5%
Lake Washington SD 414	1,302	6	2.4%	Federal Way SD 210	978	6	2.4%
Federal Way SD 210	1,278	7	2.3%	Evergreen SD 114	967	7	2.4%
Vancouver SD 037	1,189	8	2.2%	Edmonds SD 015	904	8	2.3%
Puyallup SD 003	1,146	9	2.1%	Vancouver SD 037	860	9	2.1%
Edmonds SD 015	1,123	10	2.0%	Puyallup SD 003	794	10	2.0%
All other*	40,092		72.8%	All other	29,206		72.9%
Total (334 employers)	55,040		100.0%	Total (328 employers)	40,085		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	31	145
School Districts	293	39,947
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	324	40,092

**August 31, 2000 statistics.

Principal Participating Employers by Plan: LEOFF 1

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	100	1	27.9%	City of Seattle	297	1	20.3%
City of Spokane	26	2	7.2%	City of Spokane	136	2	9.3%
City of Tacoma	21	3	5.9%	City of Tacoma	115	3	7.9%
City of Bellevue	17	4	4.7%	City of Bellingham	54	4	3.7%
City of Everett	15	5	4.2%	King County	52	5	3.6%
City of Bellingham	11	6	3.1%	City of Bellevue	47	6	3.2%
Pierce County FPD 02	10	7	2.8%	City of Everett	35	7	2.4%
City of Olympia	6	8	1.7%	Spokane County	31	8	2.1%
City of Pasco	6	9	1.7%	City of Yakima	30	9	2.1%
King County	6	10	1.7%	City of Vancouver	26	10	1.8%
All other*	140		39.1%	All other	637		43.6%
Total (76 employers)	358		100.0%	Total (149 employers)	1,460		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	—	—
School Districts	—	—
Counties/Municipalities	51	107
Other Political Subdivisions	15	33
Total	66	140

**2000 calendar year statistics.

Principal Participating Employers by Plan: LEOFF 2

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	2,258	1	13.2%	City of Seattle	1,953	1	14.9%
City of Tacoma	755	2	4.4%	City of Tacoma	640	2	4.9%
King County	752	3	4.4%	King County	613	3	4.7%
City of Spokane	558	4	3.3%	City of Spokane	463	4	3.5%
City of Vancouver	378	5	2.2%	Pierce County	327	5	2.5%
City of Bellevue	376	6	2.2%	City of Everett	309	6	2.4%
City of Everett	349	7	2.1%	City of Bellevue	289	7	2.2%
Pierce County	321	8	1.9%	City of Vancouver	282	8	2.1%
City of Kent	292	9	1.7%	City of Kent	249	9	1.9%
Snohomish County	272	10	1.6%	Snohomish County	207	10	1.6%
All other*	10,757		63.0%	All other	7,778		59.3%
Total (575 employers)	17,068		100.0%	Total (352 employers)	13,110		100.0%

*In 2009, "all other" consisted of:

Type	Number	Employees
State Agencies	8	224
School Districts	—	—
Counties/Municipalities	207	6,918
Other Political Subdivisions	350	3,615
Total	565	10,757

**2000 calendar year statistics.

Principal Participating Employers by Plan: JRS

Current Year and Nine Years Prior

2009				2000**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Administrative Office of the Courts	6	1	66.7%	Administrative Office of the Courts	18	1	66.7%
Court of Appeals	2	2	22.2%	Court of Appeals	6	2	22.2%
Supreme Court	1	3	11.1%	Supreme Court	3	3	11.1%
Total (3 employers)	9		100.0%	Total (3 employers)	27		100.0%

**2000 calendar year statistics.

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 1 of 12)

State Agencies

Administrative Office of the Courts
 Archaeology-Historic Preservation
 Board for Volunteer Firefighters
 Board of Industrial Insurance Appeals
 Board of Tax Appeals
 Child Study & Treatment Ctr.
 Civil Legal Aide
 Consolidated Support Services
 Corrections Health Services
 County Road Administration Board
 Court of Appeals
 Dept. of Agriculture
 Dept. of Community, Trade & Economic Development
 Dept. of Corrections
Corrections Northeast Region
Corrections Northwest Region
Corrections Southeast Region
Corrections Southwest Region
 Dept. of Early Learning
 Dept. of Ecology
 Dept. of Employment Security
 Dept. of Financial Institutions
 Dept. of Fish & Wildlife
 Dept. of General Administration
 Dept. of Health
 Dept. of Info. Services
 Dept. of Labor & Industries
 Dept. of Licensing
 Dept. of Natural Resources
 Dept. of Personnel
 Dept. of Printing
 Dept. of Retirement Systems
 Dept. of Revenue
 Dept. of Services for the Blind
 Dept. of Social & Health Services (9)

Dept. of Transportation
 Dept. of Veterans' Affairs
 Eastern State Hospital
 Eastern WA State Historical Society
 Echo Glen Children's Ctr.
 Economic Development Finance Auth.
 Environmental Hearings Office
 Fircrest School
 Frances H. Morgan Ctr.
 Governor's Office of Indian Affairs
 Green Hill School
 Health Care Facilities Authority
 Higher Education Coordinating Board
 Home Care Quality Authority
 House of Representatives
 Human Resource Info. System Division
 Indeterminate Sentence Review Board
 Joint Legislative Audit & Review Committee
 Joint Legislative Systems Committee
 Joint Transportation Committee
 Lakeland Village
 Law Library
 LEAP Committee
 LEOFF Plan 2 Retirement Board
 Liquor Control Board
 Maple Lane School
 Military Dept.
 Naselle Youth Camp
 Office of Administrative Hearings
 Office of Financial Mgmt.
 Office of Minority & Women's Business Enterprises
 Office of Public Defense

Office of the Attorney General
 Office of the Forecast Council
 Office of the Governor
 Office of the Insurance Commissioner
 Office of the Lieutenant Governor
 Office of the Secretary of State
 Office of the State Actuary
 Office of the State Auditor
 Office of the State Treasurer
 Puget Sound Partnership
 Rainier School
 Recreation & Conservation Office
 Senate
 Soldiers Home of WA State
 Special Commitment Ctr.
 State Board for Community & Technical Colleges
 State Board of Accountancy
 State of WA Caseload Forecast Council
 Statute Law Committee
 Superintendent of Public Instruction
 Supreme Court
 Transportation Improvement Board
 Veterans Home - Spokane
 WA Pollution Liability Insurance Agency
 WA State Bar Assn.
 WA State Ferries
 WA State Health Care Auth.
 WA State Historical Society
 WA State Investment Board
 WA State Patrol
 WA State School Directors' Assn.
 WA State School for the Blind
 WA State School for the Deaf
 WA Veterans' Home

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 2 of 12)

State Agencies (continued)

Western State Hospital
 Western WA Growth Mgmt.
 Hearings Board
 Workforce Training & Education
 Coordinating Board
 Yakima Valley School

State Commissions

African American Affairs
 Apple
 Arts
 Asian American Affairs
 Beef
 Columbia River Gorge
 Conservation
 Criminal Justice Training
 Dairy Products
 Fruit
 Fryer
 Gambling
 Hispanic Affairs
 Hop
 Horse Racing
 Housing Finance
 Human Rights
 Judicial Conduct
 Lottery
 Marine Employees
 Parks and Recreation
 Potato
 Public Disclosure
 Public Employment Relations
 Puget Sound Pilotage
 Salaries for Elected Officials
 Sentencing Guidelines
 Traffic Safety
 Tree Fruit Research
 Utilities & Transportation
 Wheat
 Wine

School Districts

Aberdeen
 Adna
 Almira
 Anacortes
 Arlington
 Asotin Anatone
 Auburn
 Bainbridge Island
 Battle Ground
 Bellevue
 Bellingham
 Benge
 Bethel
 Bickelton
 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
 Coupeville
 Crescent
 Creston
 Curlew
 Cusick
 Damman
 Darrington
 Davenport
 Dayton
 Deer Park
 Dieringer
 Dixie
 East Valley (Spokane Co.)
 East Valley (Yakima Co.)
 Eastmont
 Easton
 Eatonville
 Edmonds
 Ellensburg
 Elma
 Endicott
 Entiat
 Enumclaw
 Ephrata
 Evaline
 Everett
 Evergreen (Clark Co.)
 Evergreen (Stevens Co.)
 Federal Way
 Ferndale
 Fife
 Finley
 Franklin Pierce

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 3 of 12)

School Districts (continued)

Freeman	Liberty	North Mason
Garfield	Lind	North River
Glenwood	Longview	North Thurston
Goldendale	Loon Lake	Northport
Grand Coulee Dam	Lopez	Northshore
Grandview	Lyle	Oak Harbor
Granger	Lynden	Oakesdale
Granite Falls	Mabton	Oakville
Grapeview	Mansfield	Ocean Beach
Great Northern	Manson	Ocosta
Green Mountain	Mary M. Knight	Odessa
Griffin	Mary Walker	Okanogan
Harrington	Marysville	Olympia
Highland	McCleary	Omak
Highline	Mead	Onalaska
Hockinson	Medical Lake	Onion Creek
Hood Canal	Mercer Island	Orcas Island
Hoquiam	Meridian	Orchard Prairie
Inchelium	Methow Valley	Orient
Index	Mill A	Orondo
Issaquah	Monroe	Oroville
Kahlotus	Montesano	Orting
Kalama	Morton	Othello
Keller	Moses Lake	Palisades
Kelso	Mossyrock	Palouse
Kennewick	Mount Adams	Pasco
Kent	Mount Baker	Pateros
Kettle Falls	Mount Pleasant	Paterson
Kiona-Benton City	Mount Vernon	Pe Ell
Kittitas	Mukilteo	Peninsula
Klickitat	Naches Valley	Pioneer
La Center	Napavine	Pomeroy
La Conner	Naselle-Grays River Valley	Port Angeles
LaCrosse	Nespelem	Port Townsend
Lake Chelan	Newport	Prescott
Lake Stevens	Nine Mile Falls	Prosser
Lake Washington	Nooksack Valley	Pullman
Lakewood	North Beach	Puyallup
Lamont	North Franklin	Queets-Clearwater
	North Kitsap	Quilcene

