

# Comprehensive Annual Financial Report

**Washington State**  
**Department of Retirement Systems**  
**Funds of the State of Washington**  
**For the Fiscal Year Ended June 30, 2011**

Prepared by the Washington State Department of Retirement Systems

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*[www.drs.wa.gov](http://www.drs.wa.gov)*

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# Table of Contents

## INTRODUCTORY SECTION

- 3 Message from the Director
- 4 Department of Retirement Systems' Organization
- 5 Pension System Roles and Responsibilities
- 10 Letter of Transmittal
- 14 Professional Awards
- 16 Legislative Actions

## FINANCIAL SECTION

- 21 Independent Auditors' Report
- 23 Management's Discussion and Analysis
- Basic Financial Statements (BFS)**
- 28 Statement of Plan Net Assets – Pension and Other Employee Benefit Trust Funds by Plan
- 32 Statement of Changes in Plan Net Assets – Pension and Other Employee Benefit Trust Funds by Plan
- Notes to the Financial Statements**
- 36 Note 1: Summary of Significant Accounting Policies and Plan Asset Matters
- 50 Note 2: General Description of the Retirement Systems
- Required Supplementary Information**
- 80 Schedules of Funding Progress
- 84 Schedule of Contributions from Employers and Other Contributing Entities
- Supporting Schedules**
- 85 Schedule of Administrative Expenses
- 86 Schedule of Investment Expenses – Pension Trust Funds
- 87 Schedule of Payments to Consultants

## INVESTMENT SECTION

- 91 Report on Investment Activity
- 95 Summary of Investment Policies
- 97 Schedule of Investment Management Fees and Commissions
- 98 Schedule of Broker Volume and Equity Commissions Paid
- 104 Summary of Investments Owned – Pension Trust Funds

## **ACTUARIAL SECTION**

- 113 State Actuary's Certification Letter
- 116 Summary of Plan Provisions
- 118 Summary of Actuarial Assumptions and Methods

### **Additional Actuarial Schedules**

- 128 Schedules of Active Member Valuation Data
- 132 Schedules of Retirees and Beneficiaries Added to and Removed from Rolls
- 136 Solvency Tests
- 140 Analyses of Selected Experience

## **STATISTICAL SECTION**

- 145 Contents
- 147 Schedules of Changes in Plan Net Assets
- 163 Distribution of Membership
- 165 Principal Participating Employers
- 171 Employers Covered By DRS-Administered Retirement Systems
- 183 Schedules of Benefit Recipients by Type of Benefit
- 190 Schedules of Average Benefit Payments to Service Retirees in Year of Retirement
- 203 Schedules of Benefit Expenses and Refunds by Type

### **Deferred Compensation Program**

- 211 Background
- 212 Status Report
- 214 Performance
- 215 Net Investment Asset Growth
- 215 Participation

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## Introductory Section







## Message from the Director



This last year, the number of retirements continued a steady trend upward, while our resources became even leaner. A significant challenge, but it's one we have been preparing for some time to meet.

One way to do so is to ensure our priorities are aligned with those that are of the highest value to our more than 400,000 customers. How do you know if your customers are fully satisfied with your services? You ask.

In 2011 we asked a representative group of customers about a key DRS product – the benefit estimates we produce for those nearing retirement. Then we asked our team members for ideas on how to most effectively deliver on what customers said they needed, following the Lean principles that have seen resounding success in state government and private sector companies. Over the coming year, we will complete that work and put ideas into action.

On a simultaneous track, we made operational changes that included simplifying our online services and encouraging more use of our Web resources, which can be updated quickly and cost less than paper. As a result, we saw a rise in the number of people registering for online access to their retirement accounts.

We also continued work on building an online application for retirement, which will be launched in early 2012. Given the eight distinctly different retirement systems we administer, an online application is an intensive undertaking, but once complete, it will make the retirement process easier for many of our customers and offer an additional option for others.

This coordinated approach led to CEM Inc., an international firm that benchmarks the performance of public pension plans, finding once again that even though Washington's plans are among the most complex in the country to administer, our administrative cost is significantly lower than what would be expected.

It's an affirmation that is especially meaningful because we are able to achieve this cost-effectiveness while providing a high level of customer care. Customers who call or visit DRS talk with a knowledgeable team member who considers it a privilege to help ensure they receive the retirement benefits earned during a career in public service.

We take pride in our solid record of success, but no high-performing organization is ever content with being good at what they do. We are asking ourselves and our customers the questions that will lead to continuous improvement. We're good, but we strive to be great.

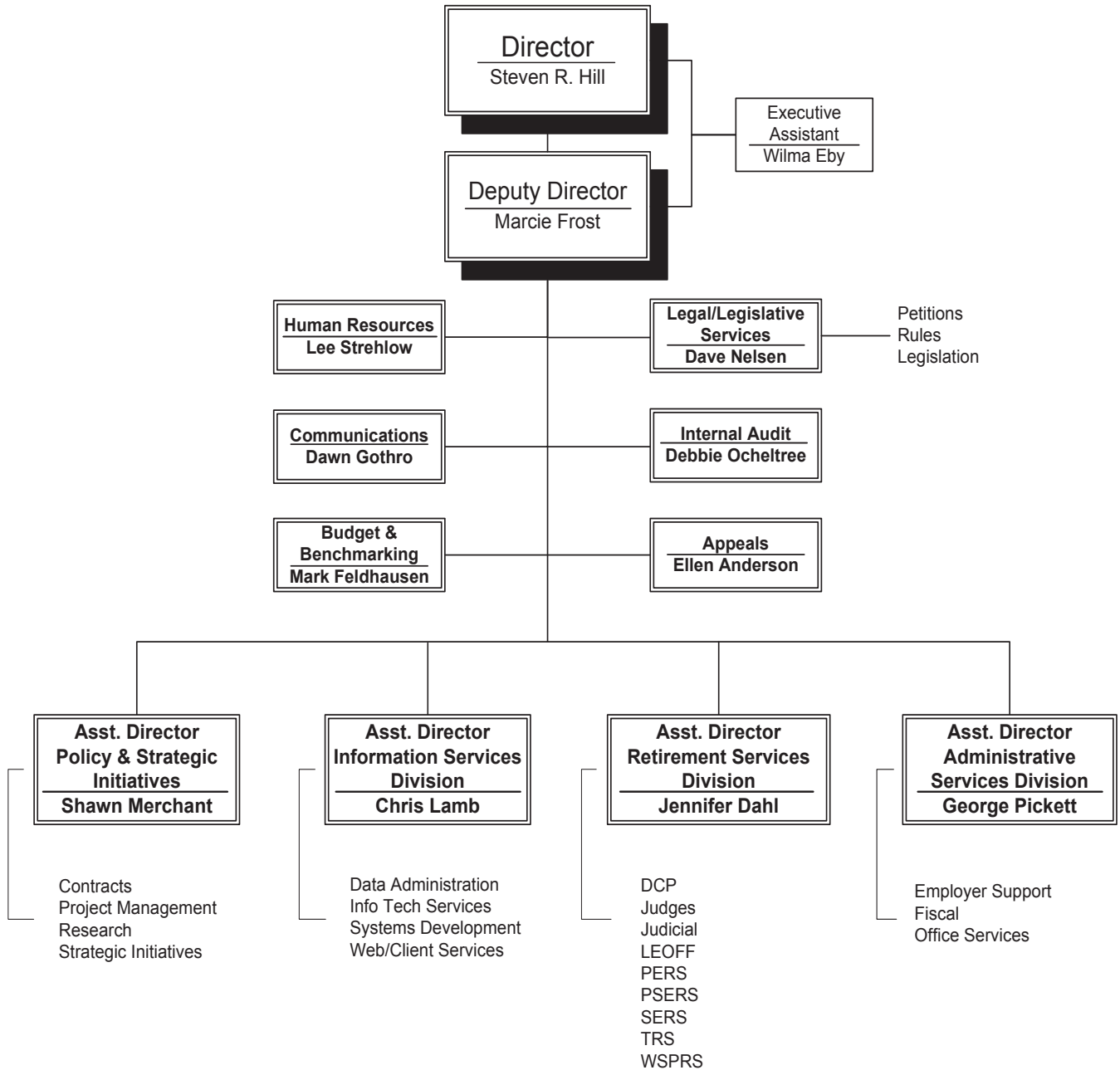
In the following pages, we offer our annual financial report for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Hill", written in a cursive style.

Steven R. Hill  
Director  
November 2011

# Department of Retirement Systems' Organization – June 2011



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## 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 or toll free at 1-800-547-6657  
Web site: [www.drs.wa.gov](http://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](http://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](http://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, 2011)

Representative Barbara Bailey	Don Carlson – TRS Retirees
Representative Bill Hinkle	Randy Davis – TRS Actives
Representative Tim Ormsby	Bob Keller – PERS Actives
Representative Pat Sullivan	Corky Mattingly – PERS Employers
Senator Steve Conway (Vice Chair)	Doug Miller – PERS Employers
Senator Steve Hobbs	Glenn Olson – PERS Employers
Senator Janea Holmquist Newbry	J. Pat Thompson – PERS Actives
Senator Mark Schoesler	Bob Thurston – WSPRS Retirees
Marty Brown – Director, Office of Financial Management	David Westberg – SERS Actives
Steven R. Hill – Director, Department of Retirement Systems	Vacant – Employer Representative

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](http://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

Marty Brown – Director, Office of Financial Management  
 Steven R. Hill – Director, Department of Retirement Systems, Chairperson  
 Representative Gary Alexander – Ranking minority member, Ways and Means Committee  
 Representative Ross Hunter – Chair, Ways and Means Committee  
 Senator Ed Murray – 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](http://www.ofm.wa.gov)

## WASHINGTON STATE INVESTMENT BOARD

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

Voting 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.

Non-voting members are selected by voting members based on their experience and expertise on investment matters.

### Board Membership (Voting Members, June 30, 2011)

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

Judi Owens  
Representative of SERS

Natasha Pranger  
Representative of PERS

Mike Ragan  
Representative of TRS

Sharon Tomiko Santos  
State Representative

Judy Schurke  
Director, Department of Labor and Industries

### (Non-voting Members, June 30, 2011)

William A. Longbrake  
Investment Professional

Richard Muhlebach  
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](http://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*

**DRS ADVISORY COMMITTEE**

Serves in an advisory role to the director of DRS. The committee consists of members representing active and retired members of the retirement systems administered by DRS, a professional with experience in defined contribution plan administration and a Deferred Compensation Program participant.

**Committee Membership  
 (June 30, 2011)**

**PERS**

Patrick J. Dull  
 Active

John I. Payne  
 Active

Eva Jean Ann Shamley  
 Retired

Mary L. Sherman  
 Active

**SERS**

Jonni Elizabeth Lissner  
 Active

Cherri Ingersoll  
 Retired

**LEOFF**

Patrick McElligott  
 Active  
 (Fire Fighter)

Mark J. Mears  
 Active  
 (Law Enforcement Officer)

Richard Warbrouck  
 Retired

**TRS**

Nancy Baldwin (Chair)  
 Retired

Darrell Heisler  
 Active

**WSPRS**

Lt. Michael L. Turcott  
 Active

Rick Jensen  
 Retired

**JRS**

Judge Michael Heavey  
 Active

**DCP**

Kathy Whitlock  
 Participant

**Defined Contribution Plan  
 Administration**

Deirdre Walker  
 Weyerhaeuser

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, 2011)

Kelly Fox, Chair Fire Fighter Representative	Jeff Holy Law Enforcement Representative	Paul Golnik Employer Representative
Pat Hepler Fire Fighter Representative	Ryan Martin Law Enforcement Representative	Glenn Olson Employer Representative
Mark Johnston Fire Fighter Representative	Jack L. Simington, Vice Chair Law Enforcement Representative	Vacant Position Employer Representative
Representative Kevin Van De Wege		Senator Jim Honeyford

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

## Letter of Transmittal



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

November 15, 2011

**The Honorable Christine Gregoire, Governor**  
**Members of the Sixty-Second 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, 2011. 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' financial statements for the year ended June 30, 2011. 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, 2011, 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 the pension plans for state employees, teachers and classified educational employees, law enforcement officers and fire fighters, and other employees of participating political subdivisions. As of June 30, 2011, there were 1,325 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.

### **1970**

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

### **1976**

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

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

### **1977**

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

### **1981**

The Washington State Investment Board was created to 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 program was 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.

### **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.

### **2010**

E2SHB 2617 eliminated the Employee Retirement Benefits Board (ERBB) effective June 30, 2010. The duties of the ERBB transferred to the Director of DRS.

## 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.

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

available for investment purposes. Also, an adequate funding level gives the participants assurance that their pension benefits are secure.

The actuarial value of assets available as of the latest actuarial date for all systems is \$58,448 million. The accrued liability is \$61,582 million. The accrued liability exceeds the net actuarial value of assets available for benefits by \$3,133 million. The ratio of assets to liabilities is 95 percent, compared to 92 percent last year. Current contribution rates remain in keeping with the goal of attaining a funding ratio of 100 percent by the amortization dates applicable to each plan (June 30, 2024 for LEOFF Plan 1, and a rolling ten year period for PERS Plan 1 and TRS Plan 1), 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

Under RCW 43.33A.030, trusteeship of the Retirement Funds is vested within the voting members of the Washington State Investment Board (WSIB). The 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 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 2011, the commingled trust fund (CTF) investments provided a 21.14 percent rate of return. The CTF annualized rate of return over the last three years was 1.90 percent and 4.86 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.

### **Professional Awards**

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DRS for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the seventeenth 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 October 2011, DRS also received the Public Pension Standards 2011 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.

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

Professional Awards (page 1 of 2):

# 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, 2010

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

Professional Awards (page 2 of 2):



Public Pension Coordinating Council

***Recognition Award for Administration  
2011***

Presented to

***Washington State Department of Retirement Systems***

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

*Presented by the Public Pension Coordinating Council, a confederation of*

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

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

Alan H. Winkle  
Program Administrator

## 2011 Washington State Legislative Actions

The 2011 Washington State Legislature passed five 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 1625 changes the default investment option for Plan 3 members of PERS, SERS and TRS who fail to choose a retirement plan within the allotted 90 days. The previous default investment option was the Washington State Investment Board (WSIB) Total Allocation Portfolio (TAP). The new default investment option is the Retirement Strategy Fund that is based on the member's age and an assumed retirement at age 65.
- Engrossed Substitute House Bill 1981 affects retirees of PERS and TRS Plans 1 by limiting (to 867) the hours a retiree can work before their pension benefit is suspended. This limit begins January 1, 2012.

Other provisions of this law affect higher education employees by:

- Applying the return to work provisions of PERS, SERS, TRS and PSERS to higher education positions eligible for the Higher Education Retirement Plans (HERPs).
- Limiting the ability of higher education institutions and entities to offer HERPs only to exempt employees;
- Prohibiting a higher education institution from offering participation in a HERP to any newly hired employee that has retired or is eligible to retire from a DRS-administered retirement system;
- Giving newly hired employees in HERP-eligible positions the option to participate in PERS or TRS Plan 3, or participate in a HERP;
- Requiring the Office of the State Actuary to oversee an actuarial valuation of the guaranteed minimum retirement benefit provisions.
- Discontinuing the guaranteed minimum retirement benefit provisions for all newly hired HERP participants;
- Requiring higher education institutions to submit a percentage of HERP-covered employees' salary to DRS to be invested by the Washington State Investment Board. These funds will be used to pay supplemental benefits to eligible HERP retirees. This provision is effective January 1, 2012;
- Giving the Select Committee on Pension Policy the authority to review HERP benefits and make recommendations to the Legislature, and;
- Limiting General Fund payments to higher education institutions and entities to no more than six percent of salary in matching contributions to HERP participants.

- Substitute House Bill 2021 eliminates an automatic annual benefit increase for retirees and beneficiaries in Plan 1 of PERS and TRS after June 30, 2011. This bill also lowers the minimum employer contribution rates for the unfunded liability in both plans, and increases the Adjusted Minimum Benefit limit to \$1,545 per month.
- House Bill 2070 requires DRS to include qualifying compensation that was foregone during the 2011-2013 biennium when calculating the pension benefit of retiring government employees. Qualifying compensation includes the three percent salary reduction for state employees. This applies to members of PERS, TRS, SERS, PSERS, WSPRS and LEOFF.

### **PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM**

- House Bill 1263 modifies the employer definition within PSERS to include correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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Financial Section






**PETERSON SULLIVAN LLP**
**CERTIFIED PUBLIC ACCOUNTANTS**

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

**INDEPENDENT AUDITORS' REPORT**

Mr. Steve Hill, Director  
 Washington State 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, 2011. 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, 2010, financial statements and in our report dated November 1, 2010, 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 2011 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, 2011, 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, 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supporting schedules (administrative expenses, investments expenses – pension trust funds, and payments to consultants) as listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the financial statements of the Washington State Department of Retirement Systems. Such information has been subject to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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.

October 28, 2011

An independent firm associated with  
**MOORE STEPHENS**  
 INTERNATIONAL LIMITED

Tel 206.382.7777 • Fax 206.382.7700 • www.pscpa.com

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## Management's Discussion and Analysis

This discussion and analysis of the Washington State Department of Retirement Systems' (DRS) financial performance provides an overview of financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the Letter of Transmittal beginning on page 10 and DRS' financial statements, which begin on page 28 of this report.

DRS' overall financial position improved during the year ended June 30, 2011.

### FINANCIAL HIGHLIGHTS

The following financial highlights occurred during the fiscal year ended June 30, 2011:

- The combined plan net assets of all the pension funds administered by DRS increased \$10,681.7 million during Fiscal Year 2011.
- The covered payroll requiring both employee and employer pension contributions reported during the year totaled \$16,688.9 million, representing an increase of 0.04%.
- Employer contributions totaled \$901.9 million and member contributions (including restorations) totaled \$959.1 million, representing a decrease of 2% and an increase of 2%, respectively, from the previous fiscal year.
- Net investment earnings (net appreciation/depreciation in the fair value of investments, plus interest and dividend income, less investment expenses) increased \$5,273.9 million to \$11,913.4 million in Fiscal Year 2011.
- Pension benefits paid to retirees and beneficiaries increased \$182.3 million bringing the total benefit payments to \$2,926.4 million. Refunds of contributions

paid to former retirement system members increased 39% from \$310.8 million to \$431 million.

- Administrative expenses totaled \$28.6 million and represented a 3% decrease from last fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to DRS' financial statements, which consist of the following components: basic financial statements, notes to the financial statements, required supplementary information, and other supporting schedules.

#### Basic Financial Statements

The basic financial statements, presented for the fiduciary funds, are fund financial statements and include a Statement of 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 28-31 reports the assets, liabilities and resulting net assets available for pension and other benefits as of June 30, 2011. The Statement of Changes in Plan Net Assets presented on pages 32-35 reports the additions to, deductions from, and resulting net change in net assets for the fiscal year ended June 30, 2011.

#### Notes to the Financial Statements

The notes to the financial statements presented on pages 36-79 of this report are an integral part of the financial statements and include additional information not readily evident in the statements themselves. Note 1 provides a summary of significant accounting policies and plan asset matters including the reporting entity, measurement focus, basis of

accounting, investments, reserves, capital assets, leases, long-term liabilities, transfers, financial statement formatting, accounting and reporting changes and contingencies. Note 2 provides a general description of DRS, plan descriptions and funding policy. Section D of this note also provides current year funded status and funding progress information as well as a summary of the actuarial and economic methods and significant assumptions used.

### Required Supplementary Information

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect an ongoing plan perspective. The required supplementary information consists of two historical trend schedules. The Schedules of Funding Progress presented on pages 80-83 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 84 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 85-87 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 2011	Fiscal Year 2010	Increase (Decrease) Amount	Increase (Decrease) Percentage
<b>Net Assets</b>				
<b>Assets</b>				
Cash and Pooled Investments	\$ 34.4	\$ 32.7	\$ 1.7	5%
Receivables	1,870.9	2,081.4	(210.5)	(10)%
Capital Assets, Net of Depreciation	0.4	0.5	(0.1)	(20)%
Investments, Noncurrent	71,067.4	61,280.2	9,787.2	16%
Other Assets	1.3	1.4	(0.1)	(7)%
<b>Total Assets</b>	<u>72,974.4</u>	<u>63,396.2</u>	<u>9,578.2</u>	<u>15%</u>
<b>Liabilities</b>				
Obligations Under Security Selling and Lending Agreements	2,712.5	3,659.0	(946.5)	(26)%
Other Short-Term Liabilities	1,948.8	2,105.7	(156.9)	(7)%
Long-Term Obligations	1.3	1.4	(0.1)	(7)%
<b>Total Liabilities</b>	<u>4,662.6</u>	<u>5,766.1</u>	<u>(1,103.5)</u>	<u>(19)%</u>
<b>Total Net Assets</b>	<u>\$68,311.8</u>	<u>\$57,630.1</u>	<u>\$10,681.7</u>	<u>19%</u>

Net trust assets increased by \$10,681.7 million in Fiscal Year 2011 and totaled \$68,311.8 million as of June 30, 2011. The increase was largely the result of investment portfolio realized and unrealized gains that totaled \$9,598.1 million and were the result of positive returns in all investment assets classes.

Total trust fund assets as of June 30, 2011 were \$72,974.4 million, representing an increase of \$9,578.2 million, or 15%, over the previous fiscal year. This increase was primarily due to increases in investments.

- Total investments increased by \$9,787.2 million, or 16%, and reflected unrealized gains in the equities category due to equity market appreciation, improved returns and reinvestment of income within the portfolio; and positive returns in all capital markets in the alternative investments portfolio.

- Receivables decreased \$210.5 million, or 10%, to \$1,870.9 million. This decrease was caused in part by international managers having fewer open trades at June 30, 2011 compared to the prior year.

Total trust fund liabilities as of June 30, 2011 were \$4,662.6 million, representing a decrease of \$1,103.5 million, or 19%, from the previous year. This decrease was largely due to fewer obligations under securities lending agreements and to short-term liabilities which were investment-related, as described below:

- Obligations under securities lending/selling agreements decreased \$946.5 million, or 26%, to \$2,712.5 million. Market conditions warranted a reduction in the cash collateral portfolio and loan balances were reduced accordingly. During Fiscal Year 2011, the plans incurred no losses resulting from a default by either the borrowers or the securities lending agents.
- Other short term liabilities decreased \$156.9 million, or 7%, over the previous year reflecting the fact that international managers had fewer open trades at June 30, 2011 compared to the prior year.

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

Changes in Net Assets	Fiscal Year 2011	Fiscal Year 2010	Increase (Decrease) Amount	Increase (Decrease) Percentage
<b>Additions</b>				
Employer Contributions	\$ 901.9	\$ 919.0	\$ (17.1)	(2)%
Member Contributions	959.1	941.6	17.5	2%
State Contributions	62.9	63.0	(0.1)	0%
Participant Contributions	186.7	185.1	1.6	1%
Net Income (Loss) from Investment Activities	11,913.4	6,639.5	5,273.9	79%
Net Income (Loss) from Investment Selling and Lending Activities	15.7	13.9	1.8	13%
Charges for Services	28.0	28.1	(0.1)	0%
Transfers from Other Pension Plans	11.5	19.9	(8.4)	(42)%
Other Additions	1.5	1.6	(0.1)	(6)%
<b>Total Additions</b>	<u>14,080.7</u>	<u>8,811.7</u>	<u>5,269.0</u>	60%
<b>Deductions</b>				
Benefits	2,926.4	2,744.1	182.3	7%
Refunds of Contributions	431.0	310.8	120.2	39%
Transfers to Other Pension Plans	11.5	19.9	(8.4)	(42)%
Transfers to Other Funds	1.5	1.0	0.5	50%
Administrative Expenses	28.6	29.4	(0.8)	(3)%
<b>Total Deductions</b>	<u>3,399.0</u>	<u>3,105.2</u>	<u>293.8</u>	9%
<b>Increase/(Decrease) in Net Assets</b>	<u>10,681.7</u>	<u>5,706.5</u>	<u>4,975.2</u>	87%
<b>Net Assets—Beginning of Year</b>	<u>57,630.1</u>	<u>51,923.6</u>	<u>5,706.5</u>	11%
<b>Net Assets—End of Year</b>	<u>\$68,311.8</u>	<u>\$57,630.1</u>	<u>\$10,681.7</u>	19%

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 2011 amounted to \$14,069.2 million, an increase of \$5,277.4 million from Fiscal Year 2010. This increase was primarily due to the increase in net income from investment activities, which yielded an annual 21.1% return for the Retirement Funds. Specifically, this increase was the result of realized and unrealized gains due to the positive investment returns in all investment classes, as evidenced by the significant returns of 7.5% in the fixed income portfolio, 31% in the public equity portfolio, and of 24.3% in the private equity portfolio. Real estate and tangible assets returned 14.4% and 6.6% respectively.

Net income from investment selling and lending activities increased 13% to \$15.7 million in Fiscal Year 2011. WSIB and the Office of the State Treasurer decided to limit their exposure in this market during Fiscal Year 2010 due to the inability to recall these loaned securities in a timely fashion to settle the trades, which resulted in lower income last fiscal year.

Employer contributions decreased \$17.1 million, or 2%, and totaled \$901.9 million for the Fiscal Year ended June 30, 2011. This decrease was the result of contribution rate changes and a modest increase in covered payroll. Total covered payroll increased from \$16,681.8 million in the previous year to \$16,688.9 million in Fiscal Year 2011.

Member contributions include both regular contributions and the restoration contributions of those members that have returned to public employment after having previously withdrawn their plan contributions. While total contributions increased 2% from the previous year and totaled \$959.1 million for Fiscal Year 2011, regular member contributions actually remained steady at \$914.4 million and restoration contributions increased \$17.4 million (64%).

State contributions decreased slightly, from \$63 million last year to \$62.9 million in Fiscal Year 2011 and reflected the slightly lower allocation out of the State General Fund for the Judicial Retirement System (JRS).

Participant contributions to the Deferred Compensation Program (DCP) increased a slight 1% to \$1.6 million over the prior year. The weakened economic conditions, combined with the voluntary nature of this program's participation, which allows participants the option to stop or lower their contributions, were the likely causes of this modest growth. As of June 30, 2011, the number of active and contributing DCP participants was 32,762 and represented a decrease of 455 (1.3 %) from last year.

Transfers from and to other pension plans decreased a substantial \$8.4 million (42%) to \$11.5 million in Fiscal Year 2011. Fiscal Year 2010 transfers had been unusually high due to the passage of SB5303 (Chapter 209, Laws of 2009) which allowed SERS Plan 2 members who had previously had service credit automatically transferred out of PERS Plan 2 into SERS Plan 2 after September 1, 2000, to reverse their automatic transfers back into PERS Plan 2.



Other additions remained stable and decreased only by \$0.1 million to \$1.5 million in Fiscal Year 2011.

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 WSIB and funded from earnings on investments. Deductions to the deferred compensation trust fund consist of payments to plan participants and administrative expenses.

Total trust fund deductions (excluding plan transfers) for Fiscal Year 2011 were \$3,387.5 million, an increase of \$302.2 million or 10% over Fiscal Year 2010. This was primarily due to an increase in benefits paid to retirees and beneficiaries. Benefit payments increased \$182.3 million or 7% 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 2011 were \$431 million, representing \$120.2 million increase from the previous year.

Transfers to other funds increased \$.5 million to \$1.5 million in Fiscal Year 2011 and represented an operating budget transfer into the State General Fund.

## **CAPITAL ASSETS**

DRS' investment in capital assets for its fiduciary activities includes furnishings, equipment and improvements other than buildings. As of June 30, 2011, 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 slight decrease in book value from the previous year, resulting from the disposal of equipment. Additional information on DRS' capital assets can be found in section J of Note 1 to the financial statements.

## **OTHER LONG-TERM OBLIGATIONS**

At year-end, DRS had \$1.3 million in outstanding general long-term obligations, which represented a slight decrease from the prior year. These long-term obligations represent DRS' liability for employees' accumulated annual and sick leave. Additional information on DRS' long-term debt obligations can be found in section L of Note 1 to the financial statements.