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 4 of 12)

School Districts (continued)

Quillayute	Standwood-Camano
Quinault Lake	Star
Quincy	Starbuck
Rainier	Stehekin
Raymond	Steilacoom Historical
Reardan-Edwall	Steptoe
Renton	Stevenson-Carson
Republic	Sultan
Richland	Summit
Ridgefield	Sumner
Ritzville	Sunnyside
Riverside	Tacoma
Riverview	Taholah
Rochester	Tahoma
Roosevelt	Tekoa
Rosalia	Tenino
Royal	Thorp
Saint John	Toledo
San Juan Island	Tonasket
Satsop	Toppenish
Seattle	Touchet
Sedro Woolley	Toutle Lake
Selah	Trout Lake
Selkirk	Tukwila
Sequim	Tumwater
Shaw Island	Union Gap
Shelton	University Place
Shoreline	Valley
Skamania	Vancouver
Skykomish	Vashon Island
Snohomish	Wahkiakum
Snoqualmie Valley	Wahluke
Soap Lake	Waitsburg
South Bend	Walla Walla
South Kitsap	Wapato
South Whidbey	Warden Jr. Consolidated
Southside	Washougal
Spokane Public Schools	Washtucna
Sprague	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

Educational Service Districts

E.S.D. 101
 E.S.D. 105
 E.S.D. 112
 E.S.D. 113
 E.S.D. 123
 E.S.D. 189
 North Central WA E.S.D.
 Olympic E.S.D.
 Puget Sound E.S.D.

Community Colleges, Technical Colleges

Bates Technical College
 Bellevue Community College
 Bellingham Technical College
 Big Bend Community College
 Cascadia Community College
 Clark Community College
 Clover Park Technical College
 Columbia Basin Community
 College
 Community College District 12

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 5 of 12)

Community Colleges,

Technical Colleges (continued)

Community College of Spokane
Edmonds Community College
Everett Community College
Grays Harbor College
Green River Community College
Highline Community College
Lake Washington Technical
College
Lower Columbia Community
College
Olympic College
Peninsula College
Pierce College
Renton Technical College
Seattle Community College
Shoreline Community College
Skagit Valley College
South Puget Sound Community
College
Tacoma Community College
Walla Walla Community College
Wenatchee Valley College
Whatcom Community College
Yakima Valley College

Universities

Central Washington University
Eastern Washington University
Evergreen State College
University of Washington
Washington State University
Western Washington University

Cities & Towns

Aberdeen
Airway Heights
Algona
Anacortes

Arlington
Asotin
Auburn
Bainbridge Island
Battle Ground
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
Concrete (Town of)

Connell
Cosmopolis
Coulee Dam (Town of)
Coupeville (Town of)
Creston (Town of)
Cusick (Town of)
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)
George
Gig Harbor
Gold Bar
Goldendale
Grand Coulee
Grandview
Granger (Town of)
Granite Falls (Town of)

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 6 of 12)

Cities & Towns (continued)

Harrington (Town of)	Milton	Quincy
Hoquiam	Monroe	Rainier
Hunts Point (Town of)	Montesano	Raymond
Ilwaco	Morton	Reardan (Town of)
Issaquah	Moses Lake	Redmond
Kalama	Mossyrock	Renton
Kelso	Mount Vernon	Republic
Kenmore	Mountlake Terrace	Richland
Kennewick	Moxee	Ridgefield
Kent	Mukilteo	Ritzville
Kettle Falls	Naches (Town of)	Rock Island
Kirkland	Napavine	Rosalia (Town of)
Kittitas	Newcastle	Roslyn
La Center	Newport	Roy
La Conner (Town of)	Nooksack	Royal City
Lacey	Normandy Park	Ruston (Town of)
Lake Forest Park	North Bend	Sammamish
Lake Stevens	North Bonneville	Seatac
Lakewood	Oak Harbor	Seattle
Langley	Oakesdale (Town of)	Sedro Woolley
Leavenworth	Oakville	Selah
Liberty Lake	Ocean Shores	Sequim
Lind (Town of)	Odessa (Town of)	Shelton
Long Beach	Okanogan	Shoreline
Longview	Olympia	Skykomish (Town of)
Lynden	Omak	Snohomish
Lynnwood	Oroville	Snoqualmie
Mabton	Orting	Soap Lake
Mansfield (Town of)	Othello	South Bend
Maple Valley	Pacific	South Cle Elum (Town of)
Marysville	Palouse	Spangle (Town of)
Mattawa (Town of)	Pasco	Spokane
McCleary	Pateros	Spokane Valley
Medical Lake	Port Angeles	Sprague
Medina	Port Orchard	Springdale (Town of)
Mercer Island	Port Townsend	Stanwood
Metaline Falls (Town of)	Poulsbo	Steilacoom (Town of)
Mill Creek	Prosser	Stevenson
Millwood (Town of)	Pullman	Sultan
	Puyallup	Sumas

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 7 of 12)

Cities & Towns (continued)

Sumner
 Sunnyside
 Tacoma
 Tekoa
 Tenino
 Tieton
 Toledo
 Tonasket
 Toppenish
 Tukwila
 Tumwater
 Twisp (Town of)
 Union Gap
 Uniontown (Town of)
 University Place
 Vader
 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

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

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.

Area Agencies on Aging

Aging & Adult Care of Central WA
 Aging & Long-Term Care of Eastern WA
 Lewis, Mason, Thurston Area Agency on Aging
 Olympic Area Agency on Aging

Conservation Districts

Cascadia
 Clallam
 Columbia
 Cowlitz
 King
 Kittitas
 Okanogan
 Pacific
 Snohomish
 Spokane Co.
 Stevens Co.
 Thurston
 Wahkiakum

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

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 8 of 12)

Fire Protection Districts (continued)

Chelan Co. FPDs 1, 3, 5, 7 & 9
 Clallam Co. FPDs 2, 3 & 5
 Clark Co. FPDs 3, 5, 6, 10, 11 & 13
 Columbia Co. FPD 3
 Cowlitz Co. FPDs 1-3, 5 & 6
 Cowlitz-Skamania Co. FPD 7
 Douglas Co. FPD 2
 Douglas-Okanogan Co. FPD 15
 East County Fire & Rescue
 Franklin Co. FPD 3
 Grant Co. FPDs 3, 5, 8 & 10
 Grays Harbor Co. FPDs 2 & 5
 Island Co. FPDs 1 & 3
 Jefferson Co. FPDs 1, 3 & 4
 King Co. FPDs 2, 10, 16, 20, 27, 34, 37, 40, 43-45 & 50
 Kitsap Co. FPD 18
 Kittitas Co. FPD 2
 Klickitat Co. FPD 3 & 7
 Lake Stevens Fire
 Lewis Co. FPDs 2, 3, 8, 10, 14 & 15
 Marysville Fire Dist. 12
 Mason Co. FPDs 2-6, & 13
 North County Regional Fire Authority
 North Highline Fire Dist.
 North Kitsap Fire & Rescue
 North Olympia Fire Dept.
 North Whatcom Fire & Rescue
 North Whidbey Fire & Rescue
 Okanogan Co. FPD 6
 Pacific Co. FPD 1
 Pend Oreille FPDs 2, 3 & 4
 Pierce Co. FPDs 2, 3, 5, 6, 8, 10, 13, 14, 16-18, 21-23 & 27
 Prosser FPD 3

Riverside Fire Authority
 San Juan Co. FPDs 2-5
 Shoreline Fire Dept.
 Skagit Co. FPDs 6 & 8
 Snohomish Co. FPDs 1, 3-5, 7, 15, 17, 19, 22, 26 & 28
 South King Fire & Rescue
 South Kitsap Fire & Rescue
 South Whatcom Fire Auth.
 Spokane Co., FPDs 1, 3, 4, 8-10 & 13
 Stevens Co. FPD 1
 Thurston Co. FPDs 1, 3, 5, 6, 8, 9, 11-13 & 17
 Valley Regional Fire Authority
 Vashon Island Fire & Rescue
 Walla Walla Co. FPDs 4 & 5
 Whatcom Co. FPDs 1, 4, 7, 8, 14, 17 & 18
 Woodinville Fire-Life Safety Dist.
 Yakima Co. FPDs 4, 5, & 12
 Yelm Fire 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
 King Co. Public Health Dept.
 Kitsap Co. Health Dist.
 North Central WA Regional Support Network
 North Sound Mental Health Administration
 Snohomish Health Dist.
 Spokane Regional Health Dist.
 Yakima Co. Health Dist.

Emergency Service & Communication Districts

Emergency Services Coordinating Agency
 Franklin Co. Emergency Mgmt.
 Grays Harbor Communications
 Island Co. Emergency Services Communication Ctr.
 KITTCOM
 Multi Agency Communications Center
 North Country Emergency Medical Service
 NE King County Public Safety Communication Agency
 RIVERCOM
 San Juan Is. Emergency Medical Services
 Skagit 911 (SECOM)
 Snocom Medic-7
 Snohomish Co. Emergency Radio System
 South Beach Ambulance Service
 Valley Communication Center

Housing Authorities

Anacortes
 Asotin Co.
 Bellingham
 Bremerton
 Clallam Co.
 Everett
 Grant Co.
 Grays Harbor Co.
 Island Co.
 Jefferson Co.
 Joint Republic Ferry Co.
 Kelso
 Kennewick
 King Co.

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 9 of 12)

Housing Authorities (continued)

Kitsap Co. Consolidated
Kittitas Co.
Longview
Mason Co.
Othello
Pasco/Franklin Co.
Pierce Co.
Renton
Richland
Seattle
Skagit Co.
Snohomish Co.
Spokane
Tacoma
Thurston Co.
Vancouver
Walla Walla
Walla Walla Co.