## **CONTACTING DRS' FINANCIAL MANAGEMENT**

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

**Statement of Plan Net Assets**  
**Pension and Other Employee Benefit Trust Funds by Plan**  
**As of June 30, 2011 and 2010 (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
<b>ASSETS</b>					
<b>Cash and Pooled Investments</b>	\$ 3,111	\$ 4,119	\$ 207	\$ 3,054	\$ 1,097
<b>Receivables</b>					
Due from Other Governments	3,783	36,611	4,409	6,822	5,141
Member Account Receivable (Net of Allowance)	662	169	-	5	-
Interest and Dividends	24,219	59,301	2,863	8,092	2,760
Investment Trades Pending Receivable – Short Term	205,812	504,280	24,345	68,802	23,470
Due from Pension Funds	510	239	316	321	1
Due from Other Washington State Agencies	2	2	-	1	-
Other Receivables – Short Term	-	-	-	-	-
<b>Total Receivables</b>	<u>234,988</u>	<u>600,602</u>	<u>31,933</u>	<u>84,043</u>	<u>31,372</u>
<b>Capital Assets, Net of Depreciation</b>	<u>104</u>	<u>73</u>	<u>-</u>	<u>3</u>	<u>-</u>
<b>Investments, Noncurrent</b>					
Equity in the Commingled Trust Fund	7,956,380	19,494,733	941,155	2,659,805	907,316
Money Market Investments	245,200	620,302	34,906	84,269	32,135
Other Noncurrent Investments	-	-	714,333	-	329,678
Collateral Held Under Securities Lending Agreements	<u>357,169</u>	<u>875,135</u>	<u>42,249</u>	<u>119,401</u>	<u>40,730</u>
<b>Total Investments, Noncurrent</b>	<u>8,558,749</u>	<u>20,990,170</u>	<u>1,732,643</u>	<u>2,863,475</u>	<u>1,309,859</u>
<b>Other Assets</b>	<u>372</u>	<u>262</u>	<u>-</u>	<u>12</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>8,797,324</u>	<u>21,595,226</u>	<u>1,764,783</u>	<u>2,950,587</u>	<u>1,342,328</u>
<b>LIABILITIES</b>					
Obligations Under Security Lending Agreements	357,169	875,135	42,249	119,401	40,730
Accounts Payable	1,400	2,512	3,489	354	3,397
Investment Trades Pending Payable – Short Term	251,023	615,056	29,693	83,916	28,626
Due to Other Governments	6,295	1,649	-	313	-
Due to Pension Funds	207	1,054	-	106	133
Due to Other Washington State Agencies	98	101	-	7	-
Other Short-Term Liabilities	165	456	-	5	-
Other Long-Term Obligations	372	262	-	12	-
Accrued Salaries	5	4	-	-	-
Deferred Revenue	<u>109</u>	<u>361</u>	<u>-</u>	<u>17</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>616,843</u>	<u>1,496,590</u>	<u>75,431</u>	<u>204,131</u>	<u>72,886</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 8,180,481</u>	<u>\$ 20,098,636</u>	<u>\$ 1,689,352</u>	<u>\$ 2,746,456</u>	<u>\$ 1,269,442</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, 2011 and 2010 (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
<b>ASSETS</b>					
<b>Cash and Pooled Investments</b>	\$ 343	\$ 3,041	\$ 4,384	\$ 4,496	\$ 1,451
<b>Receivables</b>					
Due from Other Governments	1,860	2,777	18,385	22,112	1
Member Account Receivable (Net of Allowance)	–	404	7	–	75
Interest and Dividends	410	20,436	20,145	8,886	15,343
Investment Trades Pending Receivable – Short Term	3,481	173,673	171,294	75,553	130,428
Due from Pension Funds	11	294	1,429	1	160
Due from Other Washington State Agencies	–	4	2	–	1
Other Receivables – Short Term	–	–	–	–	–
<b>Total Receivables</b>	<u>5,762</u>	<u>197,588</u>	<u>211,262</u>	<u>106,552</u>	<u>146,008</u>
<b>Capital Assets, Net of Depreciation</b>	–	90	27	–	49
<b>Investments, Noncurrent</b>					
Equity in the Commingled Trust Fund	134,551	6,713,925	6,621,983	2,920,763	5,042,158
Money Market Investments	6,722	209,545	213,131	104,786	156,537
Other Noncurrent Investments	–	–	–	1,991,989	–
Collateral Held Under Securities Lending Agreements	6,040	301,394	297,266	131,115	226,347
<b>Total Investments, Noncurrent</b>	<u>147,313</u>	<u>7,224,864</u>	<u>7,132,380</u>	<u>5,148,653</u>	<u>5,425,042</u>
<b>Other Assets</b>	–	323	96	–	176
<b>TOTAL ASSETS</b>	<u>153,418</u>	<u>7,425,906</u>	<u>7,348,149</u>	<u>5,259,701</u>	<u>5,572,726</u>
<b>LIABILITIES</b>					
Obligations Under Security Lending Agreements	6,040	301,394	297,266	131,115	226,347
Accounts Payable	17	958	988	3,332	1,042
Investment Trades Pending Payable – Short Term	4,245	211,824	208,923	92,150	159,079
Due to Other Governments	–	6,090	479	–	1
Due to Pension Funds	41	638	300	732	2
Due to Other Washington State Agencies	1	78	30	–	47
Other Short-Term Liabilities	–	143	43	–	78
Other Long-Term Obligations	–	323	96	–	176
Accrued Salaries	–	1	–	–	1
Deferred Revenue	–	140	121	–	–
<b>TOTAL LIABILITIES</b>	<u>10,344</u>	<u>521,589</u>	<u>508,246</u>	<u>227,329</u>	<u>386,773</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 143,074</u>	<u>\$ 6,904,317</u>	<u>\$ 6,839,903</u>	<u>\$ 5,032,372</u>	<u>\$ 5,185,953</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, 2011 and 2010 (page 3 of 4)**  
(expressed in thousands)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
<b>ASSETS</b>				
<b>Cash and Pooled Investments</b>	\$ 1,111	\$ 590	\$ 215	\$ 2,336
<b>Receivables</b>				
Due from Other Governments	15,524	407	3	-
Member Account Receivable (Net of Allowance)	51	5	-	-
Interest and Dividends	18,744	2,644	2	1
Investment Trades Pending Receivable – Short Term	159,388	22,479	-	-
Due from Pension Funds	40	19	-	-
Due from Other Washington State Agencies	1	1	-	1
Other Receivables - Short Term	-	-	-	-
<b>Total Receivables</b>	<u>193,748</u>	<u>25,555</u>	<u>5</u>	<u>2</u>
<b>Capital Assets, Net of Depreciation</b>	<u>12</u>	<u>6</u>	<u>-</u>	<u>-</u>
<b>Investments, Noncurrent</b>				
Equity in the Commingled Trust Fund	6,161,698	869,005	-	-
Money Market Investments	205,126	27,517	4,874	-
Other Noncurrent Investments	-	-	-	-
Collateral Held Under Securities Lending Agreements	276,604	39,011	-	-
<b>Total Investments, Noncurrent</b>	<u>6,643,428</u>	<u>935,533</u>	<u>4,874</u>	<u>-</u>
<b>Other Assets</b>	<u>44</u>	<u>21</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>6,838,343</u>	<u>961,705</u>	<u>5,094</u>	<u>2,338</u>
<b>LIABILITIES</b>				
Obligations Under Security Lending Agreements	276,604	39,011	-	-
Accounts Payable	884	121	2	-
Investment Trades Pending Payable – Short Term	194,401	27,417	-	-
Due to Other Governments	12	213	31	2
Due to Pension Funds	122	6	-	-
Due to Other Washington State Agencies	26	8	-	1
Other Short-Term Liabilities	19	9	-	-
Other Long-Term Obligations	44	21	-	-
Accrued Salaries	3	-	-	-
Deferred Revenue	145	-	-	-
<b>TOTAL LIABILITIES</b>	<u>472,260</u>	<u>66,806</u>	<u>33</u>	<u>3</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 6,366,083</u>	<u>\$ 894,899</u>	<u>\$ 5,061</u>	<u>\$ 2,335</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, 2011 and 2010 (page 4 of 4)**  
(expressed in thousands)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2011	June 30, 2010
<b>ASSETS</b>				
<b>Cash and Pooled Investments</b>	\$ 8	\$ 4,863	\$ 34,426	\$ 32,759
<b>Receivables</b>				
Due from Other Governments	–	–	117,835	111,751
Member Account Receivable (Net of Allowance)	3	1,303	2,684	2,642
Interest and Dividends	–	–	183,846	168,563
Investment Trades Pending Receivable – Short Term	–	–	1,563,005	1,795,529
Due from Pension Funds	1	189	3,531	2,944
Due from Other Washington State Agencies	–	1	16	26
Other Receivables – Short Term	–	–	–	1
<b>Total Receivables</b>	<u>4</u>	<u>1,493</u>	<u>1,870,917</u>	<u>2,081,456</u>
<b>Capital Assets, Net of Depreciation</b>	–	–	364	461
<b>Investments, Noncurrent</b>				
Equity in the Commingled Trust Fund	13,016	–	60,436,488	51,660,411
Money Market Investments	–	–	1,945,050	1,059,401
Other Noncurrent Investments	–	2,937,365	5,973,365	4,901,326
Collateral Held Under Securities Lending Agreements	–	–	2,712,461	3,659,047
<b>Total Investments, Noncurrent</b>	<u>13,016</u>	<u>2,937,365</u>	<u>71,067,364</u>	<u>61,280,185</u>
<b>Other Assets</b>	–	–	1,306	1,387
<b>TOTAL ASSETS</b>	<u>13,028</u>	<u>2,943,721</u>	<u>72,974,377</u>	<u>63,396,248</u>
<b>LIABILITIES</b>				
Obligations Under Security Lending Agreements	–	–	2,712,461	3,659,047
Accounts Payable	–	576	19,072	18,950
Investment Trades Pending Payable – Short Term	–	–	1,906,353	2,067,689
Due to Other Governments	–	–	15,085	13,170
Due to Pension Funds	1	189	3,531	2,944
Due to Other Washington State Agencies	–	9	406	730
Other Short-Term Liabilities	–	2,462	3,380	402
Other Long-Term Obligations	–	–	1,306	1,387
Accrued Salaries	–	46	60	704
Deferred Revenue	–	–	893	1,087
<b>TOTAL LIABILITIES</b>	<u>1</u>	<u>3,282</u>	<u>4,662,547</u>	<u>5,766,110</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 13,027</u>	<u>\$ 2,940,439</u>	<u>\$ 68,311,830</u>	<u>\$ 57,630,138</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, 2011 and 2010 (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
<b>ADDITIONS</b>					
<b>Retirement Contributions</b>					
Employer	\$ 145,585	\$ 328,258	\$ —	\$ 62,316	\$ —
Plan Member	28,767	263,885	94,129	19,247	60,313
State	—	—	—	—	—
Plan Member Restorations	9,548	18,407	—	169	—
<b>Total Retirement Contributions</b>	<u>183,900</u>	<u>610,550</u>	<u>94,129</u>	<u>81,732</u>	<u>60,313</u>
<b>Participant Contributions</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Investment Income</b>					
Net Appreciation (Depreciation) in Fair Value of Investments	1,335,975	3,035,259	259,224	414,369	189,039
Interest	88,289	202,183	9,992	27,307	9,912
Dividends	125,678	292,092	13,429	39,912	13,438
Less: Investment Expenses	<u>(28,701)</u>	<u>(66,056)</u>	<u>(3,661)</u>	<u>(9,154)</u>	<u>(3,254)</u>
<b>Net Income from Investment Activities</b>	<u>1,521,241</u>	<u>3,463,478</u>	<u>278,984</u>	<u>472,434</u>	<u>209,135</u>
<b>Securities Lending Income</b>					
Securities Lending Income	2,325	5,325	257	726	248
Less: Costs of Lending Securities	<u>(151)</u>	<u>(345)</u>	<u>(17)</u>	<u>(47)</u>	<u>(16)</u>
<b>Net Securities Lending Income</b>	<u>2,174</u>	<u>4,980</u>	<u>240</u>	<u>679</u>	<u>232</u>
<b>Total Net Investment Income</b>	<u>1,523,415</u>	<u>3,468,458</u>	<u>279,224</u>	<u>473,113</u>	<u>209,367</u>
<b>Charges For Services</b>	3,148	8,387	246	1,546	238
<b>Transfers from Other Pension Plans</b>	90	4,036	1,546	413	500
<b>Miscellaneous</b>	<u>9</u>	<u>24</u>	<u>—</u>	<u>4</u>	<u>—</u>
<b>TOTAL ADDITIONS</b>	<u>1,710,562</u>	<u>4,091,455</u>	<u>375,145</u>	<u>556,808</u>	<u>270,418</u>
<b>DEDUCTIONS</b>					
Benefits	1,149,522	310,943	—	43,338	—
Refunds of Contributions	3,470	33,686	59,143	2,492	53,242
Annuity Payments	—	—	164	—	182
Transfers to Other Pension Plans	174	8,028	612	331	597
Transfer to Other Funds	188	500	—	92	—
Administrative Expenses	<u>3,213</u>	<u>8,325</u>	<u>246</u>	<u>1,484</u>	<u>237</u>
<b>TOTAL DEDUCTIONS</b>	<u>1,156,567</u>	<u>361,482</u>	<u>60,165</u>	<u>47,737</u>	<u>54,258</u>
<b>NET INCREASE (DECREASE)</b>	553,995	3,729,973	314,980	509,071	216,160
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>					
<b>Beginning of Year: July 1</b>	<u>7,626,486</u>	<u>16,368,663</u>	<u>1,374,372</u>	<u>2,237,385</u>	<u>1,053,282</u>
<b>End of Year: June 30</b>	<u>\$ 8,180,481</u>	<u>\$ 20,098,636</u>	<u>\$ 1,689,352</u>	<u>\$ 2,746,456</u>	<u>\$ 1,269,442</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, 2011 and 2010 (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
<b>ADDITIONS</b>					
<b>Retirement Contributions</b>					
Employer	\$ 15,591	\$ 96,803	\$ 168,264	\$ -	\$ 3
Plan Member	15,353	17,631	21,881	257,718	-
State	-	-	-	-	-
Plan Member Restorations	69	8,127	833	-	1,128
<b>Total Retirement Contributions</b>	<b>31,013</b>	<b>122,561</b>	<b>190,978</b>	<b>257,718</b>	<b>1,131</b>
<b>Participant Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment Income</b>					
Net Appreciation (Depreciation) in Fair Value of Investments	18,532	1,121,994	1,029,046	802,514	821,548
Interest	1,262	74,161	68,122	31,346	54,416
Dividends	1,844	105,644	99,319	42,914	77,905
Less: Investment Expenses	(414)	(24,113)	(22,882)	(11,337)	(17,703)
<b>Net Income from Investment Activities</b>	<b>21,224</b>	<b>1,277,686</b>	<b>1,173,605</b>	<b>865,437</b>	<b>936,166</b>
<b>Securities Lending Income</b>					
Securities Lending Income	33	1,954	1,805	792	1,434
Less: Costs of Lending Securities	(2)	(127)	(117)	(51)	(93)
<b>Net Securities Lending Income</b>	<b>31</b>	<b>1,827</b>	<b>1,688</b>	<b>741</b>	<b>1,341</b>
<b>Total Net Investment Income</b>	<b>21,255</b>	<b>1,279,513</b>	<b>1,175,293</b>	<b>866,178</b>	<b>937,507</b>
<b>Charges For Services</b>	<b>55</b>	<b>2,657</b>	<b>4,570</b>	<b>767</b>	<b>1,996</b>
<b>Transfers from Other Pension Plans</b>	<b>5</b>	<b>1</b>	<b>850</b>	<b>650</b>	<b>-</b>
<b>Miscellaneous</b>	<b>-</b>	<b>8</b>	<b>13</b>	<b>-</b>	<b>6</b>
<b>TOTAL ADDITIONS</b>	<b>52,328</b>	<b>1,404,740</b>	<b>1,371,704</b>	<b>1,125,313</b>	<b>940,640</b>
<b>DEDUCTIONS</b>					
Benefits	35	878,102	72,138	-	338,775
Refunds of Contributions	1,780	1,820	2,281	115,571	48
Annuity Payments	-	21,717	-	542	-
Transfers to Other Pension Plans	-	-	118	1,368	212
Transfer to Other Funds	3	159	272	-	119
Administrative Expenses	82	2,686	4,273	767	1,891
<b>TOTAL DEDUCTIONS</b>	<b>1,900</b>	<b>904,484</b>	<b>79,082</b>	<b>118,248</b>	<b>341,045</b>
<b>NET INCREASE (DECREASE)</b>	<b>50,428</b>	<b>500,256</b>	<b>1,292,622</b>	<b>1,007,065</b>	<b>599,595</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>					
<b>Beginning of Year: July 1</b>	<b>92,646</b>	<b>6,404,061</b>	<b>5,547,281</b>	<b>4,025,307</b>	<b>4,586,358</b>
<b>End of Year: June 30</b>	<b>\$ 143,074</b>	<b>\$ 6,904,317</b>	<b>\$ 6,839,903</b>	<b>\$ 5,032,372</b>	<b>\$ 5,185,953</b>

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, 2011 and 2010 (page 3 of 4)**  
(expressed in thousands)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
<b>ADDITIONS</b>				
<b>Retirement Contributions</b>				
Employer	\$ 79,733	\$ 5,251	\$ 46	\$ -
Plan Member	131,252	4,166	46	-
State	52,024	-	10,860	-
Plan Member Restorations	5,296	1,040	-	-
<b>Total Retirement Contributions</b>	<u>268,305</u>	<u>10,457</u>	<u>10,952</u>	<u>-</u>
<b>Participant Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Investment Income</b>				
Net Appreciation (Depreciation) in Fair Value of Investments	948,683	138,884	(2)	(13)
Interest	63,232	9,220	18	24
Dividends	91,375	13,240	-	-
Less: Investment Expenses	<u>(20,609)</u>	<u>(3,000)</u>	<u>(8)</u>	<u>-</u>
<b>Net Income from Investment Activities</b>	<u>1,082,681</u>	<u>158,344</u>	<u>8</u>	<u>11</u>
<b>Securities Lending Income:</b>				
Securities Lending Income	1,667	243	-	-
Less: Costs of Lending Securities	<u>(108)</u>	<u>(16)</u>	<u>-</u>	<u>-</u>
<b>Net Securities Lending Income</b>	<u>1,559</u>	<u>227</u>	<u>-</u>	<u>-</u>
<b>Total Net Investment Income</b>	<u>1,084,240</u>	<u>158,571</u>	<u>8</u>	<u>11</u>
<b>Charges For Services</b>	2,451	344	2	1
<b>Transfers from Other Pension Plans</b>	2,936	415	-	-
<b>Miscellaneous</b>	<u>7</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b>TOTAL ADDITIONS</b>	<u>1,357,939</u>	<u>169,788</u>	<u>10,962</u>	<u>12</u>
<b>DEDUCTIONS</b>				
Benefits	61,876	38,387	9,738	499
Refunds of Contributions	8,181	315	-	-
Annuity Payments	-	-	-	-
Transfers to Other Pension Plans	1	1	-	-
Transfer to Other Funds	146	21	-	-
Administrative Expenses	<u>3,309</u>	<u>356</u>	<u>2</u>	<u>1</u>
<b>TOTAL DEDUCTIONS</b>	<u>73,513</u>	<u>39,080</u>	<u>9,740</u>	<u>500</u>
<b>NET INCREASE (DECREASE)</b>	1,284,426	130,708	1,222	(488)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
<b>Beginning of Year: July 1</b>	<u>5,081,657</u>	<u>764,191</u>	<u>3,839</u>	<u>2,823</u>
<b>End of Year: June 30</b>	<u>\$ 6,366,083</u>	<u>\$ 894,899</u>	<u>\$ 5,061</u>	<u>\$ 2,335</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, 2011 and 2010 (page 4 of 4)  
(expresses in thousands)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2011	June 30, 2010
<b>ADDITIONS</b>				
<b>Retirement Contributions</b>				
Employer	\$ 43	\$ —	\$ 901,893	\$ 918,941
Plan Member	43	—	914,431	914,397
State	—	—	62,884	62,946
Plan Member Restorations	—	—	44,617	27,223
<b>Total Retirement Contributions</b>	<u>86</u>	<u>—</u>	<u>1,923,825</u>	<u>1,923,507</u>
<b>Participant Contributions</b>	<u>—</u>	<u>186,734</u>	<u>186,734</u>	<u>185,120</u>
<b>Investment Income</b>				
Net Appreciation (Depreciation) in Fair Value of Investments	1,769	417,796	10,534,617	5,296,985
Interest	172	31,984	671,640	706,102
Dividends	19	5,693	922,502	856,608
Less: Investment Expenses	<u>(20)</u>	<u>(4,440)</u>	<u>(215,352)</u>	<u>(220,213)</u>
<b>Net Income from Investment Activities</b>	<u>1,940</u>	<u>451,033</u>	<u>11,913,407</u>	<u>6,639,482</u>
<b>Securities Lending Income:</b>				
Securities Lending Income	—	—	16,809	19,921
Less: Costs of Lending Securities	<u>—</u>	<u>—</u>	<u>(1,090)</u>	<u>(5,973)</u>
<b>Net Securities Lending Income</b>	<u>—</u>	<u>—</u>	<u>15,719</u>	<u>13,948</u>
<b>Total Net Investment Income</b>	<u>1,940</u>	<u>451,033</u>	<u>11,929,126</u>	<u>6,653,430</u>
<b>Charges For Services</b>	<u>—</u>	<u>1,610</u>	<u>28,018</u>	<u>28,103</u>
<b>Transfers from Other Pension Plans</b>	<u>—</u>	<u>—</u>	<u>11,442</u>	<u>19,905</u>
<b>Miscellaneous</b>	<u>5</u>	<u>1,461</u>	<u>1,538</u>	<u>1,623</u>
<b>TOTAL ADDITIONS</b>	<u>2,031</u>	<u>640,838</u>	<u>14,080,683</u>	<u>8,811,688</u>
<b>DEDUCTIONS</b>				
Benefits	445	—	2,903,798	2,726,950
Refunds of Contributions	—	149,010	431,039	310,767
Annuity Payments	—	—	22,605	17,116
Transfers to Other Pension Plans	—	—	11,442	19,905
Transfer to Other Funds	—	—	1,500	1,000
Administrative Expenses	<u>—</u>	<u>1,735</u>	<u>28,607</u>	<u>29,460</u>
<b>TOTAL DEDUCTIONS</b>	<u>445</u>	<u>150,745</u>	<u>3,398,991</u>	<u>3,105,198</u>
<b>NET INCREASE (DECREASE)</b>	<u>1,586</u>	<u>490,093</u>	<u>10,681,692</u>	<u>5,706,490</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
<b>Beginning of Year: July 1</b>	<u>11,441</u>	<u>2,450,346</u>	<u>57,630,138</u>	<u>51,923,648</u>
<b>End of Year: June 30</b>	<u>\$ 13,027</u>	<u>\$ 2,940,439</u>	<u>\$ 68,311,830</u>	<u>\$ 57,630,138</u>

The accompanying notes are an integral part of this statement.

# Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

## 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.

The state of Washington's Comprehensive Annual Financial Report may be obtained from the Washington State Office of Financial Management's website at:

*[www.ofm.wa.gov/cafr/default.asp](http://www.ofm.wa.gov/cafr/default.asp)*

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 for others in a trustee or agency capacity and therefore, cannot be used to support the government's own programs. DRS' fiduciary funds are the retirement pension trust funds. The statements presented for these funds include a Statement of 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 income 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 the Washington State Investment Board (WSIB) management based on the individual investment's capital account balance, reported at fair value by the general partner, at the closest available reporting period, adjusted for subsequent

contributions, distributions, management fees, and changes in value of foreign currency and published market prices for certain securities.

The limited partnerships' annual financial statements are audited by independent auditors. These investments are valued at \$24.8 billion as of June 30, 2011. 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 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. Use of Estimates

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

### F. Revenue Recognition

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

### G. Allocation

DRS maintains 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 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.

## H. Deposits, Investments, and Securities Lending

**Deposits:** DRS' deposits are managed by the Office of the State Treasurer (OST) and consist of securities issued by AAA rated issuers or deposits in financial institutions partially insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by the Washington Public Deposit Protection Commission (PDPC) up to statute limitations. The PDPC constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC's agent in the name of the collateral pool. State law (chapter 43.84.080 RCW) specifies that whenever there is a fund or cash balance in the state treasury more than sufficient to meet the current expenditures properly payable therefrom, the OST may invest or reinvest such portion of such funds or balances as the OST deems expedient. Statute authorizes the OST to buy and sell the following types of instruments: U.S. Government and Agency securities, bankers' acceptances, commercial paper and deposits with qualified public depositories. Securities underlying repurchase and reverse repurchase agreements are limited to those stated above. DRS receives its proportionate share of investment earnings from surplus balances in the state treasury based upon its daily balance for the period. DRS' deposits are separately displayed on the Statement of 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, 2011, the carrying amount of DRS' cash and pooled investment deposits is \$34.4 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 2011.

**Investments – Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. The WSIB does not have a formal policy regarding interest rate risk. 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, and decreases in interest rates result in increases in valuations. The Retirement Funds' fixed income investments are to be actively managed to exceed the return of the Barclays Capital Universal Index with a duration that is not twenty percent higher or lower than the duration of the index. As of June 30, 2011 the Retirement Funds' duration was within the duration target of this index.

The schedule on page 40 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, 2011. 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, 2011, 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, 2011 are presented in the schedule on page 40. Investment types with multiple credit ratings are presented in the schedule on page 41.

**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, 2011. 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 2011.

## Investment Maturities

As of June 30, 2011

(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	\$ 121,229	\$ 101,001	\$ 20,167	\$ –	\$ 61	0.03	Aaa
Residential Mortgage Backed Securities	2,366,004	355,053	1,926,787	84,164	–	2.45	Aaa
Commercial Mortgage Backed Securities	327,284	98,952	226,718	1,614	–	2.91	Multiple
Corporate Bonds Domestic (USD)	1,335,164	–	267,021	907,445	160,698	5.89	Multiple
Corporate Bonds Domestic (Non USD)	27,055	–	27,055	–	–	3.50	Multiple
Corporate Bonds Foreign (USD)	3,551,775	2,024	713,208	2,311,351	525,192	6.66	Multiple
Corporate Bonds Foreign (Non USD)	143,047	–	54,446	56,122	32,479	5.66	Multiple
U.S. Government Treasuries	2,072,847	806,145	952,750	313,952	–	2.78	Aaa
Foreign Government and Agencies (USD)	1,008,056	–	92,215	753,726	162,115	6.52	Multiple
Foreign Government and Agencies (Non USD)	437,673	–	63,730	226,219	147,724	6.31	Multiple
Supranational (USD)	30,587	–	30,587	–	–	4.57	Aaa
Supranational (Non USD)	316,290	–	154,641	161,649	–	4.12	Aaa
<b>Total Categorized Investments</b>	<b>\$ 11,737,011</b>	<b>\$ 1,363,175</b>	<b>\$ 4,529,325</b>	<b>\$ 4,816,242</b>	<b>\$ 1,028,269</b>		
<b>Investments Not Required to be Categorized:</b>							
Corporate Stock – U.S. Dollar Denominated	3,294,472						
Corporate Stock – Non U.S. Dollar Denominated	11,088,459						
Commingled Equity Index Funds	9,432,712						
Alternative Investments	24,870,817						
Liquidity	1,945,050						
<b>Total Investments Not Categorized</b>	<b>\$ 50,631,510</b>						
<b>DCP and Defined Contribution – SELF Plan Assets:</b>							
Mutual Funds							
Domestic Equity– Active	1,921,898						
Domestic Equity– Passive	1,574,913						
Non–U.S. Passive Developed	423,574						
Washington State Bond Fund	557,517						
Guaranteed Investment Contracts	1,018,374						
Life Annuity	5						
Money Market Mutual Funds	490,101						
<b>Total DCP and Defined Contribution – SELF Plan Assets</b>	<b>\$ 5,986,382</b>						
Securities Under Lending Agreements	2,712,461						
<b>Total Investments Non Current – 6/30/2011</b>	<b>\$ 71,067,364</b>						

## Investments with Multiple Credit Ratings

As of June 30, 2011

(expressed in thousands)

Investment Type	Total Fair Value	Moody's Equivalent Credit Rating										
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3 or Lower	
Commercial Mortgage Backed Securities	\$ 327,284	\$ 283,893	\$ -	\$ -	\$ 43,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Bonds Domestic (USD)	1,335,164	-	-	49,896	51,925	124,142	114,778	127,309	307,614	262,785	296,715	
Corporate Bonds Domestic (Non USD)	27,055	-	-	-	-	-	-	27,055	-	-	-	
Corporate Bonds Foreign (USD)	3,551,775	-	-	44,312	54,495	92,794	11,074	337,196	494,340	678,992	1,838,572	
Corporate Bonds Foreign (Non USD)	143,047	-	-	-	-	-	32,478	39,178	27,051	-	44,340	
Foreign Government and Agencies (USD)	1,008,056	-	17,267	26,586	76,685	308,881	22,464	54,487	57,509	132,963	311,214	
Foreign Government and Agencies (Non USD)	437,673	163,564	-	-	-	-	50,183	-	-	100,653	123,273	
<b>Total</b>	<b>\$6,830,054</b>	<b>\$ 447,457</b>	<b>\$ 17,267</b>	<b>\$ 120,794</b>	<b>\$ 226,496</b>	<b>\$ 525,817</b>	<b>\$ 230,977</b>	<b>\$ 585,225</b>	<b>\$ 886,514</b>	<b>\$ 1,175,393</b>	<b>\$ 2,614,114</b>	

**Investments – Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the WSIB would not be able to recover the value of the investments that are in the possession of an outside party. The WSIB has no formal policy regarding custodial credit risk, but mitigates this risk by having its investment securities held by a custodian. Also, investment securities, excluding cash and cash equivalents and repurchase agreements held as securities lending collateral, are registered in the name of the WSIB for the benefit of the Retirement Funds.

**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, 2011, is presented in the schedule on page 42. The schedule, stated in U.S. dollars, provides information on deposits and investments held in various foreign currencies. Private equity and real estate are presented according to the financial reporting currency of the individual funds and is not a presentation of currency exposure relating to the underlying holdings.

**Foreign Currency Risk**  
**As of June 30, 2011**  
(expressed in thousands)

<b>Investment Type in U.S. Dollar Equivalent</b>								
<b>Foreign Currency Denomination</b>	<b>Currency</b>	<b>Fixed Income</b>	<b>Common Stock</b>	<b>Commingled Index Funds</b>	<b>Private Equity</b>	<b>Real Estate</b>	<b>Total</b>	<b>Percent of Total Foreign Investments</b>
Australia-Dollar	\$ 324	\$ 374,604	\$ 683,214	\$ -	\$ -	\$24,330	\$ 1,082,472	3.9%
Brazil-Real	356	244,034	91,650	-	-	-	336,040	1.2%
Canada-Dollar	3,052	-	862,690	-	-	-	865,742	3.1%
Denmark-Krone	465	-	103,573	-	-	-	104,038	0.4%
E.M.U.-Euro	8,688	-	2,916,594	-	2,223,748	142,745	5,291,775	19.2%
Hong Kong-Dollar	1,082	-	398,657	-	-	-	399,739	1.5%
India-Rupee	460	46,867	66,578	-	-	-	113,905	0.4%
Indonesia-Rupiah	117	99,767	54,962	-	-	-	154,846	0.6%
Japan-Yen	12,225	-	1,963,083	-	-	-	1,975,308	7.2%
Mexico-Peso	254	32,479	42,253	-	-	-	74,986	0.3%
Norway-Krone	1,220	-	102,362	-	-	-	103,582	0.4%
Singapore-Dollar	323	-	170,524	-	-	-	170,847	0.6%
South Africa-Rand	10	-	82,566	-	-	-	82,576	0.3%
South Korea-Won	-	-	128,817	-	-	-	128,817	0.5%
Sweden-Krona	1,116	-	263,147	-	1,853	-	266,116	1.0%
Switzerland-Franc	(91)	-	718,788	-	-	-	718,697	2.6%
Taiwan-Dollar	1,045	-	84,438	-	-	-	85,483	0.3%
Turkey-Lira	724	60,367	53,654	-	-	-	114,745	0.4%
United Kingdom - Pound	(1,001)	-	2,108,276	-	8,975	-	2,116,250	7.7%
Other - Miscellaneous	2,638	65,945	192,633	-	-	-	261,216	0.9%
<b>Total Foreign Investments (in Foreign Currency)</b>	<b>33,007</b>	<b>924,063</b>	<b>11,088,459</b>	<b>-</b>	<b>2,234,576</b>	<b>167,075</b>	<b>14,447,180</b>	<b>52.5%</b>
<b>Foreign Investments Denominated in U.S. Dollars</b>	<b>-</b>	<b>4,559,831</b>	<b>809,372</b>	<b>1,865,938</b>	<b>3,249,616</b>	<b>2,588,186</b>	<b>13,072,943</b>	<b>47.5%</b>
<b>Total Foreign Investments (in Foreign Currency)</b>	<b>\$33,007</b>	<b>\$ 5,483,894</b>	<b>\$11,897,831</b>	<b>\$1,865,938</b>	<b>\$5,484,192</b>	<b>\$2,755,261</b>	<b>\$27,520,123</b>	<b>100%</b>

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 WSIB 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.

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, 2011, the fair value of securities on loan was \$2,915.7 million.

The corresponding collateral held totalled \$2,992.0 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.

During Fiscal Year 2011, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The weighted average maturity of loans for Fiscal Year 2011 was 1.5 days.

Cash collateral was invested by the WSIB's agents in the WSIB's separately managed short term investment pool (average final maturity of 34 days). Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold absent borrower default. Accordingly, non-cash collateral held under securities lending contracts with a value of \$279.5 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 2011, 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 2011 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. At June 30, 2011, there were \$22.9 million in OST repurchase agreements within the Cash and Pooled Investments section of the Statement of Plan Net Assets.

State law also 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 2011, the OST incurred no losses by default, nor recovered prior period losses, from these transactions. At June 30, 2011, there were no obligations under reverse repurchase agreements.

**Credit Risk:** The OST limits its credit risk with an investment policy that restricts the types of investments in which the OST can participate. Additionally, the OST investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. 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. The OST did not participate in securities lending transactions during Fiscal Year 2011. As a result, on June 30, 2011, 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 2011, 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. Derivative transactions involve, to varying degrees, market and credit risk. In connection with the international and domestic active equity strategy, at June 30, 2011, the Retirement Funds held investments in financial futures, forward currency contracts and other derivative securities that are recorded at fair value with changes in value recognized in investment income in the Statement of Changes in Plan Net Assets in the period of change.

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

Inherent in the use of OTC derivatives, the Retirement Funds are exposed to counterparty credit risk on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract. As of June 30, 2011, the Retirement Funds’ counterparty risk was not deemed to be significant, whether evaluating counterparty exposure outright or netting collateral against net assets positions on contracts with each counterparty.

Mortgage TBAs are used to achieve the desired market exposure of a security or asset class or adjust portfolio duration. A TBA is a contract for the purchase or sale of agency mortgage-backed securities to be delivered at a future agreed-upon date. TBAs carry future settlement risk due to the possibility of not receiving the asset or associated gains specified in the contract. Such loss upon failure by counterparties to deliver under contracts would not be material at

June 30, 2011. The fair value of TBA derivatives is included in residential mortgage-backed securities on page 40.

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

Forward currency contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. These forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. At June 30, 2011, the Retirement Funds had outstanding forward currency contracts to purchase foreign currencies with a fair value of \$1,284.5 million and outstanding contracts to sell foreign currencies with a fair value of \$1,283.6 million included within the Investment Trades Pending payable and receivable categories in the accompanying Statement of Plan Net Assets. The net unrealized loss of \$871,901 is included within the Net Appreciation (Depreciation) in Fair Value of Investments category in the accompanying Statement of Changes in Plan Net Assets. The contracts have varying maturity dates ranging from July 1, 2011 to September 21, 2011.

At June 30, 2011, the Retirement Funds’ fixed income portfolio held derivative securities consisting of collateralized mortgage obligations of \$873,665. 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.

Derivatives which are exchange traded are not subject to credit risk. The maximum loss that would be recognized at June 30, 2011, if all counterparties fail to perform as contracted is \$7.98 million of unrealized gain on TBA securities. This maximum exposure is reduced by \$871,901 of unrealized losses (recorded as liabilities) on forward currency contracts, resulting in *de minimis* exposure to credit risk. At June 30, 2011, the counterparties' credit ratings for forward currency contracts that are subject to credit risk had a credit rating of no less than A1 using the Moody's rating scale.

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

Certain investment types in DRS' portfolio cannot be categorized within the guidelines established by GASB Statement Number 3. These investments total approximately \$59.3 billion in both carrying value and fair value.

**OST** – The OST did not engage in derivative transactions during Fiscal Year 2011.

**Management Fees:** The fees paid by the WSIB are accounted for as a reduction of investment income or are netted directly from the asset value of the Retirement Funds' investments. These fees include investment management fees and commissions, investment consultant fees and legal fees. As of June 30, 2011, total investment management fees were \$216.4 million. For a detailed disclosure, refer to the Schedule of Investment Expenses in the Supporting Schedules of the Financial Section of this report.

	Classification	Changes in Fair Value		Fair Value at June 30, 2011
		Amount	Amount	Notional
<i>(expressed in thousands)</i>				
<b>Futures Contracts:</b>				
Bond Index Futures	Investment	\$ 15,866	\$ (1,228)	\$ 6
Equity Index Futures	Investment	8,323	–	–
<b>Total</b>		<u>\$ 24,189</u>	<u>\$ (1,228)</u>	<u>\$ 6</u>
<b>To Be Announced Securities:</b>				
FNMA TBA	Investment	<u>\$ 7,978</u>	<u>\$ 328,112</u>	<u>\$ 311,257</u>
<b>Forward Currency Contracts:</b>				
Australian Dollar	Investment	\$40,232	\$ 374	\$(44,796)
Brazilian Real	Investment	112	–	–
Canadian Dollar	Investment	16,467	(8)	(201)
Czech Koruna	Investment	267	1	1,388
Danish Krone	Investment	1,115	(2)	(2,030)
Euro	Investment	51,803	(600)	29
HongKong Dollar	Investment	(91)	(1)	58,994
Hungarian Forint	Investment	(152)	–	–
Israeli Shekel	Investment	21	–	–
Japanese Yen	Investment	28,434	(77)	1,292,331
Mexican Peso	Investment	(23)	–	–
New Zealand Dollar	Investment	516	(5)	(148)
Norwegian Krone	Investment	759	(654)	(60,550)
Polish Zloty	Investment	(358)	–	–
Pound Sterling	Investment	13,820	352	(32,234)
Singapore Dollar	Investment	396	24	5,639
South African Rand	Investment	191	1	1,986
Swedish Krona	Investment	14,904	(285)	–
Swiss Franc	Investment	12,062	8	10,197
U.S. Dollar	Investment	(172,573)	–	69,864
<b>Total</b>		<u>\$ 7,902</u>	<u>\$ (872)</u>	<u>\$ 1,300,469</u>

**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, 2011, the Retirement Funds had the following unfunded investment commitments in millions of dollars:

Innovation Portfolio	\$308.0
Private Equity Partnerships	\$6,855.1
Real Estate	\$6,880.2
Tangible Assets	\$605.1

## I. Reserves

**Member Reserves:** The member reserves reflect the total liability for all contributions made by members. These reserves are increased by employee contributions and interest earnings and are decreased by contributions refunded and contributions transferred to the benefit reserves for current year retirees. The member reserves are considered fully funded.

Because the PERS Plan 3, SERS Plan 3 and TRS Plan 3 defined contribution plans each offer two separate investment programs to members, DRS 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.

Member reserves as of June 30, 2011 and 2010 are as follows:

	June 30, 2011	June 30, 2010
(expressed in thousands)		
PERS Plan 1	\$ 939,853	\$ 1,042,297
PERS Plan 2/3	5,179,208	4,887,822
PERS Plan 3 - WSIB	971,649	788,177
PERS Plan 3 - SELF	717,703	586,195
SERS Plan 2/3	349,185	324,085
SERS Plan 3 - WSIB	937,719	769,790
SERS Plan 3 - SELF	331,723	283,492
PSERS Plan 2	67,400	50,804
TRS Plan 1	636,213	708,757
TRS Plan 2/3	511,006	495,294
TRS Plan 3 - WSIB	3,028,153	2,434,038
TRS Plan 3 - SELF	2,004,219	1,591,269
LEOFF Plan 1	43,400	50,199
LEOFF Plan 2	1,849,759	1,704,680
WSPRS Plan 1/2	76,751	74,221
JRS	1,454	2,209
Judges	—	—
<b>Total Member Reserves</b>	<b>\$ 17,645,395</b>	<b>\$ 15,793,329</b>

**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, 2011 and 2010 are as follows:

	June 30, 2011	June 30, 2010
(expressed in thousands)		
PERS Plan 1	\$ 7,237,927	\$ 6,581,534
PERS Plan 2/3	14,917,524	11,479,178
SERS Plan 2/3	2,397,186	1,913,246
PSERS Plan 2	75,672	41,840
TRS Plan 1	6,265,758	5,693,001
TRS Plan 2/3	6,328,203	5,051,396
LEOFF Plan 1	5,141,273	4,534,925
LEOFF Plan 2*	4,516,006	3,376,726
WSPRS Plan 1/2*	817,997	689,825
JRS	3,605	1,626
Judges	2,335	2,812
<b>Total Benefit Reserves</b>	<b>\$ 47,703,486</b>	<b>\$ 39,366,109</b>

\*These balances at 6/30/11 contain immaterial employer medical contributions.

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

## J. Capital Assets

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

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

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

Following is a summary of changes in capital assets for Fiscal Year 2011:

Assets	Beginning Balance	Acquisition/ Increase Depreciation	Disposal	Ending Balance
(expressed in thousands)				
Improvements				
Other Than Buildings	\$ 634	\$ -	\$ -	\$ 634
Furnishings & Equipment	2,275	96	(406)	1,965
Accumulated Depreciation	(2,448)	(165)	378	(2,235)
<b>Total</b>	<b>\$ 461</b>	<b>\$ (69)</b>	<b>\$ (28)</b>	<b>\$ 364</b>

## K. Leases

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

The following schedule presents future minimum payments for operating leases as of June 30, 2011:

Operating Leases		
(expressed in thousands)		
By Fiscal Year:	2012	\$ 1,529
	2013	1,399
	2014	1,454
	2015	1,600
	2016	1,577
	2017 and beyond	4,129
	<b>Total Future Minimum Payments</b>	<b>\$11,688</b>

The total operating lease rental expenditure for Fiscal year 2011 was \$1.6 million.

## L. Other Long-Term Obligations

**Annual leave:** DRS employees accrue annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 30 days at the employee's anniversary date. The expense and accrued liability is recognized when the annual leave is earned. DRS' liability for accumulated annual leave was \$0.9 million as of June 30, 2011.

**Sick leave:** Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested; i.e. the department does not pay employees for unused sick leave upon termination except upon employee death or retirement, at which time DRS is liable for 25 percent of the employee's accumulated sick leave. In addition, the state has a "sick leave buyout option" in which each January, employees who accumulate sick leave in excess of 60 days may redeem sick leave earned but not taken during the previous year at the rate of one day's pay in exchange for each four days of sick leave. The expense and accrued liability is recognized when the sick leave is earned. DRS' liability for accumulated sick leave was \$0.4 million as of June 30, 2011.

Following is a summary of changes in compensated absences for the fiduciary funds for Fiscal Year 2011:

Compensated Absences	Beginning Balance	Additions	Deletions	Ending Balance
(amounts expressed in thousands)				
Annual Leave	\$ 987	\$ 947	\$ (1,027)	\$ 907
Sick Leave	400	128	(129)	399
<b>Total</b>	<b>\$ 1,387</b>	<b>\$ 1,075</b>	<b>\$ (1,156)</b>	<b>\$ 1,306</b>

## M. Transfers

Transfers from and to other pension plans, as reported in the financial statements, typically reflect routine transfers among the various trust funds resulting from plan membership changes and member-directed defined contribution plan selections. In Fiscal Year 2011, these transfers totaled \$11.5 million

and represented a decrease of \$8.4 million from the previous year.

Transfers to other funds totaled \$1.5 million in Fiscal Year 2011 and represented an operating budget transfer into the State General Fund (ESHB 1244, Laws of 2009).

## N. Contingencies—Litigation

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

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

The trial court ruled in favor of plaintiffs and against the State of Washington and the Department of Retirement Systems in Phase 1 of this litigation which dealt with whether the Legislature had the authority to repeal gainsharing. The parties are proceeding to Phase 2 of the litigation which will deal with whether the plaintiffs may keep the benefits provided by the Legislature as a replacement for gainsharing.

The State will consider an appeal on Phase 1 after Phase 2 is decided. Plaintiffs do not request damages. Instead, they ask for the return of gainsharing and they ask that they retain the benefits that were enacted by the Legislature to replace gainsharing.

The management of DRS is unable to estimate the potential loss should the State defendants ultimately be unsuccessful in this litigation.

## O. Subsequent Events

On August 5, 2011, the credit rating agency Standard & Poor's downgraded the United States' credit rating

for the first time in history from AAA to AA+. The Retirement Funds held \$2.1 billion in US Government securities at June 30, 2011, which was 3 percent of the net asset value of the fund. The WSIB uses a Moody's Equivalent credit rating scale. The downgrade of US Government securities is not expected to have a material adverse impact on DRS' financial position or results of operations.

## 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 retirement systems and plans was funded by an employer rate of .16 percent of employee salaries.

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	53,742	1,979	8,409	598	64,728
PERS Plan 2	22,043	23,513	86,770	33,056	165,382
PERS Plan 3	1,114	3,368	10,342	17,351	32,175
SERS Plan 2	3,311	4,758	14,385	5,973	28,427
SERS Plan 3	2,073	4,942	17,856	14,125	38,996
PSERS Plan 2	7	–	–	4,210	4,217
TRS Plan 1	36,015	701	4,533	58	41,307
TRS Plan 2	2,320	2,467	5,973	3,469	14,229
TRS Plan 3	2,235	5,782	31,379	20,913	60,309
LEOFF Plan 1	8,008	1	301	–	8,310
LEOFF Plan 2	1,639	781	13,119	3,656	19,195
WSPRS Plan 1	851	119	806	–	1,776
WSPRS Plan 2	–	6	122	159	287
JRS	125	–	5	–	130
Judges	13	–	–	–	13
<b>Total</b>	<b>133,496</b>	<b>48,417</b>	<b>194,000</b>	<b>103,568</b>	<b>479,481</b>

The latest actuarial valuation date for all plans was June 30, 2010.  
Source: Washington State Office of the State Actuary

### Number of Participating Employers

Plan	State Agencies	School Districts	Counties/ Municipalities	Other Political Subdivisions	Total
PERS Plan 1	144	227	158	180	709
PERS Plan 2	179	–	271	494	944
PERS Plan 3	166	–	205	302	673
SERS Plan 2	–	299	–	–	299
SERS Plan 3	–	300	–	–	300
PSERS Plan 2	11	–	65	1	77
TRS Plan 1	49	263	–	–	312
TRS Plan 2	25	288	–	–	313
TRS Plan 3	28	302	–	–	330
LEOFF Plan 1	–	–	48	14	62
LEOFF Plan 2	8	–	214	152	374
WSPRS Plan 1	1	–	–	–	1
WSPRS Plan 2	1	–	–	–	1
JRS	2	–	–	–	2
<b>Total</b>	<b>614</b>	<b>1,679</b>	<b>961</b>	<b>1,143</b>	<b>4,397</b>

Employers can participate in multiple systems and/or plans. The actual total number of participating employers as of June 30, 2011 is 1,325.  
For a listing of the covered employers, refer to the Statistical Section of this report.

## B. Plan Descriptions

### **Public Employees' Retirement System (PERS):**

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in the 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 50 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the state Legislature.

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 members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or 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 and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of

Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 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 2011, the DRS-established rate on employee contributions was five and one-half 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.

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

The monthly 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 adjustment (COLA) was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity 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 workers' 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 two percent of the AFC for each year of service reduced by two percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 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 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service months.

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

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old, can retire under one of two provisions:

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

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

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

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 monthly benefit that is one percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service months.

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

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

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

PERS Plan 3 benefits are also actuarially reduced to reflect the choice, if made, 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 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost, and five years that may be purchased by paying the required contributions. 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. Additionally, 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.

PERS 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 to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten 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.

A one-time duty-related 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 said member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to

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

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., one, two or three percent).
- 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 67-69. Besides those included in the table, there were no other material changes in PERS benefit provisions for the Fiscal Year ended June 30, 2011.

**School Employees' Retirement System (SERS):** The Legislature created SERS in 1998 to be effective in 2000. Membership in the system includes classified employees of school districts and educational service districts. SERS is comprised principally of non-state-agency employees. SERS retirement benefit provisions are established in chapters 41.34 and 41.35 RCW and may be amended only by the state Legislature.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes: Plan 2 is a defined benefit plan and Plan 3 is a defined benefit plan with a defined contribution component. As of September 1, 2000, the membership of classified school employees in PERS Plan 2 was transferred to SERS Plan 2. Those who joined on or after October 1, 1977 and by August 31, 2000 are SERS Plan 2 members unless they exercised an option to transfer their membership to Plan 3. Until June 30, 2007, SERS members joining the system on or after September 1, 2000, 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 and reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS Plan 2 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 2011, the DRS-established rate on employee contributions was five and one-half percent compounded quarterly. Members in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from SERS-covered employment.

SERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months.

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

SERS Plan 2 members who have 30 service credit years and are at least 55 years old can retire under one of two provisions:

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

SERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

SERS 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 monthly benefit that is one percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months.

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.

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

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

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

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

SERS Plan 3 retirement benefits are also actuarially reduced to reflect the choice, if made, 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 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

SERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost, and five years that may be purchased by paying the required contributions. 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 24 consecutive months of service credit for each period of temporary duty disability. SERS members may also purchase up to five years of additional service credit once eligible for retirement. This latter 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 ten 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.

A one-time duty-related 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 said member's 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 67-69. Besides those included in the table, there were no other material changes in SERS benefit provisions for the Fiscal Year ended June 30, 2011.

**Public Safety Employees' Retirement System (PSERS):** PSERS was created by the 2004 legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by chapter 41.37 RCW and may be amended only by the state Legislature.

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

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

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 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 2011, the DRS established rate on employee contributions was five and one-half percent compounded quarterly. Members 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 ten years of PSERS service credit, with an allowance of two 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 three 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 three percent annually.

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 two percent 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 ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years).

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 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a PSERS Plan 2 member with ten 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.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS 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 PSERS plan resulting from recent years' legislation can be found on the table immediately following this section on pages 67-69. Besides those included in the table, there were no other material changes in PSERS benefit provisions for the Fiscal Year ended June 30, 2011.

**Teachers' Retirement System (TRS):** 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 chapters 41.32 and 41.34 RCW and may be amended only by the state Legislature.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by June 30, 1996 are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996 through

June 30, 2007 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 2011, the DRS-established rate on employee contributions was five and one-half percent compounded quarterly. Members in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment.

TRS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Members 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 Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

The monthly 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 was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 1 provides death, 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 are

eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months.

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

TRS Plan 2 members who have 30 or more years of service credit and are at least 55 years old, can retire under one of two provisions:

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

There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually. TRS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is one percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months.

TRS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44; or after five service credit years earned in TRS Plan 2 by July 1, 1996 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 for normal retirement at age 65, or they may retire early with the following conditions and benefits:

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

There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. TRS Plan 3 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. See section E of Note 2 for a description of the defined contribution component of TRS Plan 3.

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

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 purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

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 to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

Additionally, TRS Plan 2 and Plan 3 members who have two years of earned service credit may purchase up to seven years of service credit for public education experience earned in another state or with the federal government.

Beneficiaries of TRS members killed in the course of employment receive survivor 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.

A one-time duty-related 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 or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to 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 three and one-half percent 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., two percent).
- 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 Plan 1 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 67-69. Besides those included in the table, there were no other material changes in TRS benefit provision for the Fiscal Year ended June 30, 2011.

**Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF):** LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, 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. LEOFF retirement benefit

provisions are established in chapter 41.26 RCW and may be amended only by the state Legislature.

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

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

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 2011, the DRS-established rate on employee contributions was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings upon separation from LEOFF-covered employment.

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the

date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus five 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, eligible children receive 30 percent of FAS for the first child plus ten percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 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.

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

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 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 two 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 three percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is two 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 three 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.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

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

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

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.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

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

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 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 67-69. Besides those included in the table, there were no other material changes in LEOFF benefit provisions for the Fiscal Year ended June 30, 2011.

**Washington State Patrol Retirement System (WSPRS):** WSPRS was established by the Legislature in 1947. Any commissioned employee of the Washington State Patrol is eligible to participate. WSPRS retirement benefit provisions are established in chapter 43.43 RCW and may be amended only by the state Legislature.

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

WSPRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to WSPRS accrue interest at a rate specified by DRS. During Fiscal Year 2011 the DRS-established rate on employee contributions was 5.364 percent annually, compounded monthly. Members in WSPRS can elect to withdraw total employee contributions and interest earnings upon separation from WSPRS-covered employment.

There is no vesting requirement for active WSPRS members. Inactive WSPRS members are vested after the completion of five years of eligible service. Members are eligible for retirement at the age of 55 with five years of service, or after 25 years of service, and must retire at age 65. This mandatory requirement, however, does not apply to the chief of the Washington State Patrol.

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

For WSPRS Plan 1 members, AFS is based on the average of the 24 highest-paid service credit months 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 five 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 ten 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 60 consecutive highest-paid service credit months and excludes both voluntary overtime and cash-outs of annual and holiday leave. At retirement, these members also have the option of selecting an actuarially reduced benefit in order to provide for post-retirement survivor benefits. Death benefits for these members, if on active duty, consist of the following: (1) If the member is single or has less than ten years of service, the return of the member's accumulated contributions; or (2) If the member is married, has an eligible child, or has completed ten years of service, a reduced benefit 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 who is killed in the course of employment receive retirement benefits without actuarial reduction, 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.

A one-time duty-related 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 67-69. Besides those included in the table, there were no other material changes in WSPRS benefit provisions for the Fiscal Year ended June 30, 2011.

**Judicial Retirement System (JRS):** JRS was established by the Legislature in 1971. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971. The system was closed to new entrants on July 1, 1988, with new judges joining PERS. JRS retirement benefit provisions are established in chapter 2.10 RCW and may be amended only by the state Legislature.

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.

During Fiscal Year 2011, the DRS-established rate on employee contributions was five and one-half percent, compounded quarterly. JRS members who are vested in the plan may not elect to withdraw their contributions upon termination. 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 final average salary (FAS) is shown in the table below. This benefit is capped at 75% of FAS, exclusive of cost of living increases.

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

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

There were no material changes in JRS benefit provisions for the fiscal year ended June 30, 2011.

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

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. Members did not earn interest on their contributions, nor could they elect to withdraw their contributions upon termination.

Judges' members were eligible for retirement at the age of 70 with ten years of service, or at any age with 18 years of service. Members were 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, 2011.



## Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2011 (page 1 of 3)

*(Arranged Chronologically by Effective Date)*

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 561, Laws of 2009 (SSB 6161)	7/1/09	LEOFF 1, PERS, PSERS, SERS, TRS and WSPRS	The actuarial method of funding the unfunded liability of PERS 1 and TRS 1 is restructured. Changes are also made to the demographic assumptions for, and pension contribution rates of, the state retirement systems/plans (with the exception of LEOFF 2). Additionally, the implementation of minimum contribution rates for WSPRS and the Plans 2 and 3 (except LEOFF 2) is delayed until the beginning of the 2011-13 biennium.
Chapter 95, Laws of 2009 (HB 1678)	7/26/09	LEOFF 2	Eligible service and disability retirements are now classified as Occupational Disability retirements for the purpose of allowing affected retirees to take advantage of favorable tax treatment on their pension benefit based on the first 10% of the member's salary.
Chapter 111, Laws of 2009 (SB 5315)	7/26/09	PERS 1	The survivor of any PERS 1 member who qualifies for retirement but has not applied, or who has 10 years of service credit, now has the option of either a monthly survivor benefit or the lump sum of contributions plus interest, upon the member's death.
Chapter 157, Laws of 2009 (SHB 1953)	7/26/09	LEOFF 2	Department of Fish and Wildlife Enforcement Officers can transfer service credit earned as an enforcement officer in PERS 2 or PERS 3 to LEOFF 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 2.
Chapter 205, Laws of 2009 (HB 1548)	7/26/09	LEOFF 2, PERS 2 and 3, PSERS, SERS 2 and 3, TRS 2 and 3, and WSPRS 2	Up to five years of no-cost service credit is available for members who can provide proof to DRS that their public employment was interrupted by military service that occurred during a period of war (as defined in statute), and that they initiated the process for re-employment with the same employer no later than 90 days from the date of their honorable discharge. Members who previously purchased military service credit are eligible to receive a refund of their contributions.
Chapter 209, Laws of 2009 (SB 5303)	7/26/09	PERS 2 and SERS 2	The automatic transfer of prior PERS 2 service credit to SERS 2 when the member becomes employed in an eligible SERS position on or after August 1, 2009 is ended. Current and inactive SERS 2 members who had prior PERS service credit transferred to SERS 2 can request, beginning September 1, 2009 through November 30, 2009, that their service credit be moved back to PERS 2.
Chapter 226, Laws of 2009 (HB 1551)	7/26/09	LEOFF, PERS, PSERS, SERS, TRS and WSPRS	The eligibility for an unreduced benefit to survivors of members who leave an employer and die while honorably serving in the National Guard or military reserves during a period of war (as defined in statute) is extended.
Chapter 521, Laws of 2009 (ESSSB 5688)	Varies per section from 7/26/09 to 1/1/14	All systems and plans	Domestic partners registered with the state will be treated the same as married spouses, to the extent that treatment is not in conflict with federal laws.
Chapter 522, Laws of 2009 (ESHB 1445)	7/26/09	WSPRS 2	State-registered domestic partners of WSPRS members are granted the ability to receive the survivor and death benefits available to spouses.

## Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2011 (page 2 of 3)

*(Arranged Chronologically by Effective Date)*

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 523, Laws of 2009 (EHB 1616)	7/26/09	LEOFF 2	Registered domestic partners of LEOFF 2 members are granted the same pension rights and options as spouses.
Chapter 80, Laws of 2010 (SB 6546)	3/17/10	LEOFF 2	The Director of Fire Protection, if previously a member of LEOFF 2, now has the choice to continue membership in LEOFF 2 while employed in this role. This position is otherwise covered by PERS.
Chapter 21, Laws of 2010 (HB 1545)	6/10/10	PERS	Eligible employees of the Higher Education Coordinating Board now have the ability to participate in the Higher Education Retirement Plan instead of the Public Employees' Retirement System.
Chapter 50, Laws of 2010 (SB 6453)	6/10/10	LEOFF 2	Shared leave can now be treated as reportable compensation for LEOFF 2 members. Earnings can be used in the calculation of a member's benefit, and service credit will be earned according to hours reported.
Chapter 103, Laws of 2010 (HB 1541)	6/10/10	PERS 2 and 3, SERS 2 and 3	Half-time service credit is now granted to qualifying members who worked for an educational employer in school years prior to January 1, 1987.
Chapter 259, Laws of 2010 (SHB 1679)	6/10/10	LEOFF 2 and WSPRS	The payment of medical insurance premiums for qualifying LEOFF 2 and WSPRS members who are catastrophically disabled in the line of duty, and their spouses and dependent children will now be paid by DRS for LEOFF 2 members and for WSPRS members.
Chapter 260, Laws of 2010 (SHB 2196)	6/10/10	LEOFF 1 and PERS 1	PERS 1 members who retired on or after January 1, 1998, can use any service transferred from LEOFF 1 to qualify for non-interruptive military service credit at no cost.
Chapter 261, Laws of 2010 (EHB 2519)	6/10/10	LEOFF and WSPRS	Additional benefits are provided to survivors of police officers, fire fighters and State Patrol officers killed in the line of duty.
Chapter 7, Laws of 2010 (ESSHB 2617)	Varies per section from 6/30/10 to 6/30/11	DCP, PERS 3, SERS 3 and TRS 3	The Employee Retirement Benefits Board is abolished and its former duties are transferred to the DRS director. Said duties include providing recommendations to the WSIB on self-directed investment options for defined contribution plans, determining the payment options for Plan 3 members, ratifying administrative charges assessed to members who participate in self-directed investment options and providing recommendations on investment options for DCP.
Chapter 362, Laws of 2011 (SHB 2021)	6/30/11	PERS 1 and TRS 1	The automatic annual benefit increase for retirees/beneficiaries in PERS 1 and TRS 1 is eliminated. Additionally, the minimum employer contribution rates for the unfunded liability of both of these plans are lowered, and the Adjusted Minimum Benefit limit is increased to \$1,545 per month.
Chapter 5, Laws of 2011 (HB 2070)	7/1/11	LEOFF 2, PERS, PSERS, SERS, TRS and WSPRS	DRS is required to include the qualifying foregone compensation that occurred during the 2011-2013 biennium in the benefits calculation of retiring government employees in LEOFF 2, PERS, PSERS, SERS, TRS and WSPRS.

## Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2011 (page 3 of 3)

(Arranged Chronologically by Effective Date)

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 47, Laws of 2011 (ESHB 1981)	Varies per section from 7/1/11 to 1/1/12	PERS, PSERS, SERS and TRS	Multi-faceted bill that: <ul style="list-style-type: none"> <li>-Limits to 867 the post retirement hours that a PERS 1 or TRS 1 retiree may work prior to the suspension of his pension benefit,</li> <li>-Limits the ability of higher education institutions and entities to offer their Higher Education Retirement (HERPS) to only exempt employees,</li> <li>-Applies the return to work provision of the applicable retirement system to higher education positions eligible for the HERPs,</li> <li>-Prohibits higher education institutions and entities from offering participation in a HERP to any newly hired employee that has retired or is eligible to retire from a DRS administered retirement plan,</li> <li>-Discontinues, for all newly hired HERP participants, the guaranteed minimum retirement benefit provisions currently available to HERP participants,</li> <li>-Provides, for newly hired employees eligible to participate in a HERP, the option at time of hire to participate in PERS 3, TRS 3 or a HERP,</li> <li>-Assigns, to the Office of the State Actuary, the task of overseeing an actuarial valuation of the guaranteed minimum retirement benefit provisions,</li> <li>-Requires institutions to submit a percentage of their HERP-covered employees' salary to DRS to be invested by the WSIB. These funds are to be used to pay required supplemental benefits to eligible HERP retirees,</li> <li>-Authorizes the Select Committee on Pension Policy to review HERP benefits and make recommendations to the Legislature, and</li> <li>-Limits to 6% of salary the matching contribution payments to HERP participants funded by the General Fund.</li> </ul>
Chapter 68, Laws of 2011 (HB 1263)	7/22/11	PSERS	The employer definition within PSERS is modified to include correctional entities formed by PSERS employers under the Interlocal Cooperation Act (RCW 39.34).
Chapter 80, Laws of 2011 (HB 1625)	7/22/11	PERS 3, SERS 3 and TRS 3	The investment option for new employees who default into membership in PERS 3, SERS 3 or TRS 3 by failing to choose a retirement plan within the allotted 90 days is changed from the Commingled Trust Fund to a Retirement Strategy Fund, based on the member's birth year and an assumed retirement at age 65.

### C. Funding Policy

With the exception of LEOFF Plan 2, the Legislature provided for minimum contribution rates for the pension plans (Chapter 561, Laws of 2009). The LEOFF Plan 2 Retirement Board provided for minimum contribution rates for the LEOFF Plan 2. These minimum rates will go into effect beginning with the 2011-2013 biennium.

The table at the end of this section provides the required contribution rates for all plans (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2011.

**PERS:** Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at seven and one-half percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. 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 Plan 3 employee contribution rates range from five to 15 percent, based on member choice. 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 also detailed in the table at the end of this section.

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

**SERS:** Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. 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 Plan 3 employee contribution rates range from five to 15 percent, based on member choice. Two of the options are graduated dependent on the employee's age.

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

**PSERS:** Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature.

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

**TRS:** Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at seven and one-half percent for state elected officials. The employer and employee contribution rates for Plan 2 and the employer

contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. 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 Plan 3 employee contribution rates range from five to 15 percent, based on member choice. 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 employee rates was developed to fund the increased retirement benefits of those judges that participate in the program. These higher rates are also detailed in the table at the end of this section.

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

**LEOFF:** 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.

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 2011, the state contributed \$52.0 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 4.85 percent.

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

**JRS:** Contributions made are based on rates set in chapter 2.10 RCW. By statute, employees are required to contribute seven and one-half 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 2011, the state contributed \$10.9 million.

**Judges:** Past contributions were made based on rates set in chapter 2.12 RCW. By statute, employees were required to contribute six and one-half percent with an equal amount contributed by the state. As of June 30, 2011, however, there are no active members remaining in the Judges Retirement Fund and member contributions are no longer collected.

The state guarantees the solvency of the Judges' Retirement fund on a pay-as-you-go basis. Each biennium, therefore, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2011, however, no such appropriations or contributions were needed or made.

Required contribution rates (expressed as a percentage of current-year covered payroll) at the close of Fiscal Year 2011 were as follows:

Actual Contribution Rates:	Employer			Employee		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3
<b>PERS</b>						
<b>Members Not Participating in JBM:</b>						
State agencies*	5.31%	5.31%	5.31%**	6.00%	3.90%	***
Local governmental units*	5.31%	5.31%	5.31%**	6.00%	3.90%	***
State government elected officials*	7.89%	5.31%	5.31%**	7.50%	3.90%	***
<b>Members Participating in JBM:</b>						
State agencies*	7.81%	7.81%	7.81%**	9.76%	7.25%	7.50%****
Local governmental units*	5.31%	5.31%	5.31%**	12.26%	9.75%	7.50%****
<b>SERS</b>						
State agencies*	n/a	5.45%	5.45%**	n/a	3.15%	***
Local governmental units*	n/a	5.45%	5.45%**	n/a	3.15%	***
<b>PSERS</b>						
State agencies*	n/a	7.85%	n/a	n/a	6.55%	n/a
Local governmental units*	n/a	7.85%	n/a	n/a	6.55%	n/a
<b>TRS</b>						
<b>Members Not Participating in JBM:</b>						
State agencies*	6.14%	6.14%	6.14%**	6.00%	3.36%	***
Local governmental units*	6.14%	6.14%	6.14%**	6.00%	3.36%	***
State government elected officials*	6.14%	6.14%	6.14%**	7.50%	3.36%	***
<b>Members Participating in JBM:</b>						
State agencies*	6.14%	n/a	n/a	9.76%	n/a	n/a
<b>LEOFF</b>						
Local governmental units*	0.16%	5.24%	n/a	n/a	8.46%	n/a
Ports and universities*	n/a	8.62%	n/a	n/a	8.46%	n/a
State of Washington	n/a	3.38%	n/a	n/a	n/a	n/a
<b>WSPRS</b>						
State agencies*	6.57%	6.57%	n/a	5.09%	5.09%	n/a
<b>Judicial</b>						
State agencies	7.50%	n/a	n/a	7.50%	n/a	n/a

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

\*\*Plan 3 defined benefit portion only.

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

\*\*\*\*Minimum rate.

### D. Funded Status and Funding Progress

The funded status of each plan as of June 30, 2010, the most recent actuarial valuation date, is as follows:

	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	\$ 9,293.0	\$ 12,538.1	\$ 3,245.1	74%	\$ 507.3	640%
PERS Plan 2/3*	\$ 19,474.1	\$ 20,028.8	\$ 554.7	97%	\$ 8,206.2	7%
SEFS Plan 2/3*	\$ 2,664.1	\$ 2,705.5	\$ 41.4	98%	\$ 1,475.0	3%
PSERS Plan 2*	\$ 102.9	\$ 94.1	\$ (8.8)	109%	\$ 227.4	(4)%
TRS Plan 1	\$ 7,791.3	\$ 9,201.3	\$ 1,410.0	85%	\$ 344.0	410%
TRS Plan 2/3*	\$ 6,593.3	\$ 6,557.8	\$ (35.5)	101%	\$ 3,965.5	(1)%
LEOFF Plan 1	\$ 5,560.9	\$ 4,393.3	\$ (1,167.6)	127%	\$ 29.1	(4,012)%
LEOFF Plan 2*	\$ 6,042.7	\$ 5,163.6	\$ (879.1)	117%	\$ 1,490.1	(59)%
WSPRS 1/2*	\$ 919.6	\$ 812.1	\$ (107.5)	113%	\$ 82.5	(130)%
JRS	\$ 3.8	\$ 83.8	\$ 80.0	5%	\$ 0.7	11,565%
Judges	\$ 2.8	\$ 3.2	\$ 0.4	87%	\$ –	n/a

(dollar amounts in millions)

\* These plans use the Aggregate actuarial cost method which does not separately amortize Unfunded Actuarial Accrued Liabilities (UAAL). Therefore, as required by GASB 50, the Entry Age Normal Actuarial 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 multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information 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
<b>Valuation – Date</b>	6/30/2010	6/30/2010	6/30/2010	6/30/2010	6/30/2010
<b>Actuarial Cost Method</b>	entry age normal <sup>1</sup>	aggregate <sup>2</sup>	entry age normal <sup>1</sup>	aggregate <sup>2</sup>	aggregate <sup>2</sup>
<b>Amortization Method:</b>					
Funding	level % <sup>4</sup>	n/a	level % <sup>4</sup>	n/a	n/a
GASB	level \$	n/a	level \$	n/a	n/a
<b>Remaining Amortization Years (Closed)</b>	10-year rolling	open plan	10-year rolling	open plan	open plan
<b>Remaining Amortization Period (Closed)</b>	n/a	n/a	n/a	n/a	n/a
<b>Asset Valuation Method</b>	8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>
<b>Actuarial Assumptions:</b>					
Investment Rate of Return <sup>8</sup>	8.00%	8.00%	8.00%	8.00%	8.00%
Projected Salary Increases					
Salary Inflation at 4.00%, Plus the Merit Increases Described Below <sup>5</sup> :					
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
<b>Includes Inflation at Cost of Living Adjustments</b>	n/a Minimum COLA <sup>7</sup>	3.50% CPI increase, maximum 3%	n/a Minimum COLA <sup>7</sup>	3.50% CPI increase, maximum 3%	3.50% CPI increase, maximum 3%

N/A indicates data not applicable

<sup>1</sup> 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.

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

<sup>3</sup> Pay As You Go basis for funding.

<sup>4</sup> Level percent of system payroll, including system growth.

<sup>5</sup> LEOFF Plan 2 assumes 4.5% salary inflation.

<sup>6</sup> Asset Valuation Method – 8 year Smoothed Fair Value – The actuarial value of assets is calculated under an adjusted market value method by starting with the market value of assets. For subsequent years, the actuarial value of assets is determined by adjusting the market value of assets to reflect the difference between the actual investment return and the expected investment return during each of the last eight years or, if fewer, the completed years since adoption, at the following rates per year (annual recognition):

Annual Gain/Loss					
Rate of Return	Smoothing Period	Annual Recognition	Rate of Return	Smoothing Period	Annual Recognition
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 75



Chart continued from page 74

<b>PERS Plan 2</b>	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>	<b>WSPRS Plan 1/2</b>	<b>Judicial</b>	<b>Judges</b>
6/30/2010	6/30/2010	6/30/2010	6/30/2010	6/30/2010	6/30/2010
aggregate <sup>2</sup>	frozen initial liability <sup>1</sup>	aggregate <sup>2</sup>	aggregate <sup>2</sup>	entry age <sup>3</sup>	entry age <sup>3</sup>
n/a	level % <sup>4</sup>	n/a	n/a	n/a	n/a
n/a	level \$	n/a	n/a	level \$	level \$
open plan	14.00	open plan	open plan	5-year rolling	5-year rolling
n/a	6/30/2024	n/a	n/a	n/a	n/a
8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>	8-year graded smoothed fair value <sup>6</sup>	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% CPI increase maximum 3%	3.50% CPI increase	3.50% CPI increase maximum 3%	3.50% CPI increase maximum 3%	3.50% CPI increase maximum 3%	3.50% none

<sup>7</sup> The PERS 1 and TRS 1 COLA

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

<u>Date</u>	<u>COLA Type</u>	<u>Amount</u>
7/1/2002	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
7/1/2010	Uniform	\$1.88
7/1/2011	Minimum	\$1.94

<sup>8</sup> The Legislature prescribes the assumed rate of investment return for all plans.

**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 the Judicial retirement system); employees of legislative committees; employees of 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 members 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 members 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, 2011, there are 673 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 chapter 41.34 RCW, employee contribution rates to the defined contribution component range from five percent to 15 percent of salaries based on member choice. 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, 2010:

<b>Retirees and Beneficiaries Receiving Benefits</b>	<b>1,114</b>
<b>Terminated Plan Members Entitled to but Not Yet Receiving Benefits</b>	<b>3,368</b>
<b>Active Plan Members Vested</b>	<b>10,342</b>
<b>Active Plan Members Nonvested</b>	<b><u>17,351</u></b>
<b>Total</b>	<b>32,175</b>

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. 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 2011, employee contributions were \$94.1 million, and plan refunds paid out were \$59.1 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 members 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, 2011 there are 300 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 chapter 41.34 RCW, employee contribution rates to the defined contribution component range from five percent to 15 percent of salaries based on member choice. 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, 2010:

<b>Retirees and Beneficiaries Receiving Benefits</b>	<b>2,073</b>
<b>Terminated Plan Members Entitled to but Not Yet Receiving Benefits</b>	<b>4,942</b>
<b>Active Plan Members Vested</b>	<b>17,856</b>
<b>Active Plan Members Nonvested</b>	<b>14,125</b>
<b>Total</b>	<b>38,996</b>

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. 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 2011, employee contributions were \$60.3 million, and plan refunds paid out were \$53.2 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 members

who joined on or after October 1, 1977 and by June 30, 1996 are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996, and those who exercised their transfer option, are members of TRS Plan 3. TRS members hired on or after July 1, 2007 have 90 days to choose between TRS Plan 3 and TRS Plan 2. Individuals who fail to make a choice will default to TRS Plan 3. As of June 30, 2011, there are 330 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 chapter 41.34 RCW, employee contribution rates to the defined contribution component range from five percent to 15 percent of salaries based on member choice. 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, 2010:

<b>Retirees and Beneficiaries Receiving Benefits</b>	<b>2,235</b>
<b>Terminated Plan Members Entitled to but Not Yet Receiving Benefits</b>	<b>5,782</b>
<b>Active Plan Members Vested</b>	<b>31,379</b>
<b>Active Plan Members Nonvested</b>	<b>20,913</b>
<b>Total</b>	<b>60,309</b>

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. 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 2011, employee contributions were \$257.7 million and plan refunds paid out were \$115.6 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, 2011, there were 10 active members and 184 inactive members in JRA. There are three participating employers in JRA.

From 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 could no longer participate in JRA and would be enrolled in the JBM Program enacted in 2006.

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

A JRA member who separates from judicial service for any reason is entitled to receive a lump-sum distribution of the accumulated contributions. The

administrator of JRA may adopt rules establishing other payment options. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death is to be paid to the member's estate, or such person or persons, trust or organization as the member has nominated by written designation.

The Administrator of JRA has entered into an agreement with DRS for accounting and reporting services, and with 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 for the JRA plan, consistent with the provisions of RCW 2.14.080 and 43.84.150.

**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.

	2011	2010	2009
(expressed in thousands)			
PERS Plan 1	\$ 48.4	\$ 66.7	\$ 111.7
PERS Plan 2/3	614.8	632.3	981.2
<b>Total</b>	<u>\$ 663.2</u>	<u>\$ 699.0</u>	<u>\$ 1,092.9</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 director of DRS. 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 twenty 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
- 2055 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)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$9,293	\$9,776	\$9,853	\$9,715	\$9,591	\$9,707
Actuarial Accrued Liability	\$12,538	\$13,984	\$13,901	\$13,740	\$13,129	\$13,704
Unfunded Actuarial Liability	\$3,245	\$4,209	\$4,048	\$4,025	\$3,538	\$3,997
Funded Ratio	74%	70%	71%	71%	73%	71%
Covered Payroll	\$507	\$580	\$638	\$676	\$725	\$786
Unfunded Actuarial Liability as a Percentage of Covered Payroll	640%	725%	634%	595%	488%	509%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: PERS Plan 2/3

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$19,474	\$18,260	\$16,693	\$14,888	\$13,529	\$12,274
Actuarial Accrued Liability	\$20,029	\$18,398	\$16,508	\$14,661	\$12,770	\$11,495
Unfunded Actuarial Liability	\$555	\$137	\$(185)	\$(227)	\$(759)	\$(779)
Funded Ratio	97%	99%	101%	102%	106%	107%
Covered Payroll	\$8,206	\$8,132	\$7,869	\$7,157	\$6,771	\$6,444
Unfunded Actuarial Liability as a Percentage of Covered Payroll	7%	2%	(2)%	(3)%	(11)%	(12)%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: SERS Plan 2/3

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	9/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$2,664	\$2,503	\$2,303	\$2,133	\$1,934	\$1,747
Actuarial Accrued Liability	\$2,706	\$2,493	\$2,207	\$1,998	\$1,787	\$1,601
Unfunded Actuarial Liability	\$41	\$(10)	\$(95)	\$(136)	\$(147)	\$(146)
Funded Ratio	98%	100%	104%	107%	108%	109%
Covered Payroll	\$1,475	\$1,467	\$1,379	\$1,283	\$1,243	\$1,201
Unfunded Actuarial Liability as a Percentage of Covered Payroll	3%	(1)%	(7)%	(11)%	(12)%	(12)%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: PSERS Plan 2

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$103	\$69	\$39	\$14	*	*
Actuarial Accrued Liability	\$94	\$64	\$37	\$19	*	*
Unfunded Actuarial Liability	\$(9)	\$(5)	\$(2)	\$6	*	*
Funded Ratio	109%	108%	106%	71%	*	*
Covered Payroll	\$227	\$223	\$200	\$134	*	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(4)%	(2)%	(1)%	4%	*	*

\*Data not available

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: TRS Plan 1

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$7,791	\$8,146	\$8,262	\$8,302	\$8,275	\$8,450
Actuarial Accrued Liability	\$9,201	\$10,820	\$10,754	\$10,826	\$10,359	\$10,894
Unfunded Actuarial Liability	\$1,410	\$2,674	\$2,492	\$2,524	\$2,084	\$2,444
Funded Ratio	85%	75%	77%	77%	80%	78%
Covered Payroll	\$344	\$389	\$432	\$426	\$478	\$546
Unfunded Actuarial Liability as a Percentage of Covered Payroll	410%	688%	576%	592%	436%	448%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: TRS Plan 2/3

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$6,593	\$6,160	\$5,681	\$5,277	\$4,835	\$4,411
Actuarial Accrued Liability	\$6,558	\$6,048	\$5,264	\$4,682	\$4,030	\$3,594
Unfunded Actuarial Liability	\$(36)	\$(112)	\$(417)	\$(594)	\$(806)	\$(818)
Funded Ratio	101%	102%	108%	113%	120%	123%
Covered Payroll	\$3,966	\$3,957	\$3,621	\$3,318	\$3,225	\$3,058
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(1)%	(3)%	(12)%	(18)%	(25)%	(27)%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: LEOFF Plan 1

(dollars in millions)

	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$5,561	\$5,612	\$5,592	\$5,298	\$5,018	\$4,800
Actuarial Accrued Liability	\$4,393	\$4,492	\$4,368	\$4,340	\$4,309	\$4,243
Unfunded Actuarial Liability	\$(1,168)	\$(1,120)	\$(1,225)	\$(958)	\$(709)	\$(557)
Funded Ratio	127%	125%	128%	122%	116%	113%
Covered Payroll	\$29	\$33	\$37	\$43	\$48	\$56
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(4,012)%	(3,360)%	(3,303)%	(2,243)%	(1,475)%	(995)%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: LEOFF Plan 2

(dollars in millions)

	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$6,043	\$5,564	\$5,053	\$4,360	\$3,844	\$3,329
Actuarial Accrued Liability	\$5,164	\$4,641	\$3,998	\$3,626	\$3,486	\$3,074
Unfunded Actuarial Liability	\$(879)	\$(923)	\$(1,054)	\$(734)	\$(358)	\$(255)
Funded Ratio	117%	120%	126%	120%	110%	108%
Covered Payroll	\$1,490	\$1,442	\$1,345	\$1,234	\$1,172	\$1,092
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(59)%	(64)%	(78)%	(59)%	(31)%	(23)%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: WSPRS Plan 1/2

(dollars in millions)

	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$920	\$900	\$870	\$800	\$743	\$694
Actuarial Accrued Liability	\$812	\$790	\$745	\$702	\$671	\$621
Unfunded Actuarial Liability	\$(107)	\$(110)	\$(124)	\$(98)	\$(72)	\$(73)
Funded Ratio	113%	114%	117%	114%	111%	112%
Covered Payroll	\$83	\$83	\$79	\$72	\$69	\$65
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(130)%	(133)%	(158)%	(136)%	(105)%	(112)%

Source: Washington State Office of the State Actuary



### Schedule of Funding Progress: JRS

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$4	\$2	\$1	\$1	\$-	\$2
Actuarial Accrued Liability	\$84	\$89	\$92	\$85	\$88	\$89
Unfunded Actuarial Liability	\$80	\$87	\$91	\$85	\$88	\$87
Funded Ratio	5%	2%	1%	1%	0%	2%
Covered Payroll	\$0.7	\$0.9	\$1.3	\$1.3	\$1.4	\$1.7
Unfunded Actuarial Liability as a Percentage of Covered Payroll	11,565%	9,216%	7,141%	6,374%	6,071%	5,118%

Source: Washington State Office of the State Actuary

### Schedule of Funding Progress: Judges

	(dollars in millions)					
	2010	2009	2008	2007	2006	2005
Actuarial Valuation Date	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06	9/30/05
Actuarial Value of Plan Assets	\$2.8	\$3.3	\$3.6	\$4.0	\$4.1	\$4.2
Actuarial Accrued Liability	\$3.2	\$3.4	\$3.5	\$3.9	\$4.0	\$4.5
Unfunded Actuarial Liability	\$0.4	\$0.1	\$(0.1)	\$(0.1)	\$(0.1)	\$0.3
Funded Ratio	87%	97%	104%	103%	103%	93%
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 2006-2011.

	(dollars in millions)											
	Annual Required Contribution*						Percentage Contributed					
	2011	2010	2009	2008	2007	2006	2011	2010	2009	2008	2007	2006
PERS Plan 1	\$439.3	\$627.8	\$620.2	\$453.1	\$397.3	\$438.5	33%	25%	52%	49%	30%	7%
PERS Plan 2/3	408.6	383.1	369.7	363.3	331.3	307.6	80%	85%	119%	88%	73%	49%
SERS Plan 2/3	88.6	82.3	71.5	75.8	71.5	81.4	70%	75%	89%	69%	64%	37%
PSERS Plan 2**	14.7	14.8	14.3	12.4	7.1	n/a	106%	103%	101%	94%	93%	n/a
TRS Plan 1	205.9	406.1	391.0	294.7	249.8	287.5	47%	28%	46%	38%	24%	5%
TRS Plan 2/3	232.3	221.1	186.9	208.9	167.7	166.4	72%	75%	86%	52%	61%	45%
LEOFF Plan 1	0.0	0.0	0.0	0.0	0.1	0.0	n/a	n/a	n/a	n/a	n/a	n/a
LEOFF Plan 2	84.0	112.2	105.3	102.1	94.9	101.3	157%	114%	122%	117%	101%	79%
WSPRS Plan 1/2	2.3	6.6	5.0	6.8	5.3	6.1	228%	80%	127%	89%	62%	48%
JRS	18.6	20.4	21.2	26.6	37.3	27.7	59%	57%	49%	36%	26%	24%
Judges	0.1	0.0	0.0	0.0	0.0	0.1	n/a	n/a	n/a	n/a	n/a	300%

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

\*\* 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, 2011 (expressed in thousands)

	Retirement Pension Trust Funds	Deferred Compensation Pension Trust Fund	Totals	
			June 30, 2011	June 30, 2010
<b>Current</b>				
<b>Personnel:</b>				
Salaries and Wages	\$ 11,344	\$ 902	\$ 12,246	\$ 12,870
Employee Benefits	3,885	307	4,192	4,027
Personal Service Contracts	1,285	243	1,528	1,065
<b>Total Personnel Expenses</b>	<b>16,514</b>	<b>1,452</b>	<b>17,966</b>	<b>17,962</b>
<b>Goods and Services:</b>				
Supplies and Materials	49	12	61	58
Communications	477	11	488	581
Utilities	135	9	144	156
Rental and Leases	1,495	98	1,593	1,612
Repairs and Alterations	190	12	202	193
Printing and Reproduction	276	10	286	220
Employee Professional Development and Training	82	2	84	91
Subscriptions	9	–	9	7
Facilities and Services	374	20	394	466
Data Processing Services	1,530	21	1,551	2,210
Attorney General Services	50	20	70	55
Personnel Services	36	2	38	62
Medical Consultant Services	66	–	66	69
Insurance	14	1	15	16
Other Contractual Services	468	3	471	501
Vehicle Maintenance	1	1	2	15
Actuary Services	1,522	–	1,522	1,417
LEOFF 2 Board Governance	876	–	876	919
Pension Funding Council Services	84	–	84	66
Audit Services	80	2	82	143
Archives and Records Management	40	3	43	53
Legal Fees	1,391	–	1,391	1,400
Bad Debts Expense	208	–	208	164
Collections	79	–	79	104
Office of Minority and Women's Business Enterprises Services	1	–	1	1
Other Goods and Services	94	1	95	34
<b>Total Goods and Services</b>	<b>9,627</b>	<b>228</b>	<b>9,855</b>	<b>10,613</b>
<b>Miscellaneous Expenses:</b>				
Travel	42	25	67	63
Noncapitalized Equipment	74	1	75	36
<b>Total Miscellaneous Expenses</b>	<b>116</b>	<b>26</b>	<b>142</b>	<b>99</b>
<b>Total Current Expenses</b>	<b>26,257</b>	<b>1,706</b>	<b>27,963</b>	<b>28,674</b>
<b>Capital Outlays:</b>				
Furnishings, Equipment and Software	450	29	479	565
<b>Total Capital Outlays</b>	<b>450</b>	<b>29</b>	<b>479</b>	<b>565</b>
<b>Depreciation – Capital Assets</b>	<b>165</b>	<b>–</b>	<b>165</b>	<b>221</b>
<b>Total Administrative Expenses</b>	<b>\$ 26,872</b>	<b>\$ 1,735</b>	<b>\$ 28,607</b>	<b>\$ 29,460</b>

**Schedule of Investment Expenses**  
**Pension Trust Funds**  
**For the Year Ended June 30, 2011**  
(expressed in thousands)

	Fees Paid	Netted Fees*	Total Fees and Expenses
<b>Equity Securities</b>			
Active Equity Manager Emerging Markets	\$ 2,590	\$ —	\$ 2,590
Active Equity Manager Global	24,432	—	24,432
Passive Equity Manager Developed Markets	312	—	312
Active Management Innovation Portfolio	769	—	769
Commingled Funds Emerging Market	—	10,904	10,904
Commingled Funds Developed Markets	—	556	556
<b>Alternative Investments</b>			
Private Equity	120,135	—	120,135
Real Estate	34,338	—	34,338
Tangible Assets	6,376	—	6,376
<b>Cash Management</b>	3,986	—	3,986
<b>Securities Lending</b>	1,090	—	1,090
<b>Other Fees:</b>			
Consultants Accounting	1,230	—	1,230
DCP Management Fees	3,918	—	3,918
JRA Management Fees	18	—	18
Legal Fees	300	—	300
PERS Plan 3 – SELF Management Fees	767	—	767
Research Services	1,991	—	1,991
SERS Plan 3 Management Fees	360	—	360
TRS Plan 3 Management Fees	2,108	—	2,108
WSIB Operating Costs	11,578	—	11,578
Miscellaneous Fees	144	—	144
<b>Total Investment Expenses</b>	<u>\$ 216,442</u>	<u>\$ 11,460</u>	<u>\$ 227,902</u>

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

**Schedule of Payments to Consultants**  
**For the Year Ended June 30, 2011**  
(expressed in thousands)

	<b>Commissions/Fees</b>
<b>Computer/Technology</b>	
Aetea Information Technology, Inc.	\$ 164
Martin Analysis and Programming, Inc.	<u>266</u>
<b>Total Computer/Technology</b>	<b><u>430</u></b>
<b>Legal</b>	
Buell Realtime Reporting, LLC	1
Danielson Harrigan Leyh & Tollefson, LLP	92
Foster Pepper & Shefelman, PLLC	37
Ice Miller, LLP	92
Libey, Ensley & Nelson, PLLC	<u>13</u>
<b>Total Legal</b>	<b><u>235</u></b>
<b>Management</b>	
Actuarial Consulting Group, Inc.	33
CEM Benchmarking, Inc.	35
Cheiron, Inc.	84
Peterson Sullivan, LLP	<u>57</u>
<b>Total Management</b>	<b><u>209</u></b>
<b>Recordkeeping</b>	
Great West Retirement Services	239
ICMA Retirement Corporation	<u>1,250</u>
<b>Total Recordkeeping</b>	<b><u>1,489</u></b>
<b>Total Payments to Consultants</b>	<b><u>\$ 2,363</u></b>

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), increased in value by \$9.6 billion during fiscal 2011 to \$62.3 billion. The CTF return was 21.1 % 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 (13.1%)
  - PERS 2/3 DB and DC plans (33.8%)
  - SERS 2/3 DB and DC plans (5.9%)
  - PSERS 2 (0.2%)
  - TRS 1 (11.1%)
  - TRS 2/3 DB and DC plans (15.8%)
  - WSPRS 1/2 (1.4%)
  - LEOFF 1 (8.3%)
  - LEOFF 2 (10.2%)
  - Judicial (0.0%)
- **External Managers** – The WSIB engages approximately 140 partnerships and external managers to assist in the management of the CTF's investments.
- **Risk** – The various risks of the CTF portfolio include interest rate risk, credit risk, concentration risk, and foreign currency risk, as described in Note 1 of the Financial Section of this report. The WSIB has not created a total fund risk profile for the CTF.
- **Leverage** – The WSIB does not leverage the CTF portfolio as a whole. Individual securities within the CTF do have leverage; however, the WSIB does not capture this information on a total basis.
- **Earnings** – The CTF does not distribute earnings directly to the owner funds. The Retirement Fund plans are allowed to purchase or sell units in the pool, based on the fair value of the underlying assets, on the first business day of each month. The net asset value includes interest and dividend income which is recognized on a trade date basis, and purchases and sales of investments which are recorded on a trade date basis.
- **Expense** – The CTF's expense ratio for the year ended March 31, 2011 was 0.5337%.
- **Yield** – The CTF's fixed income portfolio has a yield of 3.64%.
- **Weighted Average Maturity** – The CTF fixed income portfolio has a weighted average maturity of 6.34 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 6/30/2011

	1 Year	3 Year	5 Year
<b>TOTAL FUND</b>	<b>21.14%</b>	<b>1.90%</b>	<b>4.86%</b>
<i>Passive benchmark</i>	22.69%	4.18%	4.86%
<b>Fixed Income</b>	<b>7.48%</b>	<b>8.65%</b>	<b>8.17%</b>
<i>Barclays Capital Universal Index</i>	4.78%	6.74%	6.61%
<b>Tangible</b>	<b>6.61%</b>	<b>2.13%</b>	<b>n/a</b>
<i>CPI (Lagged One Quarter) + 400 bp</i>	6.70%	5.54%	n/a
<b>Real Estate</b>	<b>14.39%</b>	<b>(6.52)%</b>	<b>2.42%</b>
<i>8% Return Over Rolling 10 Years NCREIF Lagged One Quarter (for comparison purposes)</i>	16.03%	(3.63)%	3.45%
<b>Public Equity</b>	<b>31.00%</b>	<b>1.36%</b>	<b>3.20%</b>
<i>Dow Jones Wilshire Global Index</i>	31.27%	2.23%	4.01%
<b>Private Equity</b>	<b>24.33%</b>	<b>2.10%</b>	<b>7.17%</b>
<i>Russell 3000 (Lagged One Quarter) + 300 bp</i>	20.41%	6.42%	5.95%
<b>Innovation</b>	<b>(15.02)%</b>	<b>n/a</b>	<b>n/a</b>
<i>Custom Benchmark</i>	1.27%	n/a	n/a
<b>Cash</b>	<b>0.18%</b>	<b>0.56%</b>	<b>2.21%</b>
<i>90 Day T-bills</i>	0.16%	0.42%	2.00%

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

## ASSET ALLOCATION

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

Accordingly, the WSIB sets a specific long-term target asset mix and adopts tight ranges around those targets to control the overall risk and return of the

CTF. On a daily basis, the WSIB reviews the asset allocation in relation to the established ranges. The staff shifts assets whenever the allocation range for an asset exceeds the approved range or when cash is needed elsewhere. The WSIB reviews changes to the overall asset mix every three to four years.