Insurance Authorities

Transit Insurance Pool of WA
WA Cities Insurance Auth.
WA Counties Insurance Fund
WA Counties Risk Pool
WA Governmental Entity Pool
Water & Sewer Insurance Pool

Irrigation, Sewer & Water Districts

Agnew Irrigation Dist.
Ahtanum Irrigation Dist.
Alderwood Water Dist.
Beacon Hill 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.
Consolidated Diking
Improvement Dist. 1 & 2
Consolidated Irrigation Dist. 19
Covington Water Dist.
Cross Valley 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.
Evergreen Water-Sewer Dist. 19
Fall City Water Dist.
Franklin Co. Irrigation Dist. 1
Gardena Farms Dist. 13
Glacier Water Dist.
Grays Harbor Co. Water District 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. 20, 45, 49,
54, 90, 111, 119 & 125
Kiona Irrigation Dist.
Kittitas Reclamation Dist.
Lake Chelan Reclamation Dist.
Lake Forest Park Water Dist.
Lake Stevens Sewer Dist.

Lakehaven Sewer Dist.
Lakehaven Utility Dist.
Lakewood Water Dist.
Loon Lake Sewer Dist. 4
LOTT 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 Dist.
Naches Selah Irrigation Dist.
North Beach Water Dist.
North Perry Ave. Water Dist.
North Spokane Irrigation Dist. 8
Northshore Utility Dist.
NE Sammamish Sewer & Water
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 District
Roza Irrigation District
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.

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 10 of 12)

Irrigation, Sewer & Water Districts (continued)

South Columbia Basin Irrigation Dist.
 South King Co. Regional Water Assn.
 SW Suburban Sewer Dist.
 Stemilt Irrigation Dist.
 Stevens Pass Sewer Dist.
 Sunland Water Dist.
 Sunnyside Valley Irrigation 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
 Water District 19
 Wenatchee Reclamation Dist.
 Whatcom Co. Water Dist. 2 & 10
 Whitestone Reclamation Dist.
 Whitworth Water Dist. 2
 Willapa Valley Water Dist.
 Woodinville Water Dist.
 Yakima-Tieton Irrigation Dist.

Weed Control Districts

Ferry Co. Weed Board
 Grant Co. Noxious Weed Board
 Grant Co. Weed Dist. 1 & 3
 Pierce Co. Noxious Weed Board
 Spokane Co. Noxious Weed Control Board

Mosquito Districts

Adams Co. Mosquito Dist.
 Benton Co. Mosquito Control Dist.
 Columbia Mosquito Control Dist.

Franklin Co. Mosquito Control Dist.

Yakima Co. Mosquito Control

Libraries, Library Districts

Columbia County Rural Library Dist.
 Fort Vancouver Regional Library
 King Co. Law Library
 King Co. Public Library
 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
 Whatcom Co. Public Library
 Whitman Co. Rural Library
 Yakima Valley Regional Library

Ports

Allyn
 Anacortes
 Bellingham
 Benton
 Bremerton
 Brownsville
 Camas-Washougal

Centralia
 Chelan Co.
 Clarkston
 Columbia
 Douglas Co.
 Edmonds
 Ephrata
 Everett
 Friday Harbor
 Grays Harbor
 Ilwaco
 Kalama
 Kennewick
 Kingston
 Klickitat
 Longview
 Mattawa
 Moses Lake
 Olympia
 Orcas
 Othello
 Pasco
 Peninsula
 Port Angeles
 Port Townsend
 Quincy
 Ridgefield
 Royal Slope
 Seattle
 Shelton
 Skagit Co.
 Skamania Co.
 Sunnyside
 Tacoma
 Vancouver
 Wahkiakum Co. 1
 Walla Walla
 Warden
 Whitman Co.
 Willapa Harbor
 Woodland

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 11 of 12)

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. PUD 1
 Energy Northwest
 Ferry Co. PUD 1
 Franklin Co. Public Works 1
 Franklin Co. PUD 1
 Grand Coulee Project
 Hydroelectric Authority
 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
 Wells Hydroelectric Project
 West Sound Utility Dist.

Transit Authorities, Transportation Districts

Benton-Franklin Transit
 Central Puget Sound Transit Auth.
 Chelan-Douglas P.T.B.A.

Clallam Transit System
 Clark Co. P.T.B.A.
 Columbia County Public
 Transportation
 Community Transit
 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. Transportation Auth.
 Pacific Transit System
 Pierce Co. P.T.B.A.
 Spokane Regional Transportation
 Council
 Valley Transit
 Whatcom Transportation Auth.

Associations, Unions

Assn. of Washington Cities
 Inlandboatmen's Union of the
 Pacific
 King County Assn. of Suburban
 Cities
 King County Directors Assn.
 Public School Employees of WA
 WA Assn. of County Officials
 WA Federation of State Employees
 WA Public Employees Assn.
 WA State Council of County-City
 Employees

Airports, Airport Boards

Centralia-Chehalis Airport Board
 Snohomish Co. Airport
 Spokane International Airport
 Walla Walla Regional Airport

Yakima Air Terminal

Councils

Cowlitz-Wahkiakum Council of
 Governments
 Grays Harbor Council of
 Governments
 Northwest Regional Council
 Pacific Council of Governments
 Puget Sound Regional Council
 Skagit Council of Governments
 South Central Workforce Council
 SW WA Council of Governments
 on Aging and Disabilities
 Thurston Regional Planning
 Council
 Wenatchee Valley Transportation
 Council
 Whatcom Council of
 Governments

Parks & Recreation Districts

Bainbridge Island Metro Parks &
 Recreation Dist.
 Eastmont Metropolitan Park Dist.
 Fidalgo Pool & Fitness Ctr.
 Key Peninsula Metro Park Dist.
 Manson Parks & Recreation Dist.
 Metropolitan Park Dist. of Tacoma
 Peninsula Metropolitan Park Dist.
 San Juan Island Park & Recreation
 Dist.
 Si View Metropolitan Park Dist.
 South Whidbey Parks &
 Recreation Dist.

Development Authorities/ Districts

Cultural Development Auth. of
 King Co.
 Grays Harbor Public Development
 Auth.

Employers Covered by DRS Administered Retirement Systems

As of June 30, 2009 (page 12 of 12)

Development Authorities/ Districts (continued)

Tricounty Economic
Development Dist.

Cemetery Districts

Clark Co. Cemetery Dist. 4
Cowlitz Co. Cemetery Dist. 1 & 2
Pend Oreille Cemetery Dist. 1
Skagit Co. Cemetery Dist. 2

Road Departments

Chelan Co. Roads
Lincoln Co. Highway Dept.

Public Facility Districts

Dist. Public Stadium Auth.
Edmonds Public Facilities District
Lynnwood Public Facilities
Spokane Public Facility Dist.

Other Government Entities

Pierce Co. Law Enforcement
Support Agency
Snohomish Co. Police Staff
Auxiliary
Tacoma-Pierce Co. Employment
& Training Consortium
WA School Information
Processing Cooperative

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 1
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100**	182	148	21	6	7	153	25	2	2
101-200	825	573	—	71	181	555	182	86	2
201-300	1,960	1,419	3	131	407	1,313	439	200	8
301-400	2,208	1,541	32	133	502	1,422	536	245	5
401-500	2,409	1,728	2	132	547	1,542	538	317	12
501-600	2,477	1,820	1	123	533	1,568	511	378	20
601-700	2,534	1,871	1	107	555	1,588	508	419	19
701-800	2,372	1,721	1	118	532	1,442	512	398	20
801-900	2,344	1,758	3	106	477	1,412	480	424	28
901-1,000	2,329	1,831	—	87	411	1,423	477	407	22
Over 1,000	34,941	32,503	5	430	2,003	22,043	6,051	5,453	1,394
Totals	54,581	46,913	69	1,444	6,155	34,461	10,259	8,329	1,532

*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&I holdoffs.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 2
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	383	183	—	158	42	249	117	11	6
101-200	1,377	881	—	343	153	938	357	60	22
201-300	1,568	1,111	—	277	180	1,034	406	97	31
301-400	1,599	1,217	—	211	171	1,057	408	90	44
401-500	1,489	1,157	—	187	145	958	374	115	42
501-600	1,385	1,144	—	118	123	888	359	98	40
601-700	1,238	1,054	—	90	94	800	289	99	50
701-800	1,239	1,094	—	69	76	816	280	96	47
801-900	1,095	989	—	52	54	728	219	93	55
901-1,000	1,014	931	—	40	43	666	202	107	39
Over 1,000	5,411	5,215	—	67	129	3,638	829	668	276
Totals	17,798	14,976	—	1,612	1,210	11,772	3,840	1,534	652

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 3
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	12	4	—	6	2	8	4	—	—
101-200	99	60	—	20	19	52	41	5	1
201-300	150	128	—	12	10	97	34	15	4
301-400	136	125	—	8	3	86	28	13	9
401-500	110	100	—	3	7	77	20	10	3
501-600	60	56	—	2	2	42	10	8	—
601-700	54	51	—	1	2	41	5	3	5
701-800	28	26	—	—	2	18	6	3	1
801-900	21	21	—	—	—	13	7	—	1
901-1,000	19	19	—	—	—	18	—	1	—
Over 1,000	54	54	—	—	—	35	12	7	—
Totals	743	644	—	52	47	487	167	65	24

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: SERS Plan 2
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	43	13	—	25	5	20	19	2	2
101-200	287	218	—	49	20	199	72	9	7
201-300	330	269	—	37	24	225	77	17	11
301-400	299	271	—	19	9	213	59	19	8
401-500	260	232	—	19	9	190	54	10	6
501-600	242	225	—	10	7	179	39	17	7
601-700	194	184	—	4	6	141	33	16	4
701-800	160	155	—	3	2	127	14	15	4
801-900	129	129	—	—	—	100	17	11	1
901-1,000	120	114	—	2	4	88	19	10	3
Over 1,000	384	375	—	3	6	277	45	47	15
Totals	2,448	2,185	—	171	92	1,759	448	173	68