The chart below shows the CTF's asset allocation as of June 30, 2011, 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%	19.55%
Tangible Assets	5.00%	1.15%
Real Estate	13.00%	13.77%
Public Equity	37.00%	36.83%
Private Equity	25.00%	25.09%
Innovation	0.00%	2.04%
Cash	0.00%	1.57%

## PUBLIC EQUITY

The public equity program uses a global benchmark, the Dow Jones Global Total Stock Market Index, reflecting the globalization of stock markets. At the beginning of the fiscal year, the public equity portfolio in the CTF was a combination of separate U.S. and non-U.S. components. However, in a world in which American companies like Coca-Cola get most of their revenue from overseas and many so-called foreign companies serve mainly the U.S., distinctions between "U.S. stocks" and "non-U.S. stocks" have become increasingly blurred. The WSIB believes that the future success of the program depends on investment managers finding the most attractive opportunities wherever they are in the world. Therefore, over the course of the past fiscal year, the WSIB restructured the public equity program within the CTF into four components: passive U.S. equity, passive non-U.S. equity, active global equity, and active emerging markets equity.

**Retirement Funds' Ten Largest Public Equity Holdings  
As of 6/30/2011**

Exxon Mobil Corp.	1.02%	Pfizer Inc.	0.56%
Apple Inc.	0.81%	IBM Corp.	0.55%
BHP Billiton Ltd.	0.61%	Vodafone Group PLC	0.52%
Microsoft Corp.	0.59%	GlaxoSmithKline PLC	0.52%
Royal Dutch Shell PLC	0.58%	Russian Federation	0.50%

**Retirement Funds' Ten Largest Public Equity Exposures by Country  
As of 6/30/2011**

United States	44.12%	Germany	3.04%
United Kingdom	8.47%	Switzerland	2.76%
Japan	8.28%	Australia	2.65%
France	4.56%	Brazil	2.09%
Canada	4.20%	South Korea	1.75%

## U.S. EQUITY

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

## NON-U.S. EQUITY

The non-U.S. equity portfolio is benchmarked to a broad non-U.S. equity benchmark, currently the MSCI All Country World ex U.S. Investable Market Index. Approximately 43% of the Public equity portfolio is invested in non-U.S. markets, 74% of which is invested in developed markets with the remaining portion invested in the emerging markets. Portfolios are managed by external managers employing primarily a passive approach in developed markets and solely active strategies in emerging markets.

## GLOBAL EQUITY

The global equity portfolio is benchmarked to a broad global equity benchmark, currently the Dow Jones Global Total Stock Market Index. Approximately 25% of the Public equity portfolio is invested in global equity strategies, which includes U.S. and non-U.S. markets. These strategies are managed by external managers employing active strategies.

## FIXED INCOME

The Fixed Income portfolio is internally managed by WSIB staff with Barclays Capital Universal Index as the performance benchmark. The management strategy is primarily one of 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 slightly shorter than that of the Barclays Capital Universal Index.

**Retirement Funds' Fixed Income Sector Distribution  
As of 6/30/2011**

<u>Investment Type</u>	<u>Barclays Capital Universal Index</u>	<u>WSIB Fixed Income</u>
Treasury Inflation Protected Securities (TIPS)	0.00%	0.00%
U.S. Treasury	28.46%	17.12%
U.S. Credit	34.99%	57.36%
U.S. Agency	5.41%	0.00%
Pass Through Mortgages	28.79%	9.63%
Commercial Mtge. Backed Securities (CMBS)	2.12%	2.71%
Collateralized Mortgage Obligations (CMO)	0.00%	7.22%
Asset Backed Securities (ABS)	0.23%	1.00%
Cash	0.00%	4.96%

## 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 34% 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%, plus or minus 2%, and the benchmark is the Consumer Price Index (CPI) lagged one quarter plus 400 basis points. The categories of investments in this asset class are agriculture, commodities, infrastructure, natural resource rights and timber. As this is a new asset class, the WSIB is still working towards building to its allocated target.

### **PORTFOLIO HOLDINGS**

A complete list of portfolio holdings is available by contacting:

Washington State Investment Board  
2100 Evergreen Park Drive SW  
PO Box 40916  
Olympia WA 98504-0916  
(360) 956-4600

## Summary of Investment Policies

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

### RETIREMENT FUND ASSET ALLOCATION

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

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

### PUBLIC MARKETS EQUITY

The Public Markets equity program seeks to:

- Achieve the highest return possible from active management with passive as the default consistent with prudent risk management and the desire for downside protection;
- Maintain liquidity and transparency in public equity, given WSIB's allocation to illiquid markets and investment structures in other strategies and/or asset classes; and
- Provide diversification to the CTF'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 100% passively managed. 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 1% of the portfolio's par holdings in any single issuer with a quality rating below investment grade, and from having a duration (the sensitivity of the portfolio's market value to changes in the level of interest rates) that is more than 20% different than the duration of the Universal Index. In addition, the major sector allocations are limited to the following ranges:

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

**PRIVATE EQUITY INVESTING**

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

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

**REAL ESTATE PROGRAM**

The WSIB’s real estate program is an externally managed pool of selected partnership investments, intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the WSIB’s partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the Board’s long term return expectations for the asset class. The WSIB’s real estate partnerships

typically invest in private real estate assets that are held for long term income and appreciation. Many of the WSIB’s investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions related to liquidation, acquisition and ongoing operational decisions for annual capital expenditures.

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

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

**TANGIBLE ASSETS**

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

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

**Schedule of Investment Management Fees and Commissions**  
For the Year Ended June 30, 2011  
(expressed in thousands)

	Fees Paid	Netted Fees*	Total Fees and Expenses	Assets Under Management
<b>Equity Securities:</b>				
Active Equity Manager Emerging Markets	\$ 2,590	\$ —	\$ 2,590	\$ 738,128
Active Equity Manager Global	24,432	—	24,432	6,900,258
Passive Equity Manager Developed Markets	312	—	312	6,514,295
Active Management Innovation Portfolio	769	—	769	230,540
Commingled Funds Emerging Markets	—	10,904	10,904	1,865,962
Commingled Funds Developed Markets	—	556	556	7,566,941
<b>Alternative Investments:</b>				
Private Equity	120,135	—	120,135	15,576,391
Real Estate	34,338	—	34,338	8,577,884
Tangible Assets	6,376	—	6,376	717,043
<b>Cash Management</b>	3,986	—	3,986	1,944,865
<b>Securities Lending</b>	1,090	—	1,090	N/A
<b>Other Fees:</b>				
Consultants and Accounting	1,230	—	1,230	N/A
DCP Management Fees	3,918	—	3,918	N/A
JRA Management Fees	18	—	18	N/A
Legal Fees	300	—	300	N/A
PERS Plan 3 – SELF Management Fees	767	—	767	N/A
Research Services	1,991	—	1,991	N/A
SERS Plan 3 – SELF Management Fees	360	—	360	N/A
TRS Plan 3 – SELF Management Fees	2,108	—	2,108	N/A
WSIB Operating Costs	11,578	—	11,578	N/A
Miscellaneous Fees	144	—	144	N/A
<b>Total Investment Expenses</b>	<u>\$ 216,442</u>	<u>\$ 11,460</u>	<u>\$ 227,902</u>	<u>\$ 50,632,307</u>

\*Netted fees are included in the unrealized gains (losses) contained in the net appreciation (depreciation) in the accompanying financial statements.

## Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2011 (page 1 of 6)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
ABG SECURITIES	\$ 177,987	\$ 2,227,518	\$ 2,904,815	\$ 7,574	\$ 0.04	\$ -	\$ -
ABN AMRO BANK, NV	6,963,387	5,255,326	17,881,949	39,887	0.01	-	-
ABN AMRO SECURITIES	1,301,919	5,438,239	11,111,941	15,207	0.01	-	-
ADAMS HARKNESS & HILL	36,401	-	1,913,910	1,425	0.04	-	-
ADP CLEARING & OUTSOURCING	20,372,063	422,628,405	219,024,630	172,805	0.01	-	-
ALPHA FINANCE	20,343	511,245	-	1,274	0.06	-	-
ANZ	-	-	-	-	-	116,723,412	-
BANC OF AM SEC LLC	-	-	-	-	-	35,990,678	-
BANCO BILBAO VISCAYA	221,848	-	2,624,290	3,942	0.02	-	-
BANCO BRADESCO, SA	482,764	2,841,473	2,174,350	11,668	0.02	-	-
BANCO ITUA SA	1,890,182	10,344,084	12,078,342	47,400	0.03	-	-
BANCO PACT	372,093	2,577,429	1,946,090	9,048	0.02	-	-
BANCO SANTANDER	1,925,513	16,578,229	5,388,244	31,185	0.02	-	-
BANK OF AMERICA	-	-	-	-	-	588,605,240	-
BANK OF IRELAND	8,779	545,732	-	-	-	-	-
BANK OF NEW YORK SECURITIES	1,269,121	18,776,067	3,321,125	2,678	0.00	-	-
BANQUE NATIONALE DE PARIS	1,771,503	41,822,747	1,103,438	22,362	0.01	-	-
BARCLAYS BANK	91,429	-	2,946,952	5,975	0.07	-	-
BARCLAYS CAPITAL, INC	7,967,139	63,398,819	39,939,090	85,817	0.01	27,522,425	-
BARCLAYS TRUST & BANKING CO	-	-	-	-	-	528,846,844	-
BARNARD JACOBS MELLETT & CO	57,357	952,717	-	1,897	0.03	-	-
BATUCHA SECURITIES	137,623	1,089,763	100,658	1,783	0.01	-	-
BAYERISCHE HYPOVEREINSBANK	89,118	2,943,080	-	1,477	0.02	-	-
BEAR, STEARNS & COMPANY	29,508,448	227,836,539	159,392,018	251,468	0.01	7,760,271	-
BERENDBERG BANK	31,098	1,090,540	323,326	2,022	0.07	-	-
BLAYLOCK INVESTMENTS	509	28,136	-	15	0.03	-	-
BNP PARIBAS	6,336,437	13,651,804	12,720,643	34,574	0.01	-	-
BNP PARIBAS PEREGRINE	36,207	166,316	211,597	185	0.01	-	-
BNP SECURITIES	5,553,028	50,525,719	59,912,561	46,595	0.01	84,799,060	-
BOCI SECURITIES LTD	61,853	26,555	-	263	0.00	-	-
BROCKHOUSE & COOPER	5,672,442	16,464,087	13,169,286	17,950	0.00	-	-
BUNTING WARBURG, INC	780,543	13,393,288	9,388,934	18,396	0.02	-	-
C.S.F.B. RESEARCH	1,684,342	11,517,279	9,786,407	35,498	0.02	-	-
CAIB SECURITIES	41,130	876,263	-	438	0.01	-	-
CALYON SECURITIES	416,348	1,431,328	589,085	1,564	0.00	-	-
CANACCORD CAPITAL CORP	433,653	5,443,062	3,280,474	10,367	0.02	-	-
CANTOR FITZGERALD & COMPANY	1,780,276	6,573,395	25,744,109	44,883	0.03	-	-
CAPP SECURITIES	73,214,825	-	26,637,563	-	-	2,514,043	-
CARNEGIE CORPORATION	855,442	5,213,994	9,139,947	21,440	0.03	-	-



**Schedule of Broker Volume and Equity Commissions Paid**  
For the Year Ended June 30, 2011 (page 2 of 6)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
CHAPDELAINE INST. EQUITIES NY	\$ 481	\$ 21,120	\$ -	\$ 14	\$ 0.03	\$ -	\$ -
CHEVREUX DE VIRIEU	42,917	1,024,738	382,243	1,484	0.03	-	-
CHINA INTERNATIONAL	3,756,499	3,326,316	4,128,610	7,493	0.00	-	-
CI NORDIC SECURITIES	84,086	-	1,091,486	586	0.01	-	-
CIBC WORLD MARKETS CORP	4,000,408	32,814,389	34,767,846	55,840	0.01	-	-
CIC SECURITIES	3,292	-	73,628	80	0.02	-	-
CICC US SECURITIES, INC	538,723	172,318	-	344	0.00	-	-
CITATION GROUP	9,016	2,916,244	-	90	0.01	-	-
CITIBANK	5,352,174	994,995	1,301,430	4,106	0.00	-	-
CITICORP SECURITIES, INC	53,184	996,281	-	893	0.02	-	-
CITIGROUP	71,340,351	252,563,253	266,161,516	487,055	0.01	28,901,131,080	-
CLSA AUSTRALIA PTY LTD	278,954	527,569	-	1,316	0.00	-	-
CLSA SINGAPORE	26,505,390	34,032,243	24,589,074	75,980	0.00	-	-
COLLINS STEWART	82,121	1,163,084	1,069,786	2,183	0.03	-	-
COMMERZBANK, AG	34,135	1,100,724	-	603	0.02	-	-
COWEN & COMPANY	21,396	74,403	431,723	642	0.03	-	-
CREDIT AGRIGOLE	2,082,933	22,558,789	24,256,191	51,546	0.02	-	-
CREDIT LYONNAIS	30,063,178	67,833,458	63,207,740	233,715	0.01	-	-
CREDIT SUISSE FIRST BOSTON	126,720,064	473,078,659	393,270,097	704,554	0.01	44,603,032	-
DAIN RAUSCHER	1,896	75,561	-	80	0.04	7,056,174	-
DAWA SECURITIES GROUP	13,378,440	37,553,046	39,393,901	78,373	0.01	-	-
DAVY STOCKBROKERS	307,542	1,022,345	524,131	2,301	0.01	-	-
DBS SECURITIES	1,834,653	3,572,774	271,574	7,812	0.00	-	-
DEUTSCHE BANK SECURITIES	117,733,024	1,078,969,026	1,734,897,590	781,429	0.01	641,707,236	-
DEXIA BANK	49,884	-	2,177,515	1,988	0.04	-	-
DSP MERRILL LYNCH	465,072	5,364,378	959,298	2,943	0.01	-	-
DUNDEE SECURITIES	3,641	24,396	-	87	0.02	-	-
EDELWEISS SECURITIES	26,481	169,932	-	423	0.02	-	-
ENAM SECURITIES PVT LTD	901,663	838,146	4,744,164	14,009	0.02	-	-
ENS NORTH AMERICA	2,002	119,512	-	179	0.09	-	-
ENSKILDA SECURITIES	756,805	4,009,317	3,605,296	10,584	0.01	-	-
ERSTE BANK DER OESTERREICHISCH	65,316	964,055	1,471,016	3,654	0.06	-	-
ESN NORTH	9,281	545,227	-	817	0.09	-	-
EUROCLEAR	600,623	5,504,896	2,886,576	5,074	0.01	-	-
EUROMOBILIARE	2,173,688	2,265,424	1,755,278	5,568	0.00	-	-
EVOLUTION BEESON GREGORY	506,621	5,276,376	676,663	7,680	0.02	-	-
EXANE BNP PARIBAS	838,172	21,251,473	13,302,296	42,085	0.05	-	-
EXECUTION SERVICES, INC	334,829	1,129,525	1,191,707	2,779	0.01	-	-
FINANCIAL BROKERAGE GROUP (FBG)	470,266	1,500,340	-	5,975	0.01	-	-

## Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2011 (page 3 of 6)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
FIRST INTERSTATE BANK OKLAHOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,190,071	\$ -
FRANK RUSSELL	519	-	-	-	-	-	-
G-TRADE SERVICES	1,907,725	10,561,822	11,964,007	8,499	0.00	-	-
G.K. GOH	3,826,533	3,128,298	1,362,129	5,793	0.00	-	-
GOLDMAN SACHS & COMPANY	82,056,312	426,375,578	631,992,978	688,405	0.01	1,204,087,057	-
GRIFFITHS MCBURNEY	1,182,804	2,693,187	257,934	9,556	0.01	-	-
HANOVER NOMINEES LTD	363,876	5,820,424	55,440	2,349	0.01	-	-
HSBC INVESTMENT BANK, PLC	3,712,269	14,737,120	3,865,034	37,942	0.01	-	-
HSBC SECURITIES, INC	3,157,680	7,591,567	2,199,847	17,601	0.01	869,938,592	-
ICHIYOSHI SECURITIES	5,387	158,657	-	158	0.03	-	-
INDIA INFOLINE LTD	9,387	584,452	-	1,456	0.16	-	-
ING BANK BRAZIL	932,907	3,609,961	7,162,231	18,815	0.02	-	-
INSTINET	174,046,607	698,232,571	639,295,216	749,943	0.00	-	-
INTERACCIONES	13,568	-	198,812	199	0.01	-	-
INTERSTATE SECURITIES	371,195	1,179,825	3,825,845	7,379	0.02	-	-
INVESTEC SECURITIES	589,009	1,526,111	4,704,080	8,586	0.01	-	-
INVESTMENT TECHNOLOGY GROUP INC	18,705,014	151,891,427	108,988,509	113,206	0.01	-	-
ITG INC	24,498,033	87,072,184	91,201,582	102,428	0.00	-	-
J.B. WERE & SON	27,509	-	579,777	871	0.03	-	-
J.P. MORGAN & COMPANY	29,461,156	187,502,700	60,271,237	55,636	0.00	354,160,780	373,353,508
J.P. MORGAN CHASE BANK	-	-	-	-	-	9,976,360	-
J.P. MORGAN SECURITIES, INC	86,220,324	298,085,858	269,157,531	526,241	0.01	567,572,816,745	121,972,674
JANNEY MONTGOMERY SCOTT	5,677	-	3,207	57	0.01	-	-
JEFFERIES & COMPANY	4,708,424	47,037,840	29,762,004	82,452	0.02	1,803,802	-
JONES & ASSOCIATES	3,437,666	1,333,376	98,990,814	191,138	0.06	-	-
JULIUS BAER	99,554	2,886,790	1,031,260	5,709	0.06	-	-
KAS-ASSOCIATES	52,010	-	1,661,813	2,496	0.05	-	-
KB SECURITIES, NV	179,360	-	2,416,444	6,056	0.03	-	-
KBC FINANCE	317,836	147,114	2,612,765	4,205	0.01	-	-
KEEFE, BRUYETTE & WOODS INC	984,228	6,091,951	4,217,684	13,539	0.01	-	-
KEPLER EQUITIES	163,230	3,482,251	4,848,901	11,695	0.07	-	-
KINGSTON SECURITIES LIMITED	1,105,654	500,173	-	4,947	0.00	-	-
KNIGHT EQUITY MRKTS INTERNATIONAL	88,199	1,823,539	-	2,066	0.02	-	-
KNIGHT SECURITIES	16,465,552	30,185,622	53,031,980	91,974	0.01	-	-
KOTAK SECURITIES	303,086	721,536	3,683,115	10,779	0.04	-	-
LAZARD ASSET MANAGEMENT	824	34,382	-	69	0.08	-	-
LAZARD BROTHERS CAPITAL MKTS	8,057	-	540,835	157	0.02	-	-
LE GUAY MASSONAUD	39,597	-	2,455,270	982	0.02	-	-
LEERINK SWANN & COMPANY	719	31,273	-	22	0.03	-	-
LIQUIDNET	6,434,238	31,898,590	14,801,571	31,032	0.00	-	-

**Schedule of Broker Volume and Equity Commissions Paid**  
For the Year Ended June 30, 2011 (page 4 of 6)

Dealer	Equity					Fixed Income	
	Volume	Buy Cost	Proceeds	Commissions	Commissions	Long-Term	Short-Term
	Transacted				Per Share	Volume	Volume
						Transacted	Transacted
LOOP CAPITAL	\$ 839,358	\$ 15,590,852	\$ 10,558,707	\$ 10,459	\$ 0.01	\$ -	\$ -
LYNCH JONES & RYAN	93,498	2,489,288	-	3,740	0.04	-	-
M.M. WARBURG & COMPANY	12,829	-	1,188,365	951	0.07	-	-
MACQUARIE EQUITIES	74,354,856	135,684,548	172,802,129	347,844	0.00	-	-
MAN FINANCIAL	8,207	2,080,416	-	2,494	0.30	-	-
MEDIOBANCA SPA MIALANO	517,173	-	1,384,228	2,079	0.00	-	-
MELLON BANK	14,898	223,824	-	-	-	-	-
MERRILL LYNCH INTERNATIONAL	23,798,698	121,620,628	81,089,110	231,011	0.01	-	-
MERRILL LYNCH PIERCE	73,700,688	288,504,444	157,331,172	448,504	0.01	-	-
MESIROW AND COMPANY	-	-	-	-	-	2,252,950	-
MF GLOBAL FXA SECURITIES LTD	143,061	364,698	811,985	1,177	0.01	-	-
MITSUBISHI BANK	227,361	2,732,764	227,307	4,439	0.02	-	-
MITSUBISHI UJF SECURITIES	952,244	1,548,241	-	619	0.00	10,886,700	-
MIZUHO SECURITIES	992,305	16,638,078	4,610,054	20,763	0.02	2,779,414	-
MORGAN STANLEY & COMPANY	21,647,244	336,926,645	140,116,490	151,152	0.01	220,904,893	-
MOTILAL OSWAL SECURITIES, LTD	30,551	-	281,457	706	0.02	-	-
MS & COMPANY INC	192,526,370	1,021,677,504	944,225,809	993,388	0.01	-	-
MURPHY & DURIEM	5,387	367,465	-	32	0.01	-	-
NATEXIS BLEICHROEDER	30,395	1,942,699	-	2,910	0.10	-	-
NATIONAL FINANCIAL	1,067,649	8,182,630	1,283,563	10,670	0.01	-	-
NBC LEVESQUE	529,669	12,113,812	5,115,391	18,409	0.03	-	-
NCB STOCKBROKERS	7,507	-	7,363	15	0.00	-	-
NESBITT BURNS	1,579,178	6,504,722	8,712,787	21,771	0.01	-	-
NOMURA AGENCY PLC	92,267	-	1,022,078	2,565	0.03	-	-
NOMURA FINANCIAL ADVISORY	23,202	-	246,506	619	0.03	-	-
NOMURA INTERNATIONAL TRUST CO	7,480,976	32,859,456	26,239,591	36,034	0.00	798,109	-
NOMURA SECURITIES INTL	22,630,619	54,140,490	145,576,091	175,831	0.01	23,620,102	-
NORDEA BANK	2,494	115,811	-	173	0.07	-	-
NORTHERN TRUST COMPANY	114,218	2,115,889	201,684	-	-	-	-
NUMIS SECURITIES	3,935,881	12,734,674	8,495,036	30,093	0.01	-	-
NZB NEUE ZURCHER BANK	1,278	483,401	-	724	0.57	-	-
ODDO DESACHE' PARIS	1,062,947	2,207,856	3,588,981	8,689	0.01	-	-
OLIVETREE SECURITIES LIMITED	4,614	287,239	-	430	0.09	-	-
OPPENHEIMER & COMPANY	170,288	1,555,673	2,918,443	3,521	0.02	-	-
PANMURE GORDON	134,790	509,462	-	759	0.01	-	-
PAREL PARIS	46,582	1,496,182	222,280	859	0.02	-	-
PARETO FUNDS & SECURITIES, LTD	277,619	6,102,146	-	9,748	0.04	-	-
PATRIA FINANCE	139,787	1,055,170	289,414	2,686	0.02	-	-
PENSERRA SECURITIES, LLC	3,249,628	56,233,394	43,402,059	39,852	0.01	-	-
PENSON FINANCIAL SERVICES, INC	884,427	6,586,596	5,531,584	22,561	0.03	-	-

**Schedule of Broker Volume and Equity Commissions Paid**  
For the Year Ended June 30, 2011 (page 5 of 6)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
PERSHING & COMPANY	\$ 4,946,863	\$ 42,719,131	\$ 19,673,546	\$ 97,951	\$ 0.02	\$ 16,852,495	\$ -
PETERCAM AMSTERDAM	40,567	962,815	188,369	1,725	0.04	-	-
PETERS & COMPANY	640,216	8,635,244	509,029	5,626	0.01	-	-
PIPER JAFFRAY INC	8,256	-	2,074,513	413	0.05	-	-
PRINCETON SECURITIES	5,687	136,795	60,633	40	0.01	-	-
RABOBANK NETHERLAND	19,401	404,502	-	485	0.02	-	-
RAIFFEISEN ZENTRALBANK	36,208	-	824,081	825	0.02	-	-
RAYMOND JAMES & ASSOCIATES	97,015	423,234	1,132,229	3,075	0.03	-	-
RBC DAIN RAUSCHER	3,992	94,700	-	120	0.03	-	-
RBC DOMINION SECURITIES	1,734,931	17,692,164	10,733,832	43,068	0.02	12,470	-
RBS SECURITIES INC	2,782,430	19,467,838	14,719,655	38,178	0.01	14,964,540	-
REDBURN PARTNERS	1,692,559	13,965,863	19,453,547	47,644	0.03	-	-
ROYAL BANK OF CANADA	-	-	-	-	-	199,527,200	-
ROYAL BANK OF SCOTLAND	8,737	-	259,133	389	0.04	84,799,060	-
ROYAL TRUST CO OF CANADA	346,307	176,129	2,831,082	7,531	0.02	-	-
RUSSELL FRANK	-	-	-	-	-	5,910	-
SALOMON BROTHERS	562,925	8,352,427	1,427,662	5,472	0.01	-	-
SALOMON, SMITH BARNEY	2,059,449	2,948,033	2,703,383	9,712	0.00	-	-
SAMSUNG SECURITIES CO LTD	2,165	59,899	-	120	0.06	-	-
SANFORD BERNSTEIN	20,973,870	147,882,100	118,549,575	155,427	0.01	-	-
SANTANDER CENT HISPANO	104,145	67,075	4,332,849	6,078	0.06	-	-
SANTANDER INVESTMENT SECURITIES	84,362	-	3,027,176	3,374	0.04	36,187,251	-
SCOTIA CAPITAL MARKET	121,789	3,872,369	-	4,652	0.04	-	-
SCOTIA MCLEOD	351,354	10,722,522	3,193,286	10,106	0.03	-	-
SEYMOUR PIERCE BUTTERFIELD	33,022	113,773	-	227	0.01	-	-
SG COWEN SECURITIES CORP	38,084,265	61,183,835	51,200,726	71,471	0.00	-	-
SHENYIN WANGUO SECURITIES	56,865	256,185	-	511	0.01	-	-
SINOPAC SECURITIES	286,064	-	457,577	413	0.00	-	-
SIS SEGAINTERSETTLE AG	102,943	1,871,167	2,218,659	4,936	0.05	-	-
SKANDINAVISKA ENSKILDA	2,494	115,811	-	173	0.07	-	-
SOCIETE GENERALE SECURITIES	14,117,298	107,776,220	114,355,016	137,843	0.01	-	-
SPEAR, LEEDS & KELLOG	19,915	132,308	992,621	299	0.02	-	-
SPROTT SECURITIES LTD	858,550	3,584,146	-	11,269	0.01	-	-
SS KANTILAL	10,025	300,281	-	748	0.07	-	-
STANDARD CHARTERED BANK	5,145,978	6,360,059	2,428,127	13,225	0.00	-	-
STATE STREET BANK & TRUST	10,428,450	98,915,642	47,277,095	2,578	0.00	-	-
STIFEL NICOLAUS & COMPANY	86,156	377,322	2,413,444	2,836	0.03	-	-

**Schedule of Broker Volume and Equity Commissions Paid**  
For the Year Ended June 30, 2011 (page 6 of 6)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
STRATING EFFECTEN & COMPANY	\$ 1,209,290	\$ -	\$ 7,547,064	\$ 3,020	\$0.00	\$ -	\$ -
SUSQUEHANNA FINANCIAL GROUP	4,276	117,827	-	128	0.03	-	-
SVENSKA HANDELSBANKEN	626,605	6,829,773	5,768,870	18,896	0.03	-	-
SWEDBANK STOCKHOLM	235,885	184,350	1,789,842	2,965	0.01	-	-
TAYLOR, D.W. & COMPANY	2,383,315	39,082,443	32,982,823	28,825	0.01	-	-
TERA MENKUL DEGERLER	2,327,124	248,063	7,830,423	16,187	0.01	-	-
THINK EQUITY	50,180	-	1,131,290	2,509	0.05	-	-
TORONTO DOMINION SECURITIES, INC	263,213	3,465,493	6,926,268	7,928	0.03	-	-
UBS SECURITIES	177,027,715	719,281,526	737,177,869	761,698	0.00	7,988,105,200	-
UBS-DB CORPORATION	217,389	828,776	4,973,666	6,712	0.03	-	-
UNICREDIT BANK AUSTRIA AG	3,577	305,397	-	1,518	0.42	-	-
UNPUBLISHED EUROCLEAR	615,082	28,923	4,876,446	5,142	0.01	99,764	-
VALCOURT	16,361	-	517,626	778	0.05	-	-
VALORES FINAMEX INT.	102,158	-	331,109	331	0.00	-	-
VONTOBEL	16,882	-	2,011,833	2,950	0.17	-	-
WACHOVIA BANK	-	-	-	-	-	1,170,258	-
WARBURG DILLON READ, LLC	425,226	28,920,543	-	25,514	0.06	-	-
WARBURG SECURITIES	729,642	4,723,477	5,777,986	11,180	0.02	-	-
WEEDEN & COMPANY	2,367,201	31,600,514	18,073,473	19,868	0.01	-	-
WELLS FARGO BANK	3,833	-	177,495	115	0.03	-	-
WILSHIRE ASSOCIATES	74,535	-	1,549,212	620	0.01	-	-
WOOD & COMPANY	52,522	-	678,701	2,042	0.04	-	-
WOORI INVESTMENTS	13,021	2,323,428	-	4,638	0.36	-	-
YUANTA SECURITIES	31,924	40,311	-	40	0.00	-	-
<b>Total</b>	<b>\$1,776,457,028</b>	<b>\$8,595,676,819</b>	<b>\$8,369,122,506</b>	<b>\$10,586,285</b>	<b>\$0.01</b>	<b>\$609,607,199,218</b>	<b>\$495,326,182</b>

**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 1 of 7)  
(expressed in thousands)

<u>Description</u>	<u>Rate</u>	<u>Maturity</u>	<u>Market Value</u>	<u>% of Total Market Value</u>
<b>ASSET BACKED SECURITIES</b>				
CITIBANK CREDIT CARD ISSUANCE	1.737%	5/15/2014	\$ 50,520	0.07%
CHASE ISSUANCE TRUST	1.737%	4/15/2014	50,481	0.07%
NISSAN MASTER OWNER TRUST RECEIVABLES	1.337%	1/15/2015	20,167	0.03%
FNMA 95-W1 A7	8.200%	4/25/2025	61	—
<b>TOTAL ASSET BACKED SECURITIES</b>			<b>121,229</b>	<b>0.17%</b>
<b>RESIDENTIAL MORTGAGE-BACKED SECURITIES</b>				
FNMA TBA SF 4.50 30 YRS JULY	4.500%	7/25/2040	138,297	0.20%
FNMA	5.000%	12/1/2099	124,016	0.17%
FANNIE MAE	6.000%	6/25/2035	79,480	0.11%
FREDDIE MAC	4.000%	12/1/2040	68,405	0.10%
FNMA TBA JUL 30 SINGLE FAMILY	5.500%	12/1/2099	65,799	0.09%
FREDDIE MAC	6.000%	7/15/2035	42,765	0.06%
FNMA FHR 2003-70 BH	4.500%	10/25/2031	42,047	0.06%
FANNIE MAE	6.000%	1/1/2023	41,855	0.06%
FHLMC 2006 3177 KD	6.000%	6/15/2035	41,254	0.06%
Other			1,722,086	2.42%
<b>TOTAL RESIDENTIAL MORTGAGE-BACKED SECURITIES</b>			<b>2,366,004</b>	<b>3.33%</b>
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b>				
CITIGROUP/DEUTSCHE BANK COMMERCIAL MORTGAGE	5.524%	1/15/2046	53,942	0.08%
MORGAN STANLEY CAPITAL I	5.417%	3/12/2016	43,543	0.06%
GS MORTGAGE SECURITIES CORP	5.553%	4/10/2038	43,390	0.06%
BEAR STEARNS COMMERCIAL MORTGAGE	5.540%	9/11/2041	38,308	0.05%
CITIGROUP COMMERCIAL MORTGAGE	5.431%	10/15/2049	32,632	0.05%
CSFB 2002-CKP1 A3	6.439%	12/15/2035	22,860	0.03%
BACM 2002-2 A3	5.118%	7/11/2043	22,584	0.03%
FUNB COMMERCIAL 2002 -C1 A2	6.141%	2/12/2034	20,582	0.03%
FNGT 2002-T3 B	5.763%	12/25/2011	20,384	0.03%
Other			29,059	0.04%
<b>TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES</b>			<b>327,284</b>	<b>0.46%</b>
<b>CORPORATE BONDS - DOMESTIC DOLLAR DENOMINATED</b>				
ANHEUSER-BUSCH INBEV WORLDWIDE	6.875%	11/15/2019	60,359	0.09%
DIAMOND OFFSHORE DRILLING INC	4.875%	7/1/2015	54,152	0.08%
CHESAPEAKE ENERGY CORP	6.500%	8/15/2017	52,749	0.07%
JPMORGAN CHASE & CO	0.997%	5/2/2014	49,896	0.07%
RELIANCE HOLDINGS USA	4.500%	10/19/2020	49,401	0.07%
TTX CO	4.900%	3/1/2015	42,719	0.06%
UNION PACIFIC RR CO	5.866%	7/2/2030	42,693	0.06%
NORFOLK SOUTHERN CORP	7.700%	5/15/2017	40,017	0.06%
GOLDMAN SACHS GROUP	5.750%	10/1/2016	38,290	0.05%
Other			904,888	1.27%
<b>TOTAL CORPORATE BONDS - DOMESTIC DOLLAR DENOMINATED</b>			<b>1,335,164</b>	<b>1.88%</b>

**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 2 of 7)  
(expressed in thousands)

Description	Rate	Maturity	Market Value	% of Total Market Value
<b>CORPORATE BONDS - DOMESTIC NON DOLLAR DENOMINATED</b>				
ANHEUSER-BUSCH INBEV WORLDWIDE	9.750%	11/17/2015	\$ 27,055	0.04%
<b>TOTAL CORPORATE BONDS - DOMESTIC NON DOLLAR DENOMINATED</b>			<b>27,055</b>	<b>0.04%</b>
<b>CORPORATE BONDS - FOREIGN NON DOLLAR DENOMINATED</b>				
AMBEV INTERNATIONAL FINANCE CO	9.500%	7/24/2017	39,178	0.05%
AMERICA MOVIL SA DE CV	8.460%	12/18/2036	32,478	0.05%
CIA DE ELE DO E DA BAHIA	11.750%	4/27/2016	27,395	0.04%
ITAU UNIBANCO HLDG S/AVY	10.500%	11/23/2015	27,051	0.04%
COLUMBIA ENERGY COMPANY	8.750%	1/25/2021	16,945	0.02%
<b>TOTAL CORPORATE BONDS - FOREIGN NON DOLLAR DENOMINATED</b>			<b>143,047</b>	<b>0.20%</b>
<b>CORPORATE BONDS - FOREIGN DOLLAR DENOMINATED</b>				
INVERSIONES CMPC	6.125%	11/5/2019	68,817	0.10%
CANADIAN OIL SANDS	7.750%	5/15/2019	61,128	0.09%
FIBRIA OVERSEAS FINANCE	7.500%	5/4/2020	59,741	0.08%
ECOPETROL SA 7.625% NTS	7.625%	7/23/2019	59,732	0.08%
GTL TRADE FINANCE INC	7.250%	10/20/2017	55,867	0.08%
BFF INTERNATIONAL LTD	7.250%	1/28/2020	54,567	0.08%
ENCANA CORP	5.900%	12/1/2017	54,213	0.08%
WOODSIDE FINANCE LTD	8.750%	3/1/2019	50,429	0.07%
BANK OF CHINA HONG KONG	5.550%	2/11/2020	50,428	0.07%
Other			3,036,853	4.27%
<b>TOTAL CORPORATE BONDS - FOREIGN DOLLAR DENOMINATED</b>			<b>3,551,775</b>	<b>5.00%</b>
<b>US GOVERNMENT TREASURIES</b>				
US TREASURY N/B	0.625%	6/30/2012	450,665	0.63%
US TREASURY N/B	1.250%	8/31/2015	337,657	0.48%
US TREASURY N/B	1.000%	7/15/2013	287,355	0.41%
US TREASURY N/B	2.625%	8/15/2020	193,131	0.27%
US TREASURY N/B	0.750%	11/30/2011	155,045	0.22%
US TREASURY N/B	1.500%	12/31/2013	127,391	0.18%
US TREASURY N/B	0.875%	2/29/2012	100,240	0.14%
US TREASURY N/B	1.000%	12/31/2011	100,194	0.14%
US TREASURY N/B	0.625%	4/30/2013	100,105	0.14%
Other			221,064	0.31%
<b>TOTAL US GOVERNMENT TREASURIES</b>			<b>2,072,847</b>	<b>2.92%</b>

**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 3 of 7)  
(expressed in thousands)

<b>Description</b>	<b>Rate</b>	<b>Maturity</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
<b>FOREIGN GOVERNMENT AND AGENCIES - DOLLAR DENOMINATED</b>				
PETROBRAS INTERNATIONAL FINANCE CO	6.125%	10/6/2016	\$ 55,576	0.08%
PETROBRAS INTERNATIONAL FINANCE CO	5.875%	3/1/2018	53,766	0.08%
DUBAI PORTS WORLD	6.850%	7/2/2037	47,636	0.07%
REPUBLIC OF KOREA	5.125%	12/7/2016	39,083	0.05%
BANCO DO BRASIL (CAYMAN)	6.000%	1/22/2020	38,379	0.05%
DUBAI PORTS WORLD	6.250%	7/2/2017	37,037	0.05%
RAS LAFFAN LNG III	6.332%	9/30/2027	36,745	0.05%
MAJAPAHIT HOLDING BV	8.000%	8/7/2019	35,390	0.05%
PETRO CO TRINIDAD/TOBAGO LTD	6.000%	5/8/2022	34,428	0.05%
Other			630,016	0.89%
<b>TOTAL FOREIGN GOVERNMENT AND AGENCIES - DOLLAR DENOMINATED</b>			<b>1,008,056</b>	<b>1.42%</b>
<b>SUPRANATIONAL - DOLLAR DENOMINATED</b>				
INTERNATIONAL FINANCE CORP	2.250%	4/11/2016	30,587	0.04%
<b>TOTAL SUPRANATIONAL - DOLLAR DENOMINATED</b>			<b>30,587</b>	<b>0.04%</b>
<b>FOREIGN GOVERNMENT AND AGENCIES - NON DOLLAR DENOMINATED</b>				
NEW S WALES TREASURY CORP	5.500%	3/1/2017	108,129	0.15%
FEDERATIVE REPUBLIC OF BRAZIL	10.250%	1/10/2028	87,106	0.12%
QUEENSLAND TREASURY CORP	6.000%	9/14/2017	55,435	0.08%
REPUBLIC OF PHILIPPINES	6.250%	1/14/2036	36,721	0.05%
INDONESIA GOVERNMENT	11.000%	11/15/2020	28,659	0.04%
EXPORT-IMPORT BK KOREA	6.600%	11/4/2013	25,494	0.04%
EXPORT-IMPORT BK KOREA	5.100%	10/29/2013	24,689	0.03%
INDONESIA GOVERNMENT	11.500%	9/15/2019	21,717	0.03%
FEDERATIVE REPUBLIC OF BRAZIL	12.500%	1/5/2016	13,546	0.02%
Other			36,177	0.05%
<b>TOTAL FOREIGN GOVERNMENT AND AGENCIES - NON DOLLAR DENOMINATED</b>			<b>437,673</b>	<b>0.61%</b>
<b>SUPRANATIONAL - NON DOLLAR DENOMINATED</b>				
INTERNATIONAL BANK OF RECONSTRUCTION & DEVELOPMENT	5.750%	10/21/2019	52,949	0.07%
INTERNATIONAL BANK OF RECONSTRUCTION & DEVELOPMENT	13.625%	5/9/2017	48,256	0.07%
INTERNATIONAL FINANCE CORP	5.750%	6/24/2014	43,335	0.06%
INTER-AMERICAN DEVELOPMENT BANK	6.500%	8/20/2019	33,187	0.04%
ASIAN DEVELOPMENT BANK	6.000%	1/20/2015	27,266	0.04%
INTERNATIONAL BANK OF RECONSTRUCTION & DEVELOPMENT	6.000%	2/15/2017	27,257	0.04%
INTERNATIONAL BANK OF RECONSTRUCTION & DEVELOPMENT	5.750%	2/17/2015	27,047	0.04%
INTER-AMERICAN DEVELOPMENT BANK	4.750%	1/10/2014	22,179	0.03%
INTER-AMERICAN DEVELOPMENT BANK	9.500%	1/6/2014	13,023	0.02%
Other			21,791	0.03%
<b>TOTAL SUPRANATIONAL - NON DOLLAR DENOMINATED</b>			<b>316,290</b>	<b>0.44%</b>



**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 4 of 7)  
(expresses in thousands)

<b>Description</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
<b>CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED</b>		
PHILIP MORRIS INTERNATIONAL	\$ 66,130	0.09%
THERMO ELECTRON CORP	51,938	0.07%
QUEST DIAGNOSTICS INC	49,720	0.07%
ELI LILLY & CO COM	47,571	0.07%
NEWMONT MNG CORP	46,384	0.07%
YUM BRANDS INC	46,189	0.07%
PFIZER INC	44,533	0.06%
ORACLE SYSTEMS CORP	44,303	0.06%
CAMECO CORP	40,497	0.06%
Other	2,047,835	2.88%
<b>TOTAL CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED</b>	<b>2,485,100</b>	<b>3.50%</b>
<b>CORPORATE STOCK - DOMESTIC NON DOLLAR DENOMINATED</b>		
SYNTHES INC	5,606	0.01%
SWISHER HYGIENE INC NPV	402	-
<b>TOTAL CORPORATE STOCK - DOMESTIC NON DOLLAR DENOMINATED</b>	<b>6,008</b>	<b>0.01%</b>
<b>CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED</b>		
VODAFONE GROUP	134,700	0.19%
NOVARTIS AG	134,505	0.19%
NESTLE SA	129,872	0.18%
GLAXOSMITHKLINE	115,453	0.16%
SANOFI SYNTHELABO	99,318	0.14%
ROCHE HOLDINGS AG	91,595	0.13%
BP AMOCO	90,143	0.13%
HSBC HOLDINGS	89,769	0.13%
TOTAL SA	87,911	0.12%
Other	10,109,185	14.22%
<b>TOTAL CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED</b>	<b>11,082,451</b>	<b>15.59%</b>
<b>CORPORATE STOCK - FOREIGN DOLLAR DENOMINATED</b>		
TENARIS S.A. ADR EACH REP 2 CO	46,064	0.07%
BANCO BRADESCO SA	43,352	0.06%
BARRICK GOLD CORP COM	42,176	0.06%
ACCENTURE PLC CLS'A'USD0.00002	38,974	0.05%
PETROLEO BRASILEIRO SA PETRO	36,354	0.05%
TE CONNECTIVITY LT COM CHF1.37	35,510	0.05%
COVIDIEN PUBLIC LTD CO PLC	33,896	0.05%
TAIWAN SEMICONDUCTOR MFG CO LTD	32,733	0.05%
VALE SA ADR REPR 1 PREF SHS NP	31,684	0.04%
Other	468,629	0.66%
<b>TOTAL CORPORATE STOCK - FOREIGN DOLLAR DENOMINATED</b>	<b>809,372</b>	<b>1.14%</b>

**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 5 of 7)  
(expressed in thousands)

<b>Description</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
<b>COMMINGLED INDEX FUNDS - DOMESTIC</b>		
BTC US EQUITY MARKET FUND	\$ 7,566,774	10.65%
<b>TOTAL COMMINGLED INDEX FUNDS - DOMESTIC</b>	<b>7,566,774</b>	<b>10.65%</b>
<b>COMMINGLED INDEX FUNDS - FOREIGN</b>		
GMO TRUST	577,979	0.81%
EMERGING MARKETS GROWTH FUND I	496,042	0.70%
LAZARD FRERES CAPITAL MANAGEMENT	400,592	0.56%
JPMCB EMERGING MARKETS EQUITY	374,133	0.53%
GMO EMERGING MARKETS ILLIQUID	17,178	0.02%
EUROPE ALPHA TILTS FD	14	-
<b>TOTAL COMMINGLED INDEX FUNDS - FOREIGN</b>	<b>1,865,938</b>	<b>2.62%</b>
<b>CASH AND MONEY MARKET</b>		
BLACKROCK TEMPORARY CASH FUND (21)	1,891,650	2.66%
United States Dollar	14,923	0.02%
JPM EOD SHORT TERM INVESTMENT FUND	5,466	0.01%
Other	1	-
<b>TOTAL CASH AND MONEY MARKET</b>	<b>1,912,040</b>	<b>2.69%</b>
<b>PRIVATE EQUITY</b>		
KKR MILLENNIUM FUND	1,314,386	1.85%
KKR 2006 FUND	1,225,403	1.73%
WARBURG PINCUS PRIVATE EQ IX	663,518	0.93%
WARBURG PINCUS X, LP	568,234	0.80%
TPG PARTNERS V	434,719	0.61%
KKR EUROPEAN FUND II, LP	375,372	0.53%
KKR ASIA FUND, LP	369,455	0.52%
BLACKSTONE CAPITAL PARTNERS V	341,946	0.48%
TPG PARTNERS VI	325,120	0.46%
Other	9,957,924	14.01%
<b>TOTAL PRIVATE EQUITY</b>	<b>15,576,077</b>	<b>21.92%</b>
<b>REAL ESTATE</b>		
PRINCIPAL ENTERPRISE CAPITAL HOLDINGS	1,251,237	1.76%
FILLMORE STRATEGIC INVESTORS LLC.	1,229,029	1.73%
HOMETOWN AMERICA LLC	1,011,436	1.42%
EVERGREEN REAL ESTATE PARTNERS	858,156	1.21%
CORPORATE PROPERTIES OF AMERICAS LLC	540,347	0.76%
LONE STAR FUND VI, LP	457,310	0.64%
TERRAMAR RETAIL CENTER	371,077	0.52%
UNION SQUARE LP	281,374	0.40%
LONE STAR FUND V (U.S.), LP	272,012	0.38%
Other	2,305,733	3.25%
<b>TOTAL REAL ESTATE</b>	<b>8,577,711</b>	<b>12.07%</b>

**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 6 of 7)  
(expresses in thousands)

<b>Description</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
<b>TANGIBLE ASSETS</b>		
HAWTHORNE TIMBER LLC	\$ 235,289	0.33%
ALINDA INFRASTRUCTURE FUND II	159,713	0.23%
ALINDA INFRASTRUCTURE FUND 1	129,781	0.18%
HIGHSTAR CAPITAL III	96,181	0.14%
SHERIDAN PRODUCTION PARTNERS I, LP	88,255	0.12%
SHERIDAN PRODUCTION PARTNERS II-B	7,810	0.01%
<b>TOTAL TANGIBLE ASSETS</b>	<b>717,029</b>	<b>1.01%</b>
<b>FOREIGN CURRENCY</b>		
JAPAN-YEN	12,225	0.02%
E.M.U.-EURO	8,688	0.01%
CANADA-DOLLAR	3,052	0.01%
NORWAY-KRONE	1,220	-
EGYPT-POUND	1,209	-
SWEDEN-KRONA	1,117	-
HONG KONG-DOLLAR	1,082	-
TAIWAN-DOLLAR	1,045	-
TURKEY-LIRA	724	-
Other	2,648	0.01%
<b>TOTAL FOREIGN CURRENCY</b>	<b>33,010</b>	<b>0.05%</b>
<b>SECURITIES LENDING PORTFOLIO</b>		
COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS	2,712,461	3.82%
<b>TOTAL SECURITIES LENDING PORTFOLIO</b>	<b>2,712,461</b>	<b>3.82%</b>
<b>GUARANTEED INVESTMENT CONTRACTS</b>		
SAVINGS POOL	1,018,374	1.43%
<b>TOTAL GUARANTEED INVESTMENT CONTRACTS</b>	<b>1,018,374</b>	<b>1.43%</b>
<b>LIFE ANNUITY</b>		
GE CAPITAL ASSURANCE	5	-
<b>TOTAL LIFE ANNUITY</b>	<b>5</b>	<b>-</b>
<b>MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)</b>		
WASHINGTON STATE MONEY MARKET FUND	489,930	0.69%
WSIB SHORT TERM INVESTMENT FUND	171	-
<b>TOTAL MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)</b>	<b>490,101</b>	<b>0.69%</b>

**Summary of Investments Owned As of June 30, 2011**  
Pension Trust Funds (page 7 of 7)  
(expresses in thousands)

<b>Description</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
<b>MUTUAL FUNDS (IN DEFINED CONTRIBUTION PLANS)</b>		
US STOCK MARKET INDEX	\$ 641,385	0.90%
US LARGE STOCK INDEX	444,334	0.63%
US SMALL STOCK INDEX	489,194	0.69%
INTERNATIONAL STOCK INDEX FUND	423,574	0.60%
GROWTH COMPANY FUND	368,145	0.52%
US ACTIVE VALUE FUND	300,997	0.42%
US ACTIVE CORE FUND	239,482	0.34%
RETIREMENT STRATEGY 2015	225,590	0.32%
RETIREMENT STRATEGY 2030	80,978	0.11%
Other	706,706	0.99%
<b>TOTAL MUTUAL FUNDS (IN DEFINED CONTRIBUTION PLANS)</b>	<b>3,920,385</b>	<b>5.52%</b>
<b>BOND FUNDS</b>		
WASHINGTON STATE BOND FUND	557,517	0.78%
<b>TOTAL BOND FUNDS</b>	<b>557,517</b>	<b>0.78%</b>
<b>TOTAL INVESTMENTS</b>	<b>\$ 71,067,364</b>	<b>100.00%</b>

Actuarial Section





## State Actuary's Certification Letter



### Office of the State Actuary

*"Securing tomorrow's pensions today."*

September 28, 2011

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 2011 Comprehensive Annual Financial Report (CAFR):

- ❖ Number of Participating Members.
- ❖ Schedule of Active Member Valuation Data.
- ❖ Schedule of Changes to Retiree and Beneficiary Rolls.
- ❖ Distribution of Membership.
- ❖ Schedule of Benefit Recipients by Type of Benefit.
- ❖ Schedule of Average Benefit Payments to New Service Retirees.
- ❖ Financial Information - Funding Paragraph and Footnote.
- ❖ Note 2C: Funding Policy.
- ❖ Schedule of Funding Progress.
- ❖ Additional Information for the Defined Benefit Plans.
- ❖ Note 2D: Employer Contributions Required and Paid.
- ❖ Schedule of Contributions from Employers and Others.
- ❖ Summary of Actuarial Assumptions and Methods.
- ❖ Solvency Test.
- ❖ Analysis of Selected Experience.
- ❖ The Governmental Accounting Standards Board (GASB) 45 Requirements.

*Mr. Steve Hill**Page 2 of 3*

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

We perform annual actuarial valuations on the plans included in the CAFR. We performed the most recent actuarial valuation in 2011 with a valuation date of June 30, 2010.

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 (used for funding purposes). The 2009 Legislature enacted the current funding method for PERS Plan 1 and TRS Plan 1. The funding method is based upon a variation of the Entry Age Normal cost method. Provided the state and participating employers make the contributions required by the funding method, they will fully amortize the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liability, as provided by law.

We prepared the required accounting disclosures in accordance with GASB statements 25, 27, 43, and 50. We prepared all other items in accordance with generally accepted actuarial principles and 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





*Mr. Steve Hill*  
*Page 3 of 3*

the State Treasurer provided financial and asset information. The financial and asset information was audited. The participant data was not audited. I relied on all the information provided as complete and accurate. In my opinion, this information is adequate and substantially complete for purposes of this valuation. Please see the Actuarial Certification Letter in the 2010 Actuarial Valuation Report for additional information on the certification of the latest actuarial valuation results.

I certify that the actuarial submissions in the 2011 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,

A handwritten signature in black ink, appearing to read "Matthew M. Smith".

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

## Summary of Plan Provisions (page 1 of 2):

A narrative summary of retirement plans managed by DRS is provided in Section B of Note 2 in the Financial Section of this CAFR. A tabular summary of key plan provisions as of June 30, 2011 is provided below.

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
<b>PERS Plan 1</b> (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
<b>PERS Plan 2</b> (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
<b>PERS Plan 3</b> (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.
<b>SERS Plan 2</b> (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
<b>SERS Plan 3</b> (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.
<b>PSERS Plan 2</b> (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
<b>TRS Plan 1</b> (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 monthly AFC per year of service, capped at 60% of monthly AFC  JBM Participants: 3.5% of monthly AFC per year of service, capped at 75% of monthly AFC

## Summary of Plan Provisions (page 2 of 2):

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
<b>TRS Plan 2</b> (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
<b>TRS Plan 3</b> (On or after 7/1/96)	All certificated 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.
<b>LEOFF Plan 1</b> (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
<b>LEOFF Plan 2</b> (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
<b>WSPRS Plan 1</b> (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 (AFS) per year of service, capped at 75% of AFS.
<b>WSPRS Plan 2</b> (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 AFS per year of service, capped at 75% of AFS.
<b>JRS</b> (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 FAS per year of service, capped at 75% of FAS.  10-14 years of service: 3% of FAS per year of service, capped at 75% of FAS
<b>Judges</b> (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 or any age with 18 years of service	1/2 of the monthly salary

DRS publishes handbooks describing the rights and benefits for each system and plan, including disability and survivor benefits. These handbooks are provided to members by their employers. They are also available from DRS and are on the DRS Web site at [www.drs.wa.gov](http://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 by projecting the mortality rates using 50% 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**

Offsets Age	PERS				TRS				SERS		Offsets Age
	Plan 1 - 2018		Plan 2/3 - 2034		Plan 1 - 2018		Plan 2/3 - 2036		Plan 2/3 - 2030		
	-1 Male	-1 Female	-1 Male	-1 Female	-2 Male	-2 Female	-2 Male	-2 Female	0 Male	-2 Female	
20	0.0291%	0.0165%	0.0257%	0.0149%	0.0291%	0.0165%	0.0245%	0.0143%	0.0259%	0.0150%	20
25	0.0342%	0.0177%	0.0320%	0.0161%	0.0338%	0.0173%	0.0309%	0.0153%	0.0324%	0.0159%	25
30	0.0394%	0.0226%	0.0381%	0.0212%	0.0376%	0.0214%	0.0359%	0.0196%	0.0412%	0.0202%	30
35	0.0671%	0.0394%	0.0650%	0.0367%	0.0603%	0.0358%	0.0577%	0.0324%	0.0717%	0.0335%	35
40	0.0951%	0.0566%	0.0903%	0.0513%	0.0900%	0.0523%	0.0837%	0.0457%	0.0957%	0.0478%	40
45	0.1244%	0.0892%	0.1143%	0.0803%	0.1159%	0.0812%	0.1030%	0.0703%	0.1240%	0.0737%	45
50	0.1698%	0.1327%	0.1510%	0.1188%	0.1585%	0.1228%	0.1347%	0.1053%	0.1630%	0.1108%	50
55	0.2687%	0.2248%	0.2374%	0.2134%	0.2452%	0.2041%	0.2065%	0.1899%	0.2722%	0.1945%	55
60	0.5145%	0.4245%	0.4635%	0.4109%	0.4563%	0.3750%	0.3949%	0.3585%	0.5302%	0.3639%	60
65	0.9940%	0.8239%	0.9073%	0.7975%	0.8823%	0.7311%	0.7775%	0.6989%	1.0317%	0.7095%	65
70	1.7319%	1.4205%	1.5704%	1.3751%	1.5630%	1.2853%	1.3649%	1.2286%	1.7717%	1.2472%	70
75	2.9828%	2.3722%	2.7225%	2.2517%	2.6737%	2.1403%	2.3562%	1.9914%	3.0645%	2.0398%	75
80	5.2850%	3.8967%	4.9516%	3.7231%	4.7483%	3.5296%	4.3386%	3.3137%	5.5381%	3.3841%	80
85	9.3676%	6.5758%	8.9503%	6.3239%	8.4104%	5.9126%	7.8960%	5.6014%	9.9699%	5.7033%	85
90	16.0288%	11.5978%	15.6171%	11.3736%	14.5042%	10.4286%	13.9908%	10.1506%	17.2717%	10.2424%	90
95	24.5849%	17.9536%	24.2672%	17.7216%	22.9147%	16.7391%	22.5057%	16.4404%	25.9582%	16.5393%	95
100	32.9712%	23.1040%	32.9712%	23.1040%	31.4823%	22.3611%	31.4823%	22.3611%	34.4556%	22.3611%	100
105	39.2003%	27.9055%	39.2003%	27.9055%	38.3040%	26.6044%	38.3040%	26.6044%	39.7886%	26.6044%	105
110	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	110

3. MORTALITY TABLES (page 2 of 3):

Projected Healthy Mortality

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

RP-2000 Mortality Rates 50% Scale AA

Combined Healthy Table

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

**MORTALITY TABLES (page 3 of 3):**

**Projected Disabled Mortality**

Offsets Age	PERS				TRS				SERS		Offsets Age
	Plan 1 - 2018		Plan 2/3 - 2034		Plan 1 - 2018		Plan 2/3 - 2036		Plan 2/3 - 2030		
	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	0 Male	0 Female	
20	1.9008%	0.6447%	1.6790%	0.5808%	1.9008%	0.6447%	1.6007%	0.5579%	1.6951%	0.5855%	20
25	2.0624%	0.6565%	1.9323%	0.5992%	2.0624%	0.6565%	1.8844%	0.5785%	1.9420%	0.6034%	25
30	2.1577%	0.6807%	2.0886%	0.6378%	2.1577%	0.6807%	2.0626%	0.6220%	2.0938%	0.6410%	30
35	2.1577%	0.6746%	2.0886%	0.6279%	2.1577%	0.6746%	2.0626%	0.6108%	2.0938%	0.6314%	35
40	2.1000%	0.6506%	1.9934%	0.5899%	2.1000%	0.6506%	1.9538%	0.5681%	2.0014%	0.5944%	40
45	2.0071%	0.6447%	1.8440%	0.5808%	2.0071%	0.6447%	1.7848%	0.5579%	1.8560%	0.5855%	45
50	2.4623%	0.9892%	2.1893%	0.8853%	2.4623%	0.9892%	2.0925%	0.8483%	2.2092%	0.8929%	50
55	2.9847%	1.5392%	2.6364%	1.4611%	2.9847%	1.5392%	2.5135%	1.4321%	2.6617%	1.4670%	55
60	3.6383%	2.0877%	3.2775%	2.0208%	3.6383%	2.0877%	3.1485%	1.9957%	3.3040%	2.0259%	60
65	4.4215%	2.6791%	4.0356%	2.5934%	4.4215%	2.6791%	3.8963%	2.5611%	4.0640%	2.5998%	65
70	5.4652%	3.5977%	4.9557%	3.4825%	5.4652%	3.5977%	4.7726%	3.4392%	4.9931%	3.4912%	70
75	7.2319%	4.8595%	6.6008%	4.6127%	7.2319%	4.8595%	6.3730%	4.5212%	6.6473%	4.6313%	75
80	9.9936%	6.7889%	9.3631%	6.4864%	9.9936%	6.7889%	9.1314%	6.3737%	9.4102%	6.5092%	80
85	13.2943%	9.4928%	12.7019%	9.1292%	13.2943%	9.4928%	12.4812%	8.9930%	12.7465%	9.1566%	85
90	17.6916%	13.6316%	17.2371%	13.3681%	17.6916%	13.6316%	17.0655%	13.2682%	17.2717%	13.3882%	90
95	26.2717%	19.1037%	25.9322%	18.8569%	26.2717%	19.1037%	25.8028%	18.7628%	25.9582%	18.8758%	95
100	34.4556%	23.7467%	34.4556%	23.7467%	34.4556%	23.7467%	34.4556%	23.7467%	34.4556%	23.7467%	100
105	39.7886%	29.3116%	39.7886%	29.3116%	39.7886%	29.3116%	39.7886%	29.3116%	39.7886%	29.3116%	105
110	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	110

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

**4. RETIREMENT (page 1 of 2):**

Probabilities of service retirement are illustrated in the following tables.