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: SERS Plan 3

For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	77	60	—	12	5	48	24	2	3
101-200	436	380	—	26	30	308	101	21	6
201-300	402	374	—	10	18	299	84	11	8
301-400	200	192	—	7	1	146	38	9	7
401-500	133	129	—	2	2	100	22	5	6
501-600	67	65	—	1	1	51	10	4	2
601-700	42	41	—	1	—	33	3	3	3
701-800	27	27	—	—	—	20	2	4	1
801-900	17	17	—	—	—	15	1	—	1
901-1,000	6	6	—	—	—	5	—	1	—
Over 1,000	18	18	—	—	—	15	—	2	1
Totals	1,425	1,309	—	59	57	1,040	285	62	38

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: PSERS Plan 2

For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	1	1	—	—	—	1	—	—	—
101-200	—	—	—	—	—	—	—	—	—
201-300	—	—	—	—	—	—	—	—	—
301-400	—	—	—	—	—	—	—	—	—
401-500	—	—	—	—	—	—	—	—	—
501-600	—	—	—	—	—	—	—	—	—
601-700	—	—	—	—	—	—	—	—	—
701-800	—	—	—	—	—	—	—	—	—
801-900	—	—	—	—	—	—	—	—	—
901-1,000	—	—	—	—	—	—	—	—	—
Over 1,000	—	—	—	—	—	—	—	—	—
Totals	1	1	—	—	—	1	—	—	—

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 1
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	47	45	—	—	2	40	5	2	—
101-200	267	238	—	4	25	179	63	22	3
201-300	582	496	—	20	66	411	131	36	4
301-400	564	443	—	30	91	370	147	41	6
401-500	607	462	—	31	114	377	151	73	6
501-600	614	427	—	38	149	352	157	98	7
601-700	694	491	—	46	157	431	127	131	5
701-800	764	499	—	36	229	379	173	205	7
801-900	829	524	—	35	270	394	202	226	7
901-1,000	830	583	—	29	218	422	167	232	9
Over 1,000	30,081	28,307	—	469	1,305	18,743	5,998	4,263	1,077
Totals	35,879	32,515	—	738	2,626	22,098	7,321	5,329	1,131

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 2
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	27	20	—	5	2	19	7	1	—
101-200	36	23	—	10	3	23	10	2	1
201-300	71	54	—	12	5	51	19	1	—
301-400	78	62	—	8	8	58	16	4	—
401-500	111	90	—	11	10	76	21	8	6
501-600	91	74	—	6	11	55	28	3	5
601-700	99	85	—	5	9	62	29	7	1
701-800	111	92	—	8	11	64	34	10	3
801-900	102	85	—	10	7	66	29	3	4
901-1,000	110	103	—	3	4	88	15	5	2
Over 1,000	1,043	1,018	—	11	14	748	153	88	54
Totals	1,879	1,706	—	89	84	1,310	361	132	76

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 3

For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	30	11	—	11	8	15	13	2	—
101-200	115	74	—	15	26	68	43	3	1
201-300	186	148	—	13	25	118	54	11	3
301-400	190	172	—	6	12	148	29	9	4
401-500	152	143	—	3	6	126	21	2	3
501-600	162	157	—	2	3	125	22	7	8
601-700	116	112	—	—	4	90	19	6	1
701-800	96	94	—	—	2	64	15	14	3
801-900	71	68	—	1	2	42	15	9	5
901-1,000	76	71	—	1	4	47	18	6	5
Over 1,000	198	196	—	—	2	143	31	14	10
Totals	1,392	1,246	—	52	94	986	280	83	43

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: LEOFF Plan 1

For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2**	3**	4**
\$0-100	4	4	—	—	—	4	—	—	—
101-200	7	7	—	—	—	7	—	—	—
201-300	6	3	—	—	3	6	—	—	—
301-400	5	5	—	—	—	4	1	—	—
401-500	9	8	—	—	1	9	—	—	—
501-600	17	12	—	—	5	17	—	—	—
601-700	13	8	—	—	5	11	2	—	—
701-800	18	16	—	—	2	17	1	—	—
801-900	17	11	—	—	6	15	1	1	—
901-1,000	15	12	—	—	3	15	—	—	—
Over 1,000	8,023	2,655	3,488	523	1,357	7,453	457	49	64
Totals	8,134	2,741	3,488	523	1,382	7,558	462	50	64

*1 – Standard option "A", 100% joint and survivor, with additional benefits to eligible children, 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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: LEOFF Plan 2
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	6	5	—	1	—	4	1	1	—
101-200	6	3	—	3	—	4	2	—	—
201-300	16	7	2	4	3	7	6	3	—
301-400	17	10	3	1	3	9	6	2	—
401-500	27	21	3	3	—	13	12	2	—
501-600	22	18	3	—	1	7	11	2	2
601-700	25	18	2	1	4	13	9	2	1
701-800	27	21	5	—	1	12	12	3	—
801-900	36	29	3	—	4	20	10	2	4
901-1,000	22	16	2	3	1	16	4	2	—
Over 1,000	930	788	84	20	38	443	289	106	92
Totals	1,134	936	107	36	55	548	362	125	99

*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.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: WSPRS Plan 1
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*	
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2
\$0-100	—	—	—	—	—	—	—
101-200	2	2	—	—	—	2	—
201-300	1	—	—	—	1	1	—
301-400	1	1	—	—	—	1	—
401-500	—	—	—	—	—	—	—
501-600	1	—	—	—	1	1	—
601-700	9	2	—	—	7	7	2
701-800	10	1	—	—	9	10	—
801-900	8	1	—	—	7	8	—
901-1,000	8	—	—	—	8	8	—
Over 1,000	791	695	—	—	96	623	168
Totals	831	702	—	—	129	661	170

*1 – Standard option "A," 100% joint and survivor, with initial pension equal to the lesser of 50% AFC and 100% member's accrued benefit.
2 – Option "B," 100% joint and survivor, with initial pension being the actuarial equivalent of the single life annuity.

Source: Washington State Office of the State Actuary

Schedule of Benefit Recipients by Type of Benefit: JRS Plan 1
For the Twelve Months Ended June 30, 2008

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1	2	3	4
\$0-100	—	—	—	—	—	—	—	—	—
101-200	—	—	—	—	—	—	—	—	—
201-300	—	—	—	—	—	—	—	—	—
301-400	—	—	—	—	—	—	—	—	—
401-500	—	—	—	—	—	—	—	—	—
501-600	—	—	—	—	—	—	—	—	—
601-700	—	—	—	—	—	—	—	—	—
701-800	—	—	—	—	—	—	—	—	—
801-900	—	—	—	—	—	—	—	—	—
901-1,000	—	—	—	—	—	—	—	—	—
Over 1,000	127	87	—	—	40	121	6	—	—
Totals	<u>127</u>	<u>87</u>	<u>—</u>	<u>—</u>	<u>40</u>	<u>121</u>	<u>6</u>	<u>—</u>	<u>—</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.

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 7/1/07 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	\$3,689.95	\$4,815.61	\$4,995.48
Number of Active Retirees	138	118	157	243	988	504
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$307.42	\$725.55	\$1,095.01	\$1,718.64	\$2,489.82	\$2,707.39
Average Final Salary (Monthly)*	\$3,341.89	\$2,928.81	\$3,286.45	\$3,704.50	\$4,498.05	\$4,728.35
Number of Active Retirees	117	110	155	361	1,010	511
Period 1/1/01 to 9/30/01						
Average Monthly Benefit*	\$307.83	\$678.34	\$1,100.55	\$1,552.78	\$2,314.61	\$2,595.25
Average Final Salary (Monthly)*	\$3,458.70	\$2,774.76	\$3,303.24	\$3,331.65	\$4,174.12	\$4,535.78
Number of Active Retirees	109	104	87	301	755	394
Period 1/1/00 to 12/31/00						
Average Monthly Benefit*	\$334.45	\$631.61	\$1,048.38	\$1,515.01	\$2,317.25	\$2,532.19
Average Final Salary (Monthly)*	\$3,085.45	\$2,661.97	\$3,146.53	\$3,283.62	\$4,192.22	\$4,448.62
Number of Active Retirees	121	131	138	505	973	479
Period 1/1/99 to 12/31/99						
Average Monthly Benefit*	\$404.00	\$747.37	\$1,093.49	\$1,428.98	\$2,253.87	\$2,440.78
Average Final Salary (Monthly)*	\$2,848.46	\$2,951.93	\$3,163.59	\$3,145.52	\$4,067.96	\$4,331.37
Number of Active Retirees	50	71	127	492	858	426

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 7/1/07 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
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$330.72	\$683.82	\$1,029.00	\$1,201.49	\$—	\$—
Average Final Salary (Monthly)*	\$2,394.70	\$2,829.33	\$3,212.41	\$3,521.90	\$—	\$—
Number of Active Retirees	313	300	267	182	—	—
Period 1/1/01 to 9/30/01						
Average Monthly Benefit*	\$337.87	\$684.28	\$979.64	\$1,182.54	\$1,005.31	\$—
Average Final Salary (Monthly)*	\$2,437.56	\$2,861.20	\$3,144.89	\$3,409.91	\$3,361.68	\$—
Number of Active Retirees	220	198	169	122	1	—
Period 1/1/00 to 12/31/00						
Average Monthly Benefit*	\$320.99	\$686.13	\$923.82	\$972.29	\$—	\$—
Average Final Salary (Monthly)*	\$2,348.25	\$2,824.36	\$2,928.27	\$2,908.84	\$—	\$—
Number of Active Retirees	344	279	300	150	—	—
Period 1/1/99 to 12/31/99						
Average Monthly Benefit*	\$322.89	\$667.16	\$858.96	\$1,007.80	\$—	\$—
Average Final Salary (Monthly)*	\$2,254.63	\$2,722.44	\$2,708.99	\$3,010.29	\$—	\$—
Number of Active Retirees	217	190	255	84	—	—

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 7/1/07 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	—	—
Period 10/1/01 to 9/30/02						
Average Monthly Benefit**	\$—	\$297.95	\$367.83	\$673.48	\$—	\$—
Average Final Salary (Monthly)**	\$—	\$4,619.45	\$3,071.63	\$3,766.71	\$—	\$—
Number of Active Retirees	—	4	3	2	—	—

Retirees with missing or invalid data elements were excluded.

*PERS 3 became effective March 1, 2002

**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 7/1/07 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	—
Period 10/1/01 to 9/30/02						
Average Monthly Benefit**	\$240.96	\$415.32	\$730.68	\$829.12	\$—	\$—
Average Final Salary (Monthly)**	\$1,534.65	\$1,697.54	\$2,185.84	\$2,177.96	\$—	\$—
Number of Active Retirees	45	54	60	49	—	—
Period 1/1/01 to 9/30/01						
Average Monthly Benefit**	\$194.00	\$405.98	\$607.23	\$800.16	\$—	\$—
Average Final Salary (Monthly)**	\$1,436.54	\$1,653.89	\$1,772.23	\$2,140.37	\$—	\$—
Number of Active Retirees	40	38	35	31	—	—
Period 1/1/00 to 12/31/00						
Average Monthly Benefit**	\$215.88	\$520.57	\$577.60	\$790.56	\$—	\$—
Average Final Salary (Monthly)**	\$1,467.89	\$1,905.60	\$1,859.92	\$2,565.72	\$—	\$—
Number of Active Retirees	6	7	10	2	—	—

Retirees with missing or invalid data elements were excluded.

*SERS became effective September 1, 2000.

**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 7/1/07 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	—
Period 10/1/01 to 9/30/02						
Average Monthly Benefit**	\$107.15	\$170.83	\$255.17	\$397.87	\$—	\$—
Average Final Salary (Monthly)**	\$1,460.85	\$1,916.83	\$1,919.31	\$2,326.24	\$—	\$—
Number of Active Retirees	13	41	31	12	—	—
Period 1/1/01 to 9/30/01						
Average Monthly Benefit**	\$155.58	\$178.65	\$201.73	\$325.92	\$—	\$—
Average Final Salary (Monthly)**	\$2,150.78	\$1,883.80	\$1,972.90	\$2,372.24	\$—	\$—
Number of Active Retirees	10	24	28	12	—	—

Retirees with missing or invalid data elements were excluded.

*SERS became effective September 1, 2000.

**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 7/1/07 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
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$254.31	\$803.93	\$1,157.14	\$1,861.65	\$2,396.72	\$2,473.71
Average Final Salary (Monthly)*	\$2,597.54	\$3,432.41	\$4,037.84	\$4,841.25	\$5,162.29	\$5,246.20
Number of Active Retirees	79	66	83	229	770	483
Period 7/1/00 to 9/30/01						
Average Monthly Benefit*	\$274.13	\$733.44	\$1,134.70	\$1,688.10	\$2,180.01	\$2,207.91
Average Final Salary (Monthly)*	\$2,785.27	\$3,264.23	\$4,152.92	\$4,541.32	\$4,896.71	\$4,936.26
Number of Active Retirees	98	118	122	374	1,526	1,040
Period 7/1/99 to 6/3/00						
Average Monthly Benefit*	\$295.10	\$588.36	\$1,088.95	\$1,575.42	\$2,072.88	\$2,083.78
Average Final Salary (Monthly)*	\$3,033.65	\$2,818.93	\$3,783.64	\$4,294.24	\$4,614.38	\$4,724.18
Number of Active Retirees	61	58	64	188	814	418
Period 7/1/98 to 6/30/99						
Average Monthly Benefit*	\$396.88	\$715.87	\$1,159.08	\$1,503.29	\$2,005.94	\$2,038.77
Average Final Salary (Monthly)*	\$3,403.67	\$3,482.60	\$3,890.87	\$4,261.02	\$4,481.23	\$4,600.30
Number of Active Retirees	11	23	44	192	700	407

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 7/1/07 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	—	—
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$498.47	\$920.61	\$1,350.13	\$1,710.86	\$—	\$—
Average Final Salary (Monthly)*	\$3,408.04	\$3,873.98	\$4,265.37	\$4,362.12	\$—	\$—
Number of Active Retirees	33	25	21	30	—	—
Period 7/1/00 to 9/30/01						
Average Monthly Benefit*	\$502.96	\$944.22	\$1,246.40	\$1,497.10	\$—	\$—
Average Final Salary (Monthly)*	\$3,386.67	\$3,859.24	\$4,071.52	\$4,098.62	\$—	\$—
Number of Active Retirees	55	44	50	36	—	—
Period 7/1/99 to 6/3/00						
Average Monthly Benefit*	\$477.49	\$806.42	\$1,340.51	\$1,368.88	\$—	\$—
Average Final Salary (Monthly)*	\$3,292.52	\$3,519.21	\$4,130.82	\$3,985.34	\$—	\$—
Number of Active Retirees	37	30	32	11	—	—
Period 7/1/98 to 6/30/99						
Average Monthly Benefit*	\$465.45	\$956.60	\$1,342.24	\$875.44	\$—	\$—
Average Final Salary (Monthly)*	\$3,432.16	\$3,759.73	\$4,317.44	\$3,516.92	\$—	\$—
Number of Active Retirees	16	13	28	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 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 7/1/07 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	—	—
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$220.32	\$343.01	\$485.97	\$558.34	\$—	\$—
Average Final Salary (Monthly)*	\$3,727.15	\$4,114.94	\$4,282.65	\$4,355.04	\$—	\$—
Number of Active Retirees	9	27	16	16	—	—
Period 7/1/00 to 9/30/01						
Average Monthly Benefit*	\$248.98	\$343.19	\$479.65	\$571.69	\$—	\$—
Average Final Salary (Monthly)*	\$4,040.17	\$4,098.63	\$4,240.39	\$4,429.45	\$—	\$—
Number of Active Retirees	15	37	28	20	—	—
Period 7/1/99 to 6/30/00						
Average Monthly Benefit*	\$129.91	\$284.85	\$527.43	\$431.09	\$—	\$—
Average Final Salary (Monthly)*	\$3,245.45	\$3,850.47	\$4,450.93	\$4,342.86	\$—	\$—
Number of Active Retirees	3	19	14	2	—	—
Period 7/1/98 to 6/30/99						
Average Monthly Benefit*	\$204.33	\$274.94	\$444.58	\$—	\$—	\$—
Average Final Salary (Monthly)*	\$4,630.42	\$3,676.21	\$4,108.33	\$—	\$—	\$—
Number of Active Retirees	2	13	15	—	—	—

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 7/1/07 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
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$-	\$-	\$2,331.10	\$2,988.91	\$3,274.02	\$3,885.10
Average Final Salary (Monthly)*	\$-	\$-	\$5,080.50	\$6,074.97	\$6,046.00	\$6,405.84
Number of Active Retirees	-	-	2	20	95	56
Period 1/1/01 to 9/30/01						
Average Monthly Benefit*	\$345.68	\$894.28	\$1,579.67	\$2,816.73	\$3,109.33	\$3,584.16
Average Final Salary (Monthly)*	\$2,610.67	\$2,696.79	\$4,023.37	\$5,434.91	\$5,763.09	\$5,837.19
Number of Active Retirees	2	2	6	39	87	49
Period 1/1/00 to 12/31/00						
Average Monthly Benefit*	\$-	\$-	\$1,650.47	\$2,689.59	\$3,032.38	\$3,750.90
Average Final Salary (Monthly)*	\$-	\$-	\$3,990.61	\$5,121.64	\$5,608.80	\$6,132.45
Number of Active Retirees	-	-	3	48	141	60
Period 1/1/99 to 12/31/99						
Average Monthly Benefit*	\$-	\$-	\$-	\$2,433.96	\$2,953.55	\$3,753.25
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$5,047.65	\$5,205.80	\$5,754.30
Number of Active Retirees	-	-	-	17	71	31

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 7/1/07 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	\$3,096.32	\$—
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	—
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$634.41	\$1,202.59	\$1,637.57	\$2,313.58	\$—	\$—
Average Final Salary (Monthly)*	\$3,952.56	\$4,737.99	\$4,821.85	\$5,533.30	\$—	\$—
Number of Active Retirees	8	9	14	14	—	—
Period 1/1/01 to 9/30/01						
Average Monthly Benefit*	\$626.16	\$943.10	\$1,885.84	\$2,066.47	\$—	\$—
Average Final Salary (Monthly)*	\$4,995.09	\$4,004.33	\$5,212.68	\$5,146.12	\$—	\$—
Number of Active Retirees	8	8	12	11	—	—
Period 1/1/00 to 12/31/00						
Average Monthly Benefit*	\$650.73	\$1,027.96	\$1,346.56	\$1,976.68	\$—	\$—
Average Final Salary (Monthly)*	\$5,539.05	\$3,806.93	\$4,218.39	\$5,245.36	\$—	\$—
Number of Active Retirees	7	10	13	5	—	—
Period 1/1/99 to 12/31/99						
Average Monthly Benefit*	\$570.78	\$854.44	\$1,475.41	\$2,577.73	\$—	\$—
Average Final Salary (Monthly)*	\$4,065.54	\$3,620.92	\$4,020.36	\$6,211.40	\$—	\$—
Number of Active Retirees	6	6	6	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 7/1/07 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
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$—	\$562.42	\$2,534.99	\$3,475.76	\$3,691.11	\$3,722.77
Average Final Salary (Monthly)*	\$—	\$2,502.73	\$6,208.20	\$7,149.99	\$6,784.48	\$5,449.78
Number of Active Retirees	—	1	1	7	9	7
Period 1/1/01 to 9/30/01						
Average Monthly Benefit*	\$—	\$—	\$—	\$2,024.21	\$3,604.37	\$4,322.36
Average Final Salary (Monthly)*	\$—	\$—	\$—	\$4,264.99	\$6,348.08	\$6,362.57
Number of Active Retirees	—	—	—	2	12	15
Period 1/1/00 to 12/31/00						
Average Monthly Benefit*	\$—	\$—	\$—	\$3,211.61	\$3,277.30	\$3,488.65
Average Final Salary (Monthly)*	\$—	\$—	\$—	\$6,332.66	\$5,870.93	\$5,447.32
Number of Active Retirees	—	—	—	7	21	6
Period 1/1/99 to 12/31/99						
Average Monthly Benefit*	\$—	\$—	\$—	\$2,861.87	\$3,186.29	\$3,197.98
Average Final Salary (Monthly)*	\$—	\$—	\$—	\$5,633.93	\$5,578.02	\$4,817.43
Number of Active Retirees	—	—	—	7	21	7