Age	PERS						SERS				PSERS		Age
	Plan 1		Plan 2/3*				Plan 2/3*				Plan 2		
	Male	Female	Service Less Than 30 Years		Service Greater Than Or Equal To 30 Years		Service Less Than 30 Years		Service Greater Than Or Equal To 30 Years		Male	Female	
50	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):

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

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



**5. DISABLEMENT:**

Probabilities of disablement are illustrated in the following tables.

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

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

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

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

\*\*\*A 1% 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.

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

**7. FUTURE SALARIES (page 1 of 2):**

The following tables indicate the scale of relative salary values used to estimate future salaries for valuation purposes. In addition to increases in salary due to promotions and longevity, there is an assumed 4.0% per annum rate of increase in the general salary level of the membership. Exception: 4.5% in LEOFF Plan 2. The salary ratio describes the final salary over the current salary.

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

**7. FUTURE SALARIES (page 2 of 2):**

Relative Salary Values						
	PERS/SERS/ PSERS	TRS	LEOFF 1	LEOFF 2	WSPRS	JRS
<b>Annual Percent Increase</b>	5.30%	4.94%	5.30%	5.81%	5.30%	4.00%
<b>Attributed to Growth In Active Group Size</b>	1.25%	0.90%	1.25%	1.25%	1.25%	0.00%
<b>Attributed to the Effects of Inflation on Salaries</b>	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 the following plans increase their Average Final Compensation by an average stated below by cashing out sick leave or annual leave pay, or by increasing overtime: PERS Plan 1 up to 4.5%, TRS Plan 1 up to 1.0%, and WSPRS Plan 1 up to 7.5%.
- Post-retirement cost-of-living increases are assumed to be 3.0% each year for all plans except: LEOFF Plan 1 at 3.5%, and PERS Plan 1/TRS Plan 1 receive a COLA on minimum benefit levels.
- LEOFF Plan 2 members are assumed to disable or die due to duty-related injury or illness at a rate which varies with age. For more details, contact the Office of the State Actuary.
- Other assumptions include the probability of a vested terminated member not withdrawing his or her contributions from the plan, the probability of being married, military service, single life annuity refund on death, and beneficiary age. More details on these and other assumptions can be obtained from the Office of the State Actuary.

**9. CHANGE IN ASSUMPTIONS:**

**Assumption Changes:**

None.

**Method Changes:**

- We improved the way we estimate WSPRS Plan 1 standard survivor benefit liabilities by replacing an estimated survivor benefit reduction with factors found in WAC 415-103-215.

**10. ACTUARIAL COST METHOD:**

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

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

Funding (Actual Contributions): A variation of the Entry Age Normal (EAN) Cost Method is used for PERS Plan 1 and TRS Plan 1. The contribution toward the UAAL has been developed in the valuation as a level percentage of expected future covered payrolls which will amortize the UAAL over a rolling ten-year period. PERS Plan 1 amortizes the UAAL over all PERS, SERS, and PSERS payroll, including projected system growth. TRS Plan 1 amortizes the UAAL over all TRS payroll, including projected system growth. The UAAL rates have contribution rate ceilings effective 2009-2015. After 2015, PERS Plan 1 has a minimum UAAL rate of 3.50%, and TRS Plan 1 has a minimum UAAL rate of 5.75%. No contributions are required when the LEOFF Plan 1 is fully funded. JRS and Judges are funded on a pay-as-you-go basis.

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

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

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

**11. CHANGE IN FUNDING POLICY:**

None

**12. MATERIAL CHANGES IN BENEFIT PROVISIONS AND CONTRIBUTION RATES:**

The GASB disclosure contribution rates are based on the latest actuarial valuations as of June 30, 2010.

The following laws, enacted in 2011, had an immediate impact on the latest actuarial valuation contribution rates:

- AFC Protection (Chapter 5, Laws of 2011)
- Retire-Rehire, Higher Education Plans (Chapter 47, Laws of 2011)
- Uniform COLA Repeal (Chapter 362, Laws of 2011)

## 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
6/30/10	9,007	\$507.3	\$56,324	0.5%
6/30/09	10,354	580.2	56,034	2.4%
6/30/08	11,663	638.5	54,743	5.0%
6/30/07	12,975	676.4	52,130	2.1%
9/30/06	14,213	725.5	51,042	3.6%
9/30/05	15,962	786.1	49,248	1.8%

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
6/30/10	119,826	\$6,748.3	\$56,317	2.0%
6/30/09	121,800	6,723.9	55,204	4.1%
6/30/08	123,285	6,537.5	53,028	6.5%
6/30/07	120,625	6,004.6	49,779	2.9%
9/30/06	118,341	5,726.6	48,391	4.3%
9/30/05	118,400	5,493.7	46,399	3.0%

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
6/30/10	27,693	\$1,458.0	\$52,647	1.2%
6/30/09	27,081	1,408.4	52,006	4.3%
6/30/08	26,720	1,331.7	49,840	5.7%
6/30/07	24,422	1,152.0	47,172	1.5%
9/30/06	22,473	1,043.9	46,452	3.6%
9/30/05	21,216	950.8	44,817	1.1%

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
6/30/10	20,358	\$576.0	\$28,293	0.8%
6/30/09	20,197	567.0	28,072	3.5%
6/30/08	19,264	522.4	27,118	2.2%
6/30/07	17,767	471.4	26,531	4.3%
9/30/06	18,464	469.5	25,426	3.8%
9/30/05	19,387	474.9	24,494	3.8%

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
6/30/10	31,981	\$899.0	\$28,110	0.9%
6/30/09	32,277	899.5	27,869	5.7%
6/30/08	32,510	857.1	26,364	7.4%
6/30/07	33,058	811.4	24,544	2.7%
9/30/06	32,354	773.4	23,905	1.9%
9/30/05	30,963	726.5	23,462	0.6%

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
6/30/10	4,210	\$227.4	\$54,003	4.9%
6/30/09	4,340	223.4	51,476	2.5%
6/30/08	3,981	200.0	50,231	3.1%
6/30/07	2,755	134.2	48,710	(2.0)%
9/30/06	2,073	103.1	49,714	n/a
9/30/05	–	–	–	–

\*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
6/30/10	4,591	\$344.0	\$74,930	0.3%
6/30/09	5,204	388.8	74,707	4.7%
6/30/08	6,061	432.4	71,340	6.0%
6/30/07	6,331	426.1	67,310	3.9%
9/30/06	7,382	478.3	64,796	2.0%
9/30/05	8,592	545.9	63,531	1.7%

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
6/30/10	9,442	\$598.8	\$63,423	(1.3)%
6/30/09	9,174	589.3	64,239	1.9%
6/30/08	8,103	510.8	63,043	1.3%
6/30/07	6,752	420.1	62,213	5.2%
9/30/06	6,983	413.1	59,164	3.1%
9/30/05	7,205	413.4	57,379	3.3%

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
6/30/10	52,292	\$3,366.7	\$64,382	1.3%
6/30/09	53,010	3,367.9	63,534	6.9%
6/30/08	52,360	3,110.6	59,408	6.3%
6/30/07	51,856	2,897.6	55,879	6.1%
9/30/06	53,371	2,812.0	52,689	2.5%
9/30/05	51,473	2,645.0	51,386	2.9%

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
6/30/10	301	\$29.1	\$96,686	3.2%
6/30/09	356	33.3	93,679	6.4%
6/30/08	421	37.1	88,070	5.8%
6/30/07	513	42.7	83,262	3.3%
9/30/06	596	48.1	80,630	4.5%
9/30/05	723	55.8	77,139	2.5%

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
6/30/10	16,775	\$1,490.1	\$88,828	4.4%
6/30/09	16,951	1,442.5	85,097	5.2%
6/30/08	16,626	1,344.9	80,889	5.6%
6/30/07	16,099	1,233.7	76,632	2.8%
9/30/06	15,718	1,172.0	74,562	3.5%
9/30/05	15,168	1,092.3	72,015	4.2%

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
6/30/10	806	\$64.6	\$80,197	0.1%
6/30/09	830	66.5	80,115	4.4%
6/30/08	851	65.3	76,751	6.7%
6/30/07	885	63.6	71,907	3.3%
9/30/06	906	63.1	69,606	6.7%
9/30/05	941	61.4	65,254	5.2%

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
6/30/10	281	\$17.9	\$63,660	1.7%
6/30/09	264	16.5	62,583	9.3%
6/30/08	234	13.4	57,233	5.7%
6/30/07	152	8.2	54,162	3.6%
9/30/06	116	6.1	52,278	8.3%
9/30/05	81	3.9	48,250	9.1%

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
6/30/10	5	\$0.8	\$151,908	0.7%
6/30/09	9	1.4	150,870	6.0%
6/30/08	10	1.4	142,328	5.9%
6/30/07	11	1.5	134,386	2.2%
9/30/06	11	1.4	131,436	3.0%
9/30/05	13	1.7	127,647	2.3%

Source: Washington State Office of the State Actuary

**Note:** 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		
6/30/10	1,891	\$48,714,779	2,296	\$30,635,880	53,742	\$1,112,108,596	\$20,693	3.5%
6/30/09	1,824	47,679,971	2,258	28,065,463	54,147	1,073,997,138	19,835	3.7%
6/30/08	2,138	54,916,521	2,243	27,122,179	54,581	1,035,876,249	18,979	4.6%
6/30/07	1,555	41,444,329	1,703	19,287,556	54,686	989,949,533	18,102	2.5%
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%

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		
6/30/10	2,732	\$45,416,589	479	\$4,302,408	22,043	\$260,152,502	\$11,802	21.8%
6/30/09	2,461	37,668,755	469	3,848,756	19,790	213,544,944	10,791	22.0%
6/30/08	2,215	27,458,079	376	2,944,525	17,798	175,102,432	9,838	19.4%
6/30/07	1,363	16,027,735	285	2,398,926	15,959	146,703,879	9,193	10.3%
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%

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		
6/30/10	211	\$1,847,618	17	\$105,335	1,114	\$7,575,590	\$6,800	33.1%
6/30/09	188	1,431,296	11	68,324	920	5,691,504	6,186	34.6%
6/30/08	153	973,585	9	39,824	743	4,227,474	5,690	31.2%
6/30/07	120	767,458	7	36,995	599	3,222,482	5,380	29.4%
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%

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		
6/30/10	482	\$4,325,732	41	\$339,774	3,311	\$26,455,961	\$7,990	20.9%
6/30/09	454	3,836,380	32	197,969	2,870	21,890,772	7,627	23.0%
6/30/08	450	3,526,561	28	186,696	2,448	17,799,193	7,271	26.1%
6/30/07	231	1,721,633	20	112,108	2,026	14,110,609	6,965	13.0%
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%

Source: Washington State Office of the State Actuary

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/10	332	\$1,614,718	18	\$51,140	2,073	\$8,504,426	\$4,102	25.6%
6/30/09	346	1,552,969	12	36,518	1,759	6,768,866	3,848	31.9%
6/30/08	325	1,370,967	15	57,309	1,425	5,130,021	3,600	37.5%
6/30/07	178	695,857	6	14,025	1,115	3,730,124	3,345	22.7%
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%

Source: Washington State Office of the State Actuary

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/10	5	\$10,383	–	\$–	7	\$13,645	\$1,924	339.7%
6/30/09	1	2,409	–	–	2	3,062	1,531	368.9%
6/30/08	1	653	–	–	1	653	653	0.0%
6/30/07	–	–	–	–	–	–	–	–
9/30/06	–	–	–	–	–	–	–	–
9/30/05	–	–	–	–	–	–	–	–

\*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	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		
6/30/10	947	\$27,363,548	964	\$16,376,709	36,015	\$829,998,363	\$23,046	3.2%
6/30/09	1,193	33,860,034	1,040	16,463,852	36,032	804,572,786	22,329	3.9%
6/30/08	1,564	43,927,319	1,069	16,443,154	35,879	774,340,924	21,582	5.2%
6/30/07	370	6,636,490	731	11,088,213	35,384	735,750,464	20,793	(0.7)%
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%

Source: Washington State Office of the State Actuary

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/10	249	\$5,208,999	33	\$383,886	2,320	\$37,984,977	\$16,373	17.7%
6/30/09	246	4,939,050	21	265,215	2,104	32,273,082	15,339	20.2%
6/30/08	244	4,076,287	29	323,867	1,879	26,844,925	14,287	19.5%
6/30/07	105	1,426,931	15	141,168	1,664	22,470,949	13,504	6.2%
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%

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		
6/30/10	454	\$4,632,283	10	\$73,282	2,235	\$18,983,833	\$8,494	34.9%
6/30/09	408	4,058,520	9	60,319	1,791	14,073,479	7,858	43.2%
6/30/08	360	3,056,652	11	78,741	1,392	9,828,264	7,061	47.1%
6/30/07	115	826,838	5	17,533	1,043	6,680,207	6,405	13.9%
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%

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		
6/30/10	167	\$9,065,821	246	\$9,545,410	8,008	\$338,503,613	\$42,271	0.3%
6/30/09	156	8,226,656	203	7,267,042	8,087	337,505,287	41,734	4.7%
6/30/08	189	9,377,706	216	7,617,139	8,134	322,365,013	39,632	4.3%
6/30/07	153	7,238,334	164	5,380,231	8,161	309,181,019	37,885	4.2%
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%

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		
6/30/10	285	\$10,278,954	13	\$332,332	1,639	\$48,926,257	\$29,851	29.2%
6/30/09	243	8,478,268	10	216,179	1,367	37,876,404	27,708	31.0%
6/30/08	227	6,985,801	17	279,908	1,134	28,904,921	25,489	33.7%
6/30/07	153	4,353,299	8	144,930	924	21,611,590	23,389	24.3%
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%

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		
6/30/10	33	\$1,549,594	16	\$489,562	851	\$36,718,045	\$43,147	6.0%
6/30/09	15	710,502	12	377,080	834	34,636,899	41,531	4.0%
6/30/08	28	1,152,618	18	541,668	831	33,303,079	40,076	4.8%
6/30/07	22	801,594	9	182,796	821	31,779,147	38,708	2.1%
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%

Source: Washington State Office of the State Actuary

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/10	10	\$700,776	9	\$626,362	125	\$9,733,805	\$77,870	3.5%
6/30/09	4	276,433	7	497,241	124	9,401,392	75,818	0.4%
6/30/08	4	267,383	7	374,274	127	9,359,660	73,698	1.7%
6/30/07	3	160,260	5	392,686	130	9,201,726	70,783	(2.5)%
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%

Source: Washington State Office of the State Actuary

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

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

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
6/30/10	\$912.6	\$10,232.0	\$1,096.0	\$12,240.7	\$9,293.0	100%	82%	0%
6/30/09	989.9	11,269.4	1,703.2	13,962.6	9,775.6	100%	78%	0%
6/30/08	1,055.8	10,963.4	1,881.7	13,901.0	9,852.9	100%	80%	0%
6/30/07	1,120.4	10,575.9	2,044.2	13,740.5	9,715.5	100%	81%	0%
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%

**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
6/30/10	\$3,388.0	\$4,753.4	\$11,332.7	\$19,474.1	\$19,474.1	100%	100%	100%
6/30/09	3,132.0	4,038.0	11,090.4	18,260.4	18,260.4	100%	100%	100%
6/30/08	2,760.9	3,447.1	10,484.7	16,692.7	16,692.7	100%	100%	100%
6/30/07	2,464.6	2,966.5	9,456.7	14,887.9	14,887.9	100%	100%	100%
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%

**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
6/30/10	\$266.2	\$713.8	\$1,684.1	\$2,664.1	\$2,664.1	100%	100%	100%
6/30/09	251.5	613.7	1,637.9	2,503.2	2,503.2	100%	100%	100%
6/30/08	226.5	523.7	1,552.4	2,302.6	2,302.6	100%	100%	100%
6/30/07	207.1	431.4	1,494.9	2,133.4	2,133.4	100%	100%	100%
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%

**Note:** Totals may not agree due to rounding.  
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
6/30/10	\$46.9	\$4.2	\$51.7	\$102.9	\$102.9	100%	100%	100%
6/30/09	32.4	2.0	34.8	69.2	69.2	100%	100%	100%
6/30/08	18.1	0.9	19.7	38.7	38.7	100%	100%	100%
6/30/07	6.7	0.2	6.9	13.7	13.7	100%	100%	100%
9/30/06*	0.6	—	0.5	1.1	1.1	100%	100%	100%
9/30/05	—	—	—	—	—	—	—	—

\*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
6/30/10	\$663.6	\$7,586.5	\$870.0	\$9,120.0	\$7,791.3	100%	94%	0%
6/30/09	725.6	8,821.7	1,264.8	10,812.1	8,146.2	100%	84%	0%
6/30/08	790.2	8,564.6	1,399.1	10,753.9	8,262.3	100%	87%	0%
6/30/07	766.4	8,670.1	1,389.0	10,825.6	8,302.3	100%	87%	0%
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%

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
6/30/10	\$366.3	\$1,224.5	\$5,002.5	\$6,593.3	\$6,593.3	100%	100%	100%
6/30/09	349.7	1,032.2	4,778.1	6,160.0	6,160.0	100%	100%	100%
6/30/08	322.2	883.1	4,475.8	5,681.0	5,681.0	100%	100%	100%
6/30/07	302.6	790.8	4,183.7	5,277.0	5,277.0	100%	100%	100%
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%

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
6/30/10	\$49.5	\$4,090.6	\$245.9	\$4,386.0	\$5,560.9	100%	100%	100%
6/30/09	55.4	4,149.8	281.2	4,486.5	5,612.1	100%	100%	100%
6/30/08	62.3	3,997.4	308.0	4,367.7	5,592.5	100%	100%	100%
6/30/07	72.4	3,916.3	351.5	4,340.2	5,297.7	100%	100%	100%
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%

**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
6/30/10	\$1,615.0	\$924.7	\$3,503.0	\$6,042.7	\$6,042.7	100%	100%	100%
6/30/09	1,479.5	682.5	3,402.1	5,564.2	5,564.2	100%	100%	100%
6/30/08	1,319.7	547.5	3,185.5	5,052.7	5,052.7	100%	100%	100%
6/30/07	1,178.3	451.7	2,729.6	4,359.6	4,359.6	100%	100%	100%
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%

**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
6/30/10	\$66.4	\$496.5	\$356.7	\$919.6	\$919.6	100%	100%	100%
6/30/09	62.4	474.5	363.5	900.4	900.4	100%	100%	100%
6/30/08	56.0	460.5	353.2	869.7	869.7	100%	100%	100%
6/30/07	50.8	444.2	304.9	799.9	799.9	100%	100%	100%
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%

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
6/30/10	\$2.2	\$78.5	\$3.1	\$83.8	\$3.8	100%	2%	0%
6/30/09	3.7	76.1	9.5	89.3	1.8	50%	0%	0%
6/30/08	3.7	78.2	9.7	91.5	1.0	26%	0%	0%
6/30/07	3.7	75.3	6.0	85.0	0.5	15%	0%	0%
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%

**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
6/30/10	\$-	\$3.2	-	\$3.2	\$2.8	n/a	87%	n/a
6/30/09	-	3.4	-	3.4	3.3	n/a	97%	n/a
6/30/08	-	3.5	-	3.5	3.6	n/a	100%	n/a
6/30/07	-	3.9	-	3.9	4.0	n/a	100%	n/a
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

**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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (668.0)	\$ (298.2)	\$ 151.6	\$ 186.0	\$ 5.6	\$ (163.9)
Salary Gains	54.2	10.9	(59.2)	30.7	(7.6)	63.3
Termination of Employment	1.2	(0.2)	(0.4)	7.2	6.1	5.4
Return to Work from Terminated Status	(8.0)	(9.7)	(49.1)	(14.4)	(25.1)	(25.1)
Gain (or Loss) During Year from Selected Experience	\$ (620.6)	\$ (297.2)	\$ 42.9	\$ 209.5	\$ (21.0)	\$ (120.3)

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (619.2)	\$ (134.3)	\$ 273.4	\$ 327.6	\$ 97.0	\$ (112.4)
Salary Gains	577.8	185.9	(326.1)	124.2	12.1	178.4
Termination of Employment	18.0	21.1	47.8	131.1	155.5	57.9
Return to Work from Terminated Status	(50.2)	(47.8)	(97.1)	(86.8)	(92.6)	(87.9)
Gain (or Loss) During Year from Selected Experience	\$ (73.6)	\$ 24.9	\$ (102.0)	\$ 496.1	\$ 172.0	\$ 36.0

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (115.1)	\$ (33.2)	\$ 39.1	\$ 46.3	\$ 11.3	\$ (18.7)
Salary Gains	84.5	(27.4)	(27.5)	9.6	23.8	25.4
Termination of Employment	3.1	5.8	11.0	16.1	11.7	9.8
Return to Work from Terminated Status	(5.5)	(6.2)	(8.4)	(74.3)	(27.1)	(13.8)
Gain (or Loss) During Year from Selected Experience	\$ (33.0)	\$ (61.0)	\$ 14.2	\$ (2.3)	\$ 19.7	\$ 2.7

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (1.2)	\$ 0.4	\$ (0.3)	\$ –	–	–
Salary Gains	10.3	8.5	(5.1)	1.3	–	–
Termination of Employment	4.7	(7.4)	0.4	(1.0)	–	–
Return to Work from Terminated Status	–	–	(0.9)	–	–	–
Gain (or Loss) During Year from Selected Experience	\$ 13.8	\$ 1.5	\$ (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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (502.1)	\$ (287.8)	\$ 26.1	\$ 24.9	\$ (111.7)	\$ (260.0)
Salary Gains	60.7	(17.4)	(28.9)	4.3	45.6	59.1
Termination of Employment	0.9	1.5	0.7	(7.5)	0.8	2.6
Return to Work from Terminated Status	(7.3)	(6.0)	(23.6)	(6.8)	(22.9)	(19.4)
Gain (or Loss) During Year from Selected Experience	\$ (447.8)	\$ (309.7)	\$ (25.7)	\$ 14.9	\$ (88.2)	\$ (217.7)

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (266.8)	\$ (120.1)	\$ 66.8	\$ 88.5	\$ (1.7)	\$ (79.0)
Salary Gains	341.3	(67.3)	(52.7)	20.6	70.1	62.0
Termination of Employment	92.9	71.7	54.8	56.5	33.6	33.7
Return to Work from Terminated Status	(37.5)	(63.0)	(85.4)	(139.7)	(43.1)	(47.5)
Gain (or Loss) During Year from Selected Experience	\$ 129.9	\$ (178.7)	\$ (16.5)	\$ 25.9	\$ 58.9	\$ (30.8)

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (144.8)	\$ (88.1)	\$ 196.4	\$ 217.8	\$ 134.2	\$ 54.0
Salary Gains	1.9	(4.5)	(2.2)	4.8	2.3	10.5
Termination of Employment	(0.1)	0.1	(0.1)	(0.1)	(0.7)	(1.6)
Return to Work from Terminated Status	0.5	(4.3)	(2.7)	(1.0)	—	(1.0)
Gain (or Loss) During Year from Selected Experience	\$ (142.5)	\$ (96.8)	\$ 191.4	\$ 221.5	\$ 135.8	\$ 61.9

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (68.7)	\$ 19.4	\$ 135.8	\$ 159.7	\$ 95.2	\$ 39.4
Salary Gains	91.1	6.5	(29.7)	61.2	48.3	28.0
Termination of Employment	25.8	11.8	2.9	4.4	5.2	4.0
Return to Work from Terminated Status	(12.6)	(7.9)	(22.6)	(43.9)	(25.8)	(0.3)
Gain (or Loss) During Year from Selected Experience	\$ 35.6	\$ 29.8	\$ 86.4	\$ 181.4	\$ 122.9	\$ 71.1

\*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 2005 to 2010  
 Resulting from Difference Between Assumed Experience and Actual Experience  
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2010	2009	2008	2007	2006	2005
Investment Gains*	\$ (20.5)	\$ (6.2)	\$ 28.4	\$ 32.0	\$ 19.6	\$ 8.0
Salary Gains	19.0	(0.7)	(5.9)	5.5	(1.9)	2.3
Termination of Employment	(1.0)	1.2	1.1	0.1	1.2	1.4
Return to Work from Terminated Status	(0.5)	(0.5)	—	(49.7)	(0.7)	(0.5)
Gain (or Loss) During Year from Selected Experience	\$ (3.0)	\$ (6.2)	\$ 23.6	\$ (12.1)	\$ 18.2	\$ 11.2