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 7/1/07 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	-	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$-	\$-	\$6,209.62	\$7,447.71	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$10,436.34	\$9,935.84	\$-	\$-
Number of Active Retirees	-	-	1	1	-	-
Period 1/1/01 to 9/30/01						
Average Monthly Benefit	n/a	n/a	n/a	n/a	n/a	n/a
Average Final Salary (Monthly)	n/a	n/a	n/a	n/a	n/a	n/a
Number of Active Retirees	n/a	n/a	n/a	n/a	n/a	n/a
Period 1/1/00 to 12/31/00						
Average Monthly Benefit	n/a	n/a	n/a	n/a	n/a	n/a
Average Final Salary (Monthly)	n/a	n/a	n/a	n/a	n/a	n/a
Number of Active Retirees	n/a	n/a	n/a	n/a	n/a	n/a
Period 1/1/99 to 12/31/99						
Average Monthly Benefit*	n/a	n/a	n/a	n/a	n/a	n/a
Average Final Salary (Monthly)	n/a	n/a	n/a	n/a	n/a	n/a
Number of Active Retirees	n/a	n/a	n/a	n/a	n/a	n/a

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 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 987,383	\$ 947,353	\$ 901,730	\$ 854,882	\$ 809,658	\$ 760,454	\$ 710,565	\$ 656,113	\$ 635,006	\$ 588,662
Disability	14,871	15,121	14,950	15,171	15,159	14,970	15,210	14,506	14,198	13,255
Survivor	68,675	65,460	62,315	59,370	56,057	53,341	50,908	48,111	45,946	43,556
Refunds										
Separations	3,612	4,011	4,194	4,796	4,093	4,309	4,224	5,422	5,799	7,407
Death	1,459	1,562	2,021	1,757	1,050	1,319	1,453	2,024	1,486	1,413
Total	<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>	<u>\$ 782,360</u>	<u>\$ 726,176</u>	<u>\$ 702,435</u>	<u>\$ 654,293</u>

Schedule of Benefit Expenses and Refunds by Type: PERS Plan 2/3

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 188,971	\$ 154,388	\$ 129,890	\$ 109,007	\$ 92,401	\$ 77,193	\$ 64,733	\$ 54,065	\$ 49,589	\$ 40,969
Disability	9,014	8,294	7,669	6,871	5,969	5,456	4,920	4,310	3,958	3,507
Survivor	9,334	7,635	6,243	5,218	4,372	3,525	2,807	2,177	1,863	1,527
Refunds										
Separations	22,798	24,498	21,866	22,378	20,515	23,729	27,645	38,626	36,945	53,785
Death	3,644	2,076	4,599	4,098	3,571	3,353	3,190	3,460	2,703	3,570
Total	<u>\$ 233,761</u>	<u>\$ 196,891</u>	<u>\$ 170,267</u>	<u>\$ 147,572</u>	<u>\$ 126,828</u>	<u>\$ 113,256</u>	<u>\$ 103,295</u>	<u>\$ 102,638</u>	<u>\$ 95,058</u>	<u>\$ 103,358</u>

Schedule of Benefit Expenses and Refunds by Type: PERS Plan 3*

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 51	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	38,856	35,702	33,724	34,854	24,563	25,601	5,515	-	-	-
Death	1,346	2,589	1,530	685	970	980	222	-	-	-
Total	<u>\$ 40,253</u>	<u>\$ 38,314</u>	<u>\$ 35,254</u>	<u>\$ 35,539</u>	<u>\$ 25,533</u>	<u>\$ 26,581</u>	<u>\$ 5,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*PERS Plan 3 became effective March 1, 2002.

Schedule of Benefit Expenses and Refunds by Type: SERS Plan 2/3*

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 26,468	\$ 20,944	\$ 16,230	\$ 12,352	\$ 9,167	\$ 5,902	\$ 3,647	\$ 1,646	\$ 931	\$ 27
Disability	1,037	928	781	736	664	568	442	355	131	4
Survivor	802	755	630	412	283	222	216	47	15	1
Refunds										
Separations	1,693	1,752	2,148	1,970	1,970	1,855	1,972	2,090	2,328	608
Death	432	293	368	507	221	170	248	307	259	16
Total	<u>\$ 30,432</u>	<u>\$ 24,672</u>	<u>\$ 20,157</u>	<u>\$ 15,977</u>	<u>\$ 12,305</u>	<u>\$ 8,717</u>	<u>\$ 6,525</u>	<u>\$ 4,445</u>	<u>\$ 3,664</u>	<u>\$ 656</u>

*SERS Plan 2/3 became effective September 1, 2000.

Schedule of Benefit Expenses and Refunds by Type: SERS Plan 3*

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 62	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	40,501	39,438	30,539	24,104	20,777	11,731	10,528	10,498	8,371	-
Death	1,540	377	1,538	842	701	633	800	373	-	-
Total	<u>\$ 42,103</u>	<u>\$ 39,823</u>	<u>\$ 32,077</u>	<u>\$ 24,946</u>	<u>\$ 21,478</u>	<u>\$ 12,364</u>	<u>\$ 11,328</u>	<u>\$ 10,871</u>	<u>\$ 8,371</u>	<u>\$ -</u>

*SERS Plan 3 became effective September 1, 2000.

Schedule of Benefit Expenses and Refunds by Type: PSERS Plan 2*

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	4	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	450	151	22	-	-	-	-	-	-	-
Death	16	1	1	-	-	-	-	-	-	-
Total	<u>\$ 471</u>	<u>\$ 152</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service ¹	\$ 801,974	\$ 798,668	\$ 757,896	\$ 720,921	\$ 700,288	\$ 653,560	\$ 652,419	\$ 644,218	\$ 521,534	\$ 481,936
Disability	11,068	11,186	11,301	11,379	11,325	11,129	10,916	10,691	10,337	9,930
Survivor	37,220	35,132	33,147	31,313	29,505	27,554	25,919	24,100	23,058	21,297
Refunds										
Separations	930	827	841	714	878	1,792	1,521	2,313	1,306	1,478
Death	330	173	1,037	328	302	—	—	—	788	1,210
Total	\$ 851,522	\$ 845,986	\$ 804,222	\$ 764,655	\$ 742,298	\$ 694,035	\$ 690,775	\$ 681,322	\$ 557,023	\$ 515,851

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 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 42,587	\$33,984	\$ 26,770	\$ 20,716	\$ 15,953	\$ 12,389	\$ 9,988	\$ 7,876	\$ 6,999	\$ 5,368
Disability	838	882	732	796	616	521	406	437	477	333
Survivor	1,370	1,150	1,032	839	549	506	467	356	304	262
Refunds										
Separations	1,423	1,712	2,284	2,023	2,611	2,432	3,082	4,220	3,178	9,065
Death	766	478	442	376	499	426	456	290	449	1,087
Total	\$ 46,984	\$ 38,206	\$ 31,260	\$ 24,750	\$ 20,228	\$ 16,274	\$ 14,399	\$ 13,179	\$ 11,407	\$ 16,115

Schedule of Benefit Expenses and Refunds by Type: TRS Plan 3

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 128	\$ 45	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	74,586	82,756	59,658	40,397	33,660	23,911	18,611	17,375	18,223	19,356
Death	1,580	2,020	3,152	1,511	1,922	2,021	720	1,020	1,194	458
Total	<u>\$ 76,294</u>	<u>\$ 84,821</u>	<u>\$ 62,828</u>	<u>\$ 41,908</u>	<u>\$ 35,582</u>	<u>\$ 25,932</u>	<u>\$ 19,331</u>	<u>\$ 18,395</u>	<u>\$ 19,417</u>	<u>\$ 19,814</u>

Schedule of Benefit Expenses and Refunds by Type: LEOFF Plan 1

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 126,562	\$ 119,464	\$ 112,073	\$ 105,527	\$100,529	\$ 95,318	\$ 89,457	\$ 83,586	\$ 82,789	\$ 77,262
Disability	148,846	145,795	143,468	140,552	139,928	139,544	139,236	135,537	131,427	125,340
Survivor	51,625	48,271	44,911	42,130	39,500	37,256	35,925	33,502	31,911	29,709
Refunds										
Separations	43	-	1	3	5	4	153	6	3	12
Death	150	150	10	-	-	129	5	87	94	73
Total	<u>\$ 327,226</u>	<u>\$ 313,680</u>	<u>\$ 300,463</u>	<u>\$ 288,212</u>	<u>\$ 279,962</u>	<u>\$ 272,251</u>	<u>\$ 264,776</u>	<u>\$ 252,718</u>	<u>\$ 246,224</u>	<u>\$ 232,396</u>

Schedule of Benefit Expenses and Refunds by Type: LEOFF Plan 2

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 30,694	\$ 23,096	\$ 16,889	\$ 11,801	\$ 7,672	\$ 5,338	\$ 3,596	\$ 2,481	\$ 2,073	\$ 1,199
Disability	4,632	3,480	3,204	2,139	967	498	319	200	145	77
Survivor	1,289	929	720	493	339	207	144	61	41	23
Refunds										
Separations	6,112	6,350	7,557	6,238	7,117	5,367	4,810	8,554	7,357	10,571
Death	1,111	1,289	438	877	648	353	314	590	234	579
Total	\$ 43,838	\$ 35,144	\$ 28,808	\$ 21,548	\$ 16,743	\$ 11,763	\$ 9,183	\$ 11,886	\$ 9,850	\$ 12,449

Schedule of Benefit Expenses and Refunds by Type: WSPRS 1

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 31,643	\$ 30,293	\$ 29,048	\$ 27,619	\$ 25,796	\$ 24,111	\$ 22,536	\$ 20,874	\$ 20,066	\$ 18,286
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	2,879	2,670	2,345	3,047	1,810	1,613	1,511	1,442	1,355	1,292
Refunds										
Separations	68	269	291	125	173	303	221	199	124	173
Death	138	—	—	—	—	—	—	—	—	33
Total	\$ 34,728	\$ 33,232	\$ 31,684	\$ 30,791	\$ 27,779	\$ 26,027	\$ 24,268	\$ 22,515	\$ 21,545	\$ 19,784

Schedule of Benefit Expenses and Refunds by Type: WSPRS Plan 2

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	5	-	-	-	-	-	-	-	-	-
Death	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*WSPRS Plan 2 became effective January 1, 2003.

Schedule of Benefit Expenses and Refunds by Type: JRS

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$7,811	\$ 7,719	\$ 7,696	\$ 7,732	\$ 7,333	\$ 7,076	\$ 6,966	\$ 6,769	\$ 6,768	\$ 6,247
Disability	-	-	-	-	-	-	34	56	55	55
Survivor	1,772	1,795	1,660	1,515	1,428	1,328	1,279	1,235	1,228	1,173
Refunds										
Separations	-	-	-	-	-	-	-	-	-	-
Death	7	-	-	-	-	-	-	-	-	-
Total	<u>\$ 9,590</u>	<u>\$ 9,514</u>	<u>\$ 9,356</u>	<u>\$ 9,247</u>	<u>\$ 8,761</u>	<u>\$ 8,404</u>	<u>\$ 8,279</u>	<u>\$ 8,060</u>	<u>\$ 8,051</u>	<u>\$ 7,475</u>

Schedule of Benefit Expenses and Refunds by Type: Judges

For Years Ended 2000-2009

(expressed in thousands)

	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02	12/31/01	12/31/00
Benefit Expenses										
Service	\$ 422	\$ 466	\$ 483	\$ 497	\$ 521	\$ 597	\$ 567	\$ 603	\$ 622	\$ 622
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	79	79	98	127	120	88	72	53	40	40
Refunds										
Separations	—	—	—	—	13	—	—	—	—	—
Death	—	—	—	—	—	—	—	—	—	—
Total	<u>\$ 501</u>	<u>\$ 545</u>	<u>\$ 581</u>	<u>\$ 624</u>	<u>\$ 654</u>	<u>\$ 685</u>	<u>\$ 639</u>	<u>\$ 656</u>	<u>\$ 662</u>	<u>\$ 662</u>

Deferred Compensation Program

Background

In 1981, the Washington State legislature established the Deferred Compensation Program (DCP) and created the Committee for Deferred Compensation (CDC) as the governing body. From 1981 to 1984, the CDC contracted with the National Plan Coordinators Inc. to provide administrative and marketing services. In 1985, the CDC took over responsibility for administering the program, and assumed marketing responsibility in 1986.

In 1989, the Committee began managing investments for the Judicial Retirement Account (JRA) as a result of an agreement with the Administrative Office of the Courts. In 1995, the state legislature decided to transfer administrative responsibility for the program to DRS. The merger of DCP and DRS took effect on July 1, 1996.

What is DCP?

DCP is a voluntary retirement savings plan established for employees of the state and other political subdivisions, elected and appointed state officials, members of the state legislature, and some judges. The program meets the requirements of Section 457 of the Internal Revenue Code.

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. Participants can choose to invest in a number of different investment options. The investments made each month grow tax free until they are withdrawn. The program provides participants with a means to easily save money and help supplement their other retirement income.

Deferred Compensation Program Status Report

(dollars in thousands)

	June 30, 2009		June 30, 2008		June 30, 2007		June 30, 2006	
	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
Active U.S. Core Stock Fund¹	\$ 180,558	8.34	\$ 267,879	11.02	\$ 352,142	13.82	\$ 318,035	14.56
Active U.S. Value Stock Fund²	213,669	9.87	326,400	13.43	500,501	19.65	412,711	18.89
Calvert Social Investment Fund – Balanced Portfolio	—	—	—	—	—	—	—	—
Fidelity Equity – Income Fund	—	—	—	—	—	—	—	—
Fidelity Growth Company Fund	224,090	10.35	315,284	12.97	279,402	10.97	262,555	12.02
Fidelity Independence Fund³	—	—	—	—	—	—	—	—
Fidelity Intermediate Bond Fund	—	—	—	—	—	—	—	—
Fidelity Overseas Fund	—	—	—	—	—	—	—	—
International Stock Fund⁴	89,981	4.16	140,526	5.78	167,724	6.58	95,487	4.37
Savings Pool	954,969	44.10	819,272	33.71	723,624	28.41	696,006	31.86
U.S. Small Stock Index Fund⁵	52,854	2.44	64,641	2.66	87,907	3.45	75,769	3.47
U.S. Stock Market Index Fund⁶	102,935	4.75	134,940	5.55	152,066	5.97	119,714	5.48
Washington State Bond Fund⁷	134,101	6.19	132,298	5.44	87,000	3.42	72,714	3.33
Washington State Long-Horizon Fund⁸	—	—	64,478	2.65	62,784	2.46	35,668	1.63
Washington State Mid-Horizon Fund⁸	—	—	72,182	2.97	61,143	2.40	38,058	1.74
Washington State Short-Horizon Fund⁸	—	—	34,602	1.42	24,892	0.98	15,218	0.70
Washington State Socially Responsible Balanced Fund⁹	49,115	2.27	58,317	2.40	48,082	1.89	42,519	1.95
2000 Retirement Strategy¹⁰	3,458	0.16	—	—	—	—	—	—
2005 Retirement Strategy¹⁰	6,919	0.32	—	—	—	—	—	—
2010 Retirement Strategy¹⁰	29,057	1.34	—	—	—	—	—	—
2015 Retirement Strategy¹⁰	44,406	2.05	—	—	—	—	—	—
2020 Retirement Strategy¹⁰	34,220	1.58	—	—	—	—	—	—
2025 Retirement Strategy¹⁰	19,402	0.90	—	—	—	—	—	—
2030 Retirement Strategy¹⁰	10,986	0.51	—	—	—	—	—	—
2035 Retirement Strategy¹⁰	7,444	0.34	—	—	—	—	—	—
2040 Retirement Strategy¹⁰	4,163	0.19	—	—	—	—	—	—
2045 Retirement Strategy¹⁰	2,215	0.10	—	—	—	—	—	—
2050 Retirement Strategy¹⁰	882	0.04	—	—	—	—	—	—
TOTAL	<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>

Chart continued on page 207

¹This fund replaced the Fidelity Independence Fund as of January 1, 2006.²This fund replaced the Fidelity Equity-Income Fund as of January 1, 2006.³The Fidelity Retirement Growth Fund was renamed the Fidelity Independence Fund effective January 27, 2001.⁴This fund replaced the Fidelity Overseas Fund as of April 1, 2005.⁵This investment option was added in October 2002.⁶This investment option was added in July 1998.⁷This fund replaced the Fidelity Intermediate Bond Fund as of September 1, 2000.⁸These investment options were added on September 1, 2000.⁹This fund replaced the Calvert Social Investment – Balanced Portfolio as of July 1, 2003.¹⁰These investment options were added in October 2008.

Chart continued from page 206

June 30, 2005		June 30, 2004		June 30, 2003		June 30, 2002		June 30, 2001		June 30, 2000	
Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	30,619	2.09	29,556	2.18	32,442	2.22	32,547	2.05
385,152	20.05	363,619	20.88	289,313	19.80	317,669	23.49	352,111	24.06	324,213	20.37
218,618	11.38	209,736	12.05	153,105	10.48	136,675	10.10	197,718	13.51	260,554	16.37
298,141	15.52	293,937	16.88	264,735	18.12	275,006	20.33	346,223	23.65	488,730	30.71
-	-	-	-	-	-	-	-	-	-	24,084	1.51
-	-	40,802	2.34	19,788	1.35	20,534	1.52	22,550	1.54	29,182	1.83
51,946	2.70	-	-	-	-	-	-	-	-	-	-
648,046	33.74	571,790	32.84	539,970	36.95	463,982	34.30	418,606	28.60	384,809	24.18
46,398	2.42	33,788	1.94	4,620	0.32	-	-	-	-	-	-
101,902	5.30	84,955	4.88	57,304	3.92	48,248	3.57	48,561	3.32	47,408	2.98
74,565	3.88	70,776	4.07	85,999	5.89	52,445	3.88	41,005	2.80	-	-
20,823	1.08	12,745	0.73	4,785	0.33	3,046	0.23	1,660	0.11	-	-
23,593	1.23	14,528	0.83	6,395	0.44	3,379	0.25	1,741	0.12	-	-
11,053	0.58	7,548	0.43	4,491	0.31	2,018	0.15	1,104	0.07	-	-
40,750	2.12	37,079	2.13	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ 1,920,987</u>	<u>100.00</u>	<u>\$ 1,741,303</u>	<u>100.00</u>	<u>\$ 1,461,124</u>	<u>100.00</u>	<u>\$ 1,352,558</u>	<u>100.00</u>	<u>\$ 1,463,721</u>	<u>100.00</u>	<u>\$ 1,591,527</u>	<u>100.00</u>

Deferred Compensation Program

Performance – Periods Ending June 30, 2009

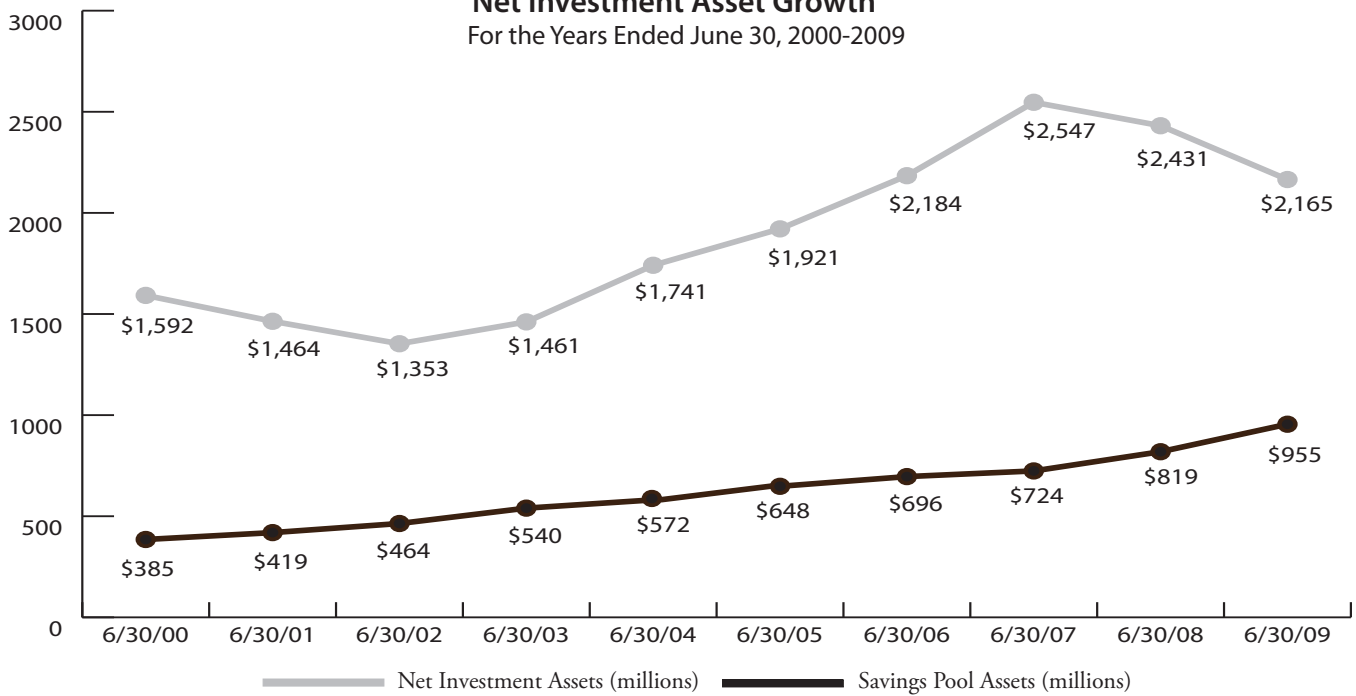
Fund Name <i>Benchmark</i>	3 Month Return	Performance History ¹ Average Annual Total Returns			
		1 Year	3 Year	5 Year	10 Year
Active U.S. Core Stock Fund	15.70%	(28.12)%	(10.20)%	**	**
<i>S&P 500 Index</i>	<i>15.93%</i>	<i>(26.22)%</i>	<i>(8.22)%</i>	<i>(2.24)%</i>	<i>(2.22)%</i>
Active U.S. Value Stock Fund	18.27%	(28.24)%	(12.57)%	**	**
<i>Russell 1000 Value Index</i>	<i>16.70%</i>	<i>(29.03)%</i>	<i>(11.11)%</i>	<i>(2.12)%</i>	<i>**</i>
Fidelity Growth Company Fund	15.91%	(29.39)%	(4.52)%	1.13%	0.99%
<i>Russell 3000 Growth Index</i>	<i>16.82%</i>	<i>(24.53)%</i>	<i>(5.65)%</i>	<i>(1.78)%</i>	<i>(3.94)%</i>
International Stock Fund	26.93%	(33.63)%	(9.60)%	**	**
<i>MSCI EAFE</i>	<i>25.43%</i>	<i>(31.35)%</i>	<i>(7.98)%</i>	<i>2.31%</i>	<i>1.18%</i>
Savings Pool	1.09%	4.58%	4.68%	4.65%	5.37%
U.S. Small Stock Index Fund	20.75%	(24.71)%	(9.79)%	(1.64)%	**
<i>Russell 2000 Index</i>	<i>20.69%</i>	<i>(25.01)%</i>	<i>(9.89)%</i>	<i>(1.71)%</i>	<i>2.38%</i>
U.S. Stock Market Index Fund	16.73%	(26.28)%	(8.05)%	(1.53)%	(1.10)%
<i>Dow Jones Wilshire 5000 Index</i>	<i>16.81%</i>	<i>(26.39)%</i>	<i>(8.12)%</i>	<i>(1.60)%</i>	<i>(1.32)%</i>
Washington State Bond Fund	7.07%	6.55%	6.84%	5.16%	**
<i>Barclays Capital Intermediate Credit Index</i>	<i>7.59%</i>	<i>4.28%</i>	<i>5.05%</i>	<i>4.04%</i>	<i>5.70%</i>
Washington State Socially Responsible Balanced Fund	7.44%	(10.87)%	0.51%	1.94%	**
<i>Social Balanced Custom Benchmark²</i>	<i>9.47%</i>	<i>(12.30)%</i>	<i>(1.46)%</i>	<i>1.27%</i>	<i>1.75%</i>
2000 Retirement Strategy	12.44%	**	**	**	**
<i>2000 Composite Benchmark²</i>	<i>13.19%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2005 Retirement Strategy	14.74%	**	**	**	**
<i>2005 Composite Benchmark²</i>	<i>15.66%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2010 Retirement Strategy	16.77%	**	**	**	**
<i>2010 Composite Benchmark²</i>	<i>17.99%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2015 Retirement Strategy	18.13%	**	**	**	**
<i>2015 Composite Benchmark²</i>	<i>19.35%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2020 Retirement Strategy	19.31%	**	**	**	**
<i>2020 Composite Benchmark²</i>	<i>20.69%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2025 Retirement Strategy	20.23%	**	**	**	**
<i>2025 Composite Benchmark²</i>	<i>21.74%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2030 Retirement Strategy	20.29%	**	**	**	**
<i>2030 Composite Benchmark²</i>	<i>21.53%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2035 Retirement Strategy	20.05%	**	**	**	**
<i>2035 Composite Benchmark²</i>	<i>21.23%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2040 Retirement Strategy	20.03%	**	**	**	**
<i>2040 Composite Benchmark²</i>	<i>21.23%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2045 Retirement Strategy	20.13%	**	**	**	**
<i>2045 Composite Benchmark²</i>	<i>21.23%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>
2050 Retirement Strategy	20.13%	**	**	**	**
<i>2050 Composite Benchmark²</i>	<i>21.23%</i>	<i>**</i>	<i>**</i>	<i>**</i>	<i>**</i>

** Data not available. These funds have not been in existence long enough to have performance history for these periods.

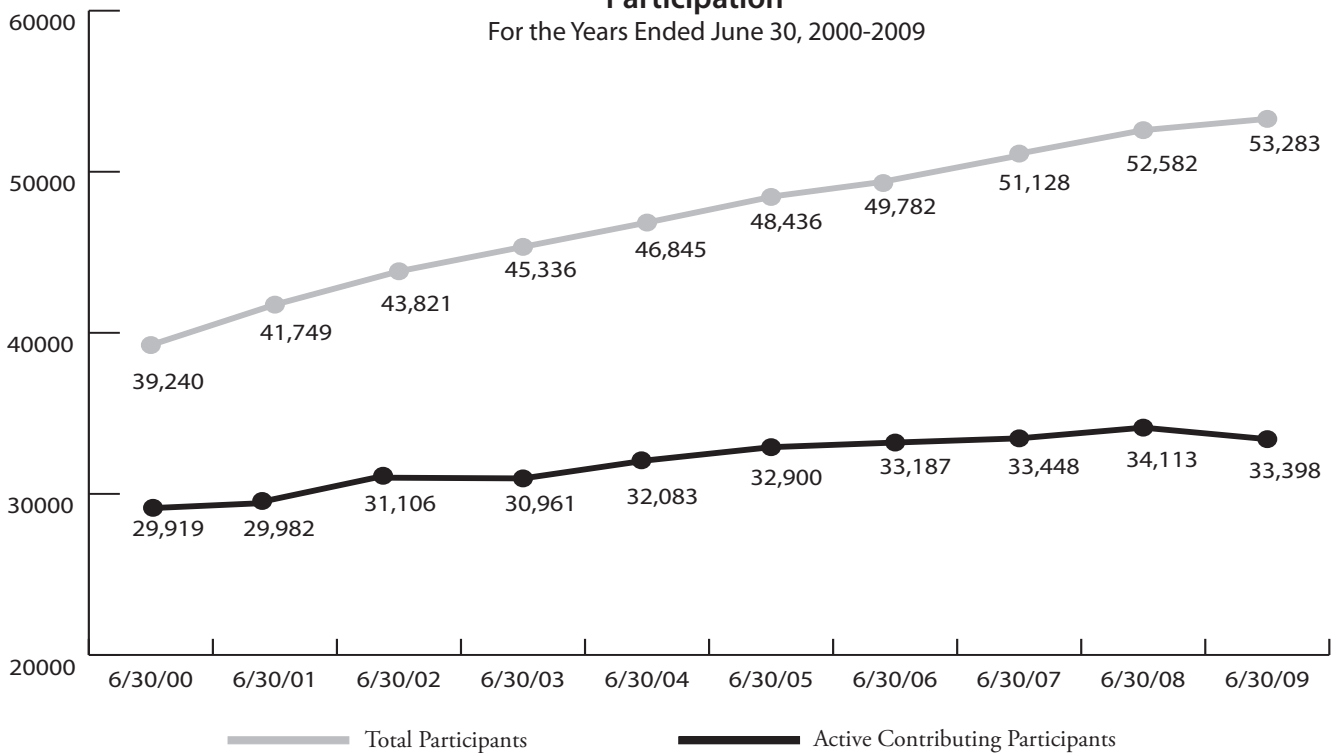
¹Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially. Total return assumes that an investment is made at the beginning of the period and redeemed at the end of the period after reinvestment of any dividends and capital gains distributions. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the contributions to your individual account. 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, 2000-2009



Deferred Compensation Program Participation For the Years Ended June 30, 2000-2009



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