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

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.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	<b>147</b>
These schedules contain trend information to help the reader understand how DRS' financial performance and well-being have changed over time.	
<b>Demographic Information</b>	<b>163</b>
These schedules contain demographic and historical information regarding membership and employer participation in the pension plans offered by DRS.	
<b>Operating Information</b>	<b>183</b>
These schedules contain detailed payment information to enhance the reader's understanding of the benefit services provided by DRS.	
<b>Deferred Compensation Information</b>	<b>211</b>
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)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 145,585	\$ 154,023	\$ 325,248	\$ 221,787	\$ 118,660	\$ 29,601	\$ 22,360	\$ 22,789	\$ 56,618	\$ 68,631
Employee Contributions	28,767	33,152	37,791	41,925	44,775	48,457	52,246	57,196	62,065	67,670
Investment Income (Loss) <sup>1</sup>	1,523,415	980,360	(2,373,373)	(114,595)	2,086,563	1,534,382	1,163,797	1,319,155	320,787	(644,307)
Transfers	90	1	1	343	519	68	242	310	487	355
Miscellaneous <sup>2</sup>	12,705	11,566	10,700	13,262	9,513	7,719	10,048	10,147	10,268	10,868
<i>Total Additions</i>	<u>1,710,562</u>	<u>1,179,102</u>	<u>(1,999,633)</u>	<u>162,722</u>	<u>2,260,030</u>	<u>1,620,227</u>	<u>1,248,693</u>	<u>1,409,597</u>	<u>450,225</u>	<u>(496,763)</u>
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	1,149,522	1,111,386	1,070,929	1,027,934	978,995	929,423	880,874	828,765	776,683	718,730
Refunds	3,470	4,946	5,071	5,573	6,215	6,553	5,143	5,628	5,678	7,446
Transfers	362	140	2,021	159	31	369	966	4	358	245
Administrative Expenses	3,213	3,885	4,401	4,739	4,763	4,754	4,903	4,917	5,596	6,181
<i>Total Deductions</i>	<u>1,156,567</u>	<u>1,120,357</u>	<u>1,082,422</u>	<u>1,038,405</u>	<u>990,004</u>	<u>941,099</u>	<u>891,886</u>	<u>839,314</u>	<u>788,315</u>	<u>732,602</u>
<b>Total Changes in Plan Net Assets</b>	<b>\$ 553,995</b>	<b>\$ 58,745</b>	<b>\$(3,082,055)</b>	<b>\$( 875,683)</b>	<b>\$ 1,270,026</b>	<b>\$ 679,128</b>	<b>\$ 356,807</b>	<b>\$ 570,283</b>	<b>\$ (338,090)</b>	<b>\$(1,229,365)</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>										
Beginning of Year	7,626,486	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
<b>End of Year</b>	<b>\$ 8,180,481</b>	<b>\$ 7,626,486</b>	<b>\$ 7,567,741</b>	<b>\$10,649,796</b>	<b>\$11,525,479</b>	<b>\$10,255,453</b>	<b>\$ 9,576,325</b>	<b>\$ 9,219,518</b>	<b>\$ 8,649,235</b>	<b>\$ 8,987,325</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	29.5%	26.9%	49.7%	31.1%	15.6%	3.6%	2.5%	2.3%	5.4%	6.1%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: PERS Plan 2/3**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 328,258	\$ 327,460	\$ 439,744	\$ 318,740	\$ 242,544	\$ 149,579	\$ 74,720	\$ 69,377	\$ 38,287	\$ 50,953
Employee Contributions	263,885	264,231	368,127	268,573	207,144	127,800	63,806	60,953	34,498	48,579
Investment Income (Loss) <sup>1</sup>	3,468,458	1,868,154	(4,058,631)	(224,724)	3,054,707	2,020,702	1,415,136	1,453,909	365,915	(659,567)
Transfers	4,036	11,611	722	316	292	239	254	251	602	275
Miscellaneous <sup>2</sup>	26,818	15,749	14,157	17,245	11,825	10,655	9,609	9,749	8,400	10,295
<i>Total Additions</i>	<u>4,091,455</u>	<u>2,487,205</u>	<u>(3,235,881)</u>	<u>380,150</u>	<u>3,516,512</u>	<u>2,308,975</u>	<u>1,563,525</u>	<u>1,594,239</u>	<u>447,702</u>	<u>(549,465)</u>
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	310,943	251,765	207,319	170,317	143,802	121,096	102,742	86,174	72,460	60,551
Refunds	33,686	31,425	26,442	26,574	26,465	26,476	24,086	27,082	30,835	42,087
Transfers	8,528	5,407	8,903	70,935	3,904	4,296	4,718	22,918	611,867	31,165
Administrative Expenses	8,325	8,643	8,277	9,889	7,344	6,599	5,960	5,779	6,054	6,270
<i>Total Deductions</i>	<u>361,482</u>	<u>297,240</u>	<u>250,941</u>	<u>277,715</u>	<u>181,515</u>	<u>158,467</u>	<u>137,506</u>	<u>141,953</u>	<u>721,216</u>	<u>140,073</u>
<b>Total Changes in Plan Net Assets</b>	<b>\$ 3,729,973</b>	<b>\$ 2,189,965</b>	<b>\$(3,486,822)</b>	<b>\$ 102,435</b>	<b>\$ 3,334,997</b>	<b>\$ 2,150,508</b>	<b>\$ 1,426,019</b>	<b>\$ 1,452,286</b>	<b>\$ (273,514)</b>	<b>\$ (689,538)</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>										
Beginning of Year	16,368,663	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
<b>End of Year</b>	<b>\$ 20,098,636</b>	<b>\$ 16,368,663</b>	<b>\$ 14,178,698</b>	<b>\$ 17,665,520</b>	<b>\$ 17,563,085</b>	<b>\$ 14,228,088</b>	<b>\$ 12,077,580</b>	<b>\$ 10,651,561</b>	<b>\$ 9,199,275</b>	<b>\$ 9,472,789</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	4.0%	4.0%	5.4%	4.1%	3.5%	2.2%	1.2%	1.2%	0.7%	0.9%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: PERS Plan 3**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 94,129	\$ 92,665	\$ 90,808	\$ 82,707	\$ 71,712	\$ 64,776	\$ 59,029	\$ 53,208	\$ 32,290	\$ 1,305
Employee Contributions	279,224	135,026	(277,949)	(46,281)	208,475	127,023	82,859	96,185	18,779	(647)
Investment Income (Loss) <sup>1</sup>	1,546	4,926	2,095	68,408	1,572	1,213	1,337	21,143	609,243	28,418
Transfers	246	197	199	201	231	219	500	696	2,027	1,035
Miscellaneous	375,145	232,814	(184,847)	105,035	281,990	193,231	143,725	171,232	662,339	30,111
<i>Total Additions</i>										
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	164	80	51	23	-	-	-	-	-	-
Refunds	59,143	41,723	40,202	38,291	35,254	35,539	25,533	26,581	5,737	6
Transfers	612	4,926	429	261	439	239	162	251	207	18
Administrative Expenses	246	197	199	201	231	220	500	523	1,967	1,268
<i>Total Deductions</i>	60,165	46,926	40,881	38,776	35,924	35,998	26,195	27,355	7,911	1,292
<b>Total Changes in Plan Net Assets</b>	<b>\$ 314,980</b>	<b>\$ 185,888</b>	<b>\$ (225,728)</b>	<b>\$ 66,259</b>	<b>\$ 246,066</b>	<b>\$ 157,233</b>	<b>\$ 117,530</b>	<b>\$ 143,877</b>	<b>\$ 654,428</b>	<b>\$ 28,819</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	1,374,372	1,188,484	1,414,212	1,347,953	1,101,887	944,654	827,124	683,247	28,819	-
<b>End of Year</b>	<b>\$ 1,689,352</b>	<b>\$ 1,374,372</b>	<b>\$ 1,188,484</b>	<b>\$ 1,414,212</b>	<b>\$ 1,347,953</b>	<b>\$ 1,101,887</b>	<b>\$ 944,654</b>	<b>\$ 827,124</b>	<b>\$ 683,247</b>	<b>\$ 28,819</b>

Employer Contributions: Percent of Covered Payroll<sup>2</sup>

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

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

**Schedule of Changes in Plan Net Assets: SERS Plan 2/3**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 62,316	\$ 62,090	\$ 63,526	\$ 52,139	\$ 45,950	\$ 30,419	\$ 10,160	\$ 9,076	\$ 6,154	\$ 11,312
Employee Contributions	19,247	20,105	26,062	20,726	17,371	11,818	4,166	3,501	1,828	5,171
Investment Income (Loss) <sup>1</sup>	473,113	255,525	(560,165)	(29,922)	435,696	287,224	201,723	203,668	55,417	(90,080)
Transfers	413	431	2,050	2,118	1,998	2,589	1,959	1,631	1,970	17,923
Miscellaneous <sup>2</sup>	1,719	1,521	1,517	1,398	1,301	1,313	1,316	1,562	1,234	1,241
<i>Total Additions</i>	556,808	339,672	(467,010)	46,459	502,316	333,363	219,324	219,438	66,603	(54,433)
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	43,338	34,449	28,307	22,627	17,641	13,500	10,114	6,692	4,305	2,048
Refunds	2,492	2,125	2,125	2,045	2,516	2,477	2,191	2,025	2,220	2,397
Transfers	423	8,141	956	89,481	275	434	568	545	355	1,495
Administrative Expenses	1,484	1,384	1,327	1,267	1,124	1,069	990	1,080	1,113	1,117
<i>Total Deductions</i>	47,737	46,099	32,715	115,420	21,556	17,480	13,863	10,342	7,993	7,057
<b>Total Changes in Plan Net Assets</b>	<b>\$ 509,071</b>	<b>\$ 293,573</b>	<b>\$ (499,725)</b>	<b>\$ (68,961)</b>	<b>\$ 480,760</b>	<b>\$ 315,883</b>	<b>\$ 205,461</b>	<b>\$ 209,096</b>	<b>\$ 58,610</b>	<b>\$ (61,490)</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>										
Beginning of Year*	2,237,385	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
<b>End of Year</b>	<b>\$ 2,746,456</b>	<b>\$ 2,237,385</b>	<b>\$ 1,943,812</b>	<b>\$ 2,443,537</b>	<b>\$ 2,512,498</b>	<b>\$ 2,031,738</b>	<b>\$ 1,715,855</b>	<b>\$ 1,510,394</b>	<b>\$ 1,301,298</b>	<b>\$ 1,242,688</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	3.8%	3.8%	4.0%	3.4%	3.3%	2.3%	0.8%	0.8%	0.5%	1.1%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: SERS Plan 3**

(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Contributions	60,313	60,328	59,422	58,381	54,175	49,767	46,738	43,833	40,947	37,181
Investment Income (Loss) <sup>1</sup>	209,367	108,480	(230,415)	(27,970)	169,969	105,308	69,954	78,458	14,139	(25,589)
Transfers	500	445	455	89,449	239	334	290	484	273	1,448
Miscellaneous	238	193	196	202	225	213	175	270	174	447
<i>Total Additions</i>	<u>270,418</u>	<u>169,446</u>	<u>(170,342)</u>	<u>120,062</u>	<u>224,608</u>	<u>155,622</u>	<u>117,157</u>	<u>123,045</u>	<u>55,533</u>	<u>13,487</u>

**Deductions from Plan Net Assets by Type:**

Benefits	182	91	62	8	-	-	-	-	-	-
Refunds	53,242	33,916	42,041	39,815	32,077	24,946	21,478	12,364	11,328	10,871
Transfers	597	416	520	183	289	121	148	290	66	15,735
Administrative Expenses	237	193	195	202	225	212	175	226	173	175
<i>Total Deductions</i>	<u>54,258</u>	<u>34,616</u>	<u>42,818</u>	<u>40,208</u>	<u>32,591</u>	<u>25,279</u>	<u>21,801</u>	<u>12,880</u>	<u>11,567</u>	<u>26,781</u>
<b>Total Changes in Plan Net Assets</b>	<b>\$ 216,160</b>	<b>\$ 134,830</b>	<b>\$ (213,160)</b>	<b>\$ 79,854</b>	<b>\$ 192,017</b>	<b>\$ 130,343</b>	<b>\$ 95,356</b>	<b>\$ 110,165</b>	<b>\$ 43,966</b>	<b>\$ (13,294)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year*	1,053,282	918,452	1,131,612	1,051,758	859,741	729,398	634,042	523,877	479,911	483,205
<b>End of Year</b>	<u>\$ 1,269,442</u>	<u>\$ 1,053,282</u>	<u>\$ 918,452</u>	<u>\$ 1,131,612</u>	<u>\$ 1,051,758</u>	<u>\$ 859,741</u>	<u>\$ 729,398</u>	<u>\$ 634,042</u>	<u>\$ 523,877</u>	<u>\$ 479,911</u>

Employer Contributions: Percent of Covered Payroll<sup>2</sup>

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

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

**Schedule of Changes in Plan Net Assets: PSERS Plan 2**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 15,591	\$ 15,238	\$ 14,510	\$ 11,700	\$ 6,612	**	**	**	**	**
Employee Contributions	15,353	15,213	14,557	11,740	6,664	**	**	**	**	**
Investment Income (Loss) <sup>1</sup>	21,255	7,358	(9,383)	(765)	813	**	**	**	**	**
Transfers	5	32	-	3	-	**	**	**	**	**
Miscellaneous <sup>2</sup>	124	45	30	14	6	**	**	**	**	**
<i>Total Additions</i>	52,328	37,886	19,714	22,692	14,095	**	**	**	**	**
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	35	17	5	-	-	**	**	**	**	**
Refunds	1,780	928	466	152	23	**	**	**	**	**
Transfers	3	2	3	2	-	**	**	**	**	**
Administrative Expenses	82	50	40	26	27	**	**	**	**	**
<i>Total Deductions</i>	1,900	997	514	180	50	**	**	**	**	**
<b>Total Changes in Plan Net Assets</b>	<b>\$ 50,428</b>	<b>\$ 36,889</b>	<b>\$ 19,200</b>	<b>\$ 22,512</b>	<b>\$ 14,045</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>										
<i>Beginning of Year</i>	92,646	55,757	36,557	14,045	-	**	**	**	**	**
<b>End of Year</b>	<b>\$ 143,074</b>	<b>\$ 92,646</b>	<b>\$ 55,757</b>	<b>\$ 36,557</b>	<b>\$ 14,045</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	6.7%	6.5%	6.5%	6.5%	6.5%	**	**	**	**	**

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.  
<sup>2</sup>Miscellaneous 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)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 96,803	\$ 112,731	\$ 178,850	\$ 113,089	\$ 60,462	\$ 15,077	\$ 8,793	\$ 11,385	\$ 20,352	\$ 59,434
Employee Contributions	17,631	20,930	23,810	26,480	29,995	33,790	38,087	42,706	46,790	50,180
Investment Income (Loss) <sup>1</sup>	1,279,513	813,504	(1,979,081)	(93,982)	1,762,480	1,292,574	981,556	1,112,120	275,057	(548,365)
Transfers	1	5	27	5	84	78	168	147	333	253
Miscellaneous <sup>2</sup>	10,792	6,827	7,011	7,870	8,546	8,941	8,607	7,338	6,433	6,761
<i>Total Additions</i>	1,404,740	953,997	(1,769,383)	53,462	1,861,567	1,350,460	1,037,211	1,173,696	348,965	(431,737)
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	899,819	859,250	850,262	844,986	802,344	763,613	741,118	692,243	689,254	679,009
Refunds	1,820	1,504	1,260	1,000	1,878	1,042	1,180	1,792	1,521	2,313
Transfers	159	118	1,449	82	3	314	817	-	283	207
Administrative Expenses	2,686	3,125	3,266	3,646	3,752	3,790	3,894	3,926	4,555	5,132
<i>Total Deductions</i>	904,484	863,997	856,237	849,714	807,977	768,759	747,009	697,961	695,613	686,661
<b>Total Changes in Plan Net Assets</b>	<b>\$ 500,256</b>	<b>\$ 90,000</b>	<b>\$ (2,625,620)</b>	<b>\$ (796,252)</b>	<b>\$ 1,053,590</b>	<b>\$ 581,701</b>	<b>\$ 290,202</b>	<b>\$ 475,735</b>	<b>\$ (346,648)</b>	<b>\$ (1,118,398)</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>										
Beginning of Year	6,404,061	6,314,061	8,939,681	9,735,933	8,682,343	8,100,642	7,810,440	7,334,705	7,681,352	8,799,750
<b>End of Year</b>	<b>\$ 6,904,317</b>	<b>\$ 6,404,061</b>	<b>\$ 6,314,061</b>	<b>\$ 8,939,681</b>	<b>\$ 9,735,933</b>	<b>\$ 8,682,343</b>	<b>\$ 8,100,642</b>	<b>\$ 7,810,440</b>	<b>\$ 7,334,704</b>	<b>\$ 7,681,352</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	27.7%	26.9%	37.3%	21.5%	10.3%	2.3%	1.2%	1.4%	2.4%	6.7%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

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

(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 168,264	\$ 164,959	\$ 160,793	\$ 109,523	\$ 102,180	\$ 75,353	\$ 33,767	\$ 29,921	\$ 18,225	\$ 46,359
Employee Contributions	21,881	21,126	23,277	14,739	12,227	8,990	3,549	3,108	633	5,433
Investment Income (Loss) <sup>1</sup>	1,175,293	629,396	(1,383,054)	(73,457)	1,078,134	712,495	500,432	503,551	136,127	(224,452)
Transfers	850	724	547	339	201	261	500	439	429	369
Miscellaneous <sup>2</sup>	5,416	4,551	4,429	4,432	3,951	3,385	3,827	4,154	3,461	3,297
<i>Total Additions</i>	<u>1,371,704</u>	<u>820,756</u>	<u>(1,194,008)</u>	<u>55,576</u>	<u>1,196,693</u>	<u>800,484</u>	<u>542,075</u>	<u>541,173</u>	<u>158,875</u>	<u>(168,994)</u>

**Deductions from Plan Net Assets by Type:**

Benefits	72,138	55,654	44,795	36,016	28,534	22,351	17,118	13,416	10,862	8,669
Refunds	2,281	2,868	2,189	2,190	2,726	2,399	3,110	2,858	3,537	4,510
Transfers	390	369	2,670	168,866	440	963	1,278	1,003	956	1,704
Administrative Expenses	4,273	3,932	3,824	3,629	3,067	2,781	3,027	2,940	3,093	3,108
<i>Total Deductions</i>	<u>79,082</u>	<u>62,823</u>	<u>53,478</u>	<u>210,701</u>	<u>34,767</u>	<u>28,494</u>	<u>24,533</u>	<u>20,217</u>	<u>18,448</u>	<u>17,991</u>
<b>Total Changes in Plan Net Assets</b>	<b>\$ 1,292,622</b>	<b>\$ 757,933</b>	<b>\$ 1,247,486</b>	<b>\$ (155,125)</b>	<b>\$ 1,161,926</b>	<b>\$ 771,990</b>	<b>\$ 517,542</b>	<b>\$ 520,956</b>	<b>\$ 140,427</b>	<b>\$ (166,985)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	5,547,281	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
<b>End of Year</b>	<b>\$ 6,839,903</b>	<b>\$ 5,547,281</b>	<b>\$ 4,789,348</b>	<b>\$ 6,036,834</b>	<b>\$ 6,191,959</b>	<b>\$ 5,030,033</b>	<b>\$ 4,258,043</b>	<b>\$ 3,740,501</b>	<b>\$ 3,219,545</b>	<b>\$ 3,079,118</b>

Employer Contributions: Percent of Covered Payroll

	4.0%	4.1%	4.1%	3.0%	3.0%	2.4%	1.1%	1.1%	0.7%	1.9%
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<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.



**Schedule of Changes in Plan Net Assets: TRS Plan 3**

(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Contributions	257,718	254,197	247,891	234,661	213,878	195,910	183,645	173,052	155,538	144,187
Investment Income (Loss) <sup>1</sup>	866,178	424,811	(864,630)	(177,645)	630,495	371,615	241,093	307,012	42,026	(130,091)
Transfers	650	598	971	168,817	581	619	604	892	731	1,539
Miscellaneous	767	610	605	597	712	639	175	292	174	306
<i>Total Additions</i>	<u>1,125,313</u>	<u>680,216</u>	<u>(615,163)</u>	<u>226,430</u>	<u>845,666</u>	<u>568,783</u>	<u>425,517</u>	<u>481,248</u>	<u>198,469</u>	<u>15,941</u>
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	542	257	128	45	18	-	-	-	-	-
Refunds	115,571	71,665	76,166	84,776	62,810	41,908	35,582	25,932	19,331	18,395
Transfers	1,368	1,084	550	512	254	296	634	380	238	244
Administrative Expenses	767	610	605	597	712	639	175	250	173	175
<i>Total Deductions</i>	<u>118,248</u>	<u>73,616</u>	<u>77,449</u>	<u>85,930</u>	<u>63,794</u>	<u>42,843</u>	<u>36,391</u>	<u>26,562</u>	<u>19,742</u>	<u>18,814</u>
<b>Total Changes in Plan Net Assets</b>	<b>\$ 1,007,065</b>	<b>\$ 606,600</b>	<b>\$ (692,612)</b>	<b>\$ 140,500</b>	<b>\$ 781,872</b>	<b>\$ 525,940</b>	<b>\$ 389,126</b>	<b>\$ 454,686</b>	<b>\$ 178,727</b>	<b>\$ (2,873)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	4,025,307	3,418,707	4,111,319	3,970,819	3,188,947	2,663,007	2,273,881	1,819,195	1,640,468	1,643,341
<b>End of Year</b>	<u>\$ 5,032,372</u>	<u>\$ 4,025,307</u>	<u>\$ 3,418,707</u>	<u>\$ 4,111,319</u>	<u>\$ 3,970,819</u>	<u>\$ 3,188,947</u>	<u>\$ 2,663,007</u>	<u>\$ 2,273,881</u>	<u>\$ 1,819,195</u>	<u>\$ 1,640,468</u>
<i>Employer Contributions: Percent of Covered Payroll<sup>2</sup></i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

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

**Schedule of Changes in Plan Net Assets: LEOFF Plan 1**

(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 3	\$ 49	\$ 216	\$ 8	\$ 56	\$ 70	\$ 9	\$ 1	\$ 62	\$ 98
Employee Contributions	-	1	154	-	50	61	(2)	-	40	76
State Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (Loss) <sup>1</sup>	937,507	566,844	(1,353,904)	(68,055)	1,152,792	818,343	604,304	665,380	162,220	(314,972)
Transfers	-	112	173	-	-	102	-	-	167	163
Miscellaneous <sup>2</sup>	3,130	3,913	2,658	3,185	3,109	2,736	2,651	2,896	2,762	2,963
<b>Total Additions</b>	<b>940,640</b>	<b>570,919</b>	<b>(1,350,703)</b>	<b>(64,862)</b>	<b>1,156,007</b>	<b>821,312</b>	<b>606,962</b>	<b>668,277</b>	<b>165,251</b>	<b>(311,672)</b>

**Deductions from Plan Net Assets by Type:**

Benefits	338,775	338,231	327,033	313,530	300,452	288,209	279,957	272,118	264,618	252,625
Refunds	48	14	193	150	11	3	5	133	158	92
Transfers	331	83	998	56	2	201	526	27	166	135
Administrative Expenses	1,891	2,146	2,339	2,417	2,544	2,405	2,455	2,450	2,789	3,088
<b>Total Deductions</b>	<b>341,045</b>	<b>340,474</b>	<b>330,563</b>	<b>316,153</b>	<b>303,009</b>	<b>290,818</b>	<b>282,943</b>	<b>274,728</b>	<b>267,731</b>	<b>255,940</b>
<b>Total Changes in Plan Net Assets</b>	<b>\$ 599,595</b>	<b>\$ 230,445</b>	<b>\$(1,681,266)</b>	<b>\$ (381,015)</b>	<b>\$ 852,998</b>	<b>\$ 530,494</b>	<b>\$ 324,019</b>	<b>\$ 393,549</b>	<b>\$ (102,480)</b>	<b>\$ (567,612)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	4,586,358	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
<b>End of Year</b>	<b>\$ 5,185,953</b>	<b>\$ 4,586,358</b>	<b>\$ 4,355,913</b>	<b>\$ 6,037,179</b>	<b>\$ 6,418,194</b>	<b>\$ 5,565,196</b>	<b>\$ 5,034,702</b>	<b>\$ 4,710,683</b>	<b>\$ 4,317,134</b>	<b>\$ 4,419,614</b>

Employer Contributions: Percent of Covered Payroll

0.0%	0.2%	0.5%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%
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<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: LEOFF Plan 2**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 79,733	\$ 76,998	\$ 77,849	\$ 73,364	\$ 58,191	\$ 48,472	\$ 32,780	\$ 30,773	\$ 25,583	\$ 23,997
Employee Contributions	131,252	128,154	128,206	115,567	95,552	79,780	53,913	50,698	41,372	39,401
State Contributions	52,024	51,376	51,137	45,926	37,928	31,666	21,266	20,193	16,404	15,551
Investment Income (Loss) <sup>1</sup>	1,084,240	568,518	(1,223,154)	(70,257)	892,480	576,139	393,129	391,911	98,627	(155,059)
Transfers	2,936	1,010	1,218	117	-	1	17	-	234	62
Miscellaneous <sup>2</sup>	7,754	7,447	4,466	2,987	3,905	4,273	2,440	2,371	1,759	1,595
<i>Total Additions</i>	1,357,939	833,503	(960,278)	167,704	1,088,056	740,331	503,545	495,946	183,979	(74,453)

**Deductions from Plan Net Assets by Type:**

Benefits	61,876	46,158	36,615	27,505	20,813	14,433	8,978	6,043	4,059	2,743
Refunds	8,181	10,947	7,223	7,639	7,995	7,115	7,765	5,720	5,124	9,143
Transfers	147	205	1,146	49	32	250	331	-	94	109
Administrative Expenses	3,309	3,416	2,288	2,298	2,073	1,842	1,659	1,490	1,528	1,477
<i>Total Deductions</i>	73,513	60,726	47,272	37,491	30,913	23,640	18,733	13,253	10,805	13,472
<b>Total Changes in Plan Net Assets</b>	<b>\$ 1,284,426</b>	<b>\$ 772,777</b>	<b>\$(1,007,550)</b>	<b>\$ 130,213</b>	<b>\$ 1,057,143</b>	<b>\$ 716,691</b>	<b>\$ 484,812</b>	<b>\$ 482,693</b>	<b>\$ 173,174</b>	<b>\$ (87,925)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	5,081,657	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
<b>End of Year</b>	<b>\$ 6,366,083</b>	<b>\$ 5,081,657</b>	<b>\$ 4,308,880</b>	<b>\$ 5,316,430</b>	<b>\$ 5,186,217</b>	<b>\$ 4,129,074</b>	<b>\$ 3,412,383</b>	<b>\$ 2,927,571</b>	<b>\$ 2,444,878</b>	<b>\$ 2,271,704</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	5.2%	5.1%	5.3%	5.5%	4.8%	4.2%	3.1%	3.1%	2.7%	2.7%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

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

(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 5,251	\$ 5,271	\$ 6,371	\$ 6,064	\$ 3,278	\$ 3,133	\$ -	\$ 1	\$ -	\$ -
Employee Contributions	4,166	4,173	5,501	5,239	3,278	3,134	1,316	1,322	1,314	1,245
Investment Income (Loss) <sup>1</sup>	158,571	91,335	(210,676)	(10,992)	171,393	118,855	86,150	92,736	22,783	(42,059)
Transfers	415	10	331	89	163	8	98	121	144	265
Miscellaneous <sup>2</sup>	1,385	1,399	500	478	385	409	381	452	377	396
<i>Total Additions</i>	169,788	102,188	(197,973)	878	178,497	125,539	87,945	94,632	24,618	(40,153)

**Deductions from Plan Net Assets by Type:**

Benefits	38,387	36,116	34,522	32,963	31,393	30,666	27,606	25,724	24,047	22,316
Refunds	315	127	211	269	291	125	173	303	220	199
Transfers	22	14	160	8	-	29	70	-	23	16
Administrative Expenses	356	364	354	391	381	408	358	347	378	398
<i>Total Deductions</i>	39,080	36,621	35,247	33,631	32,065	31,228	28,207	26,374	24,668	22,929
<b>Total Changes in Plan Net Assets</b>	<b>\$ 130,708</b>	<b>\$ 65,567</b>	<b>\$(233,220)</b>	<b>\$ (32,753)</b>	<b>\$ 146,432</b>	<b>\$ 94,311</b>	<b>\$ 59,738</b>	<b>\$ 68,258</b>	<b>\$ (50)</b>	<b>\$ (63,082)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	764,191	698,624	931,844	964,597	818,165	723,854	664,116	595,858	595,908	658,990
<b>End of Year</b>	<b>\$ 894,899</b>	<b>\$ 764,191</b>	<b>\$ 698,624</b>	<b>\$ 931,844</b>	<b>\$ 964,597</b>	<b>\$ 818,165</b>	<b>\$ 723,854</b>	<b>\$ 664,116</b>	<b>\$ 595,858</b>	<b>\$ 595,908</b>
<i>Employer Contributions: Percent of Covered Payroll</i>	6.4%	6.4%	7.7%	7.7%	4.5%	4.5%	0.0%	0.0%	0.0%	0.0%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: JRS**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 46	\$ 79	\$ 105	\$ 112	\$ 111	\$ 115	\$ 155	\$ 197	\$ 215	\$ 229
Employee Contributions	46	79	104	112	111	115	155	196	215	229
State Contributions	10,860	11,570	10,200	9,600	9,539	6,601	5,995	5,995	6,000	6,000
Investment Income <sup>1</sup>	8	11	48	98	139	61	73	54	116	243
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous <sup>2</sup>	2	2	1	1	-	-	1	3	4	6
<i>Total Additions</i>	10,962	11,741	10,458	9,923	9,900	6,892	6,379	6,445	6,550	6,707

<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	9,738	9,723	9,583	9,514	9,356	9,247	8,761	8,404	8,279	8,060
Refunds	-	-	7	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	2	2	1	-	-	-	1	2	4	5
<i>Total Deductions</i>	9,740	9,725	9,591	9,514	9,356	9,247	8,762	8,406	8,283	8,065
<b>Total Changes in Plan Net Assets</b>	<b>\$ 1,222</b>	<b>\$ 2,016</b>	<b>\$ 867</b>	<b>\$ 409</b>	<b>\$ 544</b>	<b>\$ (2,355)</b>	<b>\$ (2,383)</b>	<b>\$ (1,961)</b>	<b>\$ (1,733)</b>	<b>\$ (1,358)</b>

<b>Net Assets Held in Trust for Pension Benefits:</b>										
Beginning of Year	3,839	1,823	956	547	3	2,358	4,741	6,702	8,435	9,793
<b>End of Year</b>	<b>\$ 5,061</b>	<b>\$ 3,839</b>	<b>\$ 1,823</b>	<b>\$ 956</b>	<b>\$ 547</b>	<b>\$ 3</b>	<b>\$ 2,358</b>	<b>\$ 4,741</b>	<b>\$ 6,702</b>	<b>\$ 8,435</b>
<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%

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: JUDGES**

(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 9
Employee Contributions	-	-	-	-	-	-	-	-	6	8
State Contributions	-	-	-	-	300	300	500	500	250	250
Investment Income <sup>1</sup>	11	48	141	179	184	139	86	20	109	214
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous <sup>2</sup>	1	1	2	1	2	2	2	3	3	3
<i>Total Additions</i>	12	49	143	180	486	441	588	523	374	484

**Deductions from Plan Net Assets by Type:**

Benefits	499	500	501	545	581	624	641	685	639	656
Refunds	-	-	-	-	-	-	13	-	-	-
Transfers	-	-	1	-	-	-	1	-	-	-
Administrative Expenses	1	1	1	2	1	2	2	2	3	3
<i>Total Deductions</i>	500	501	503	547	582	626	657	687	642	659
<b>Total Changes in Plan Net Assets</b>	<b>\$ (488)</b>	<b>\$ (452)</b>	<b>\$ (360)</b>	<b>\$ (367)</b>	<b>\$ (96)</b>	<b>\$ (185)</b>	<b>\$ (69)</b>	<b>\$ (164)</b>	<b>\$ (268)</b>	<b>\$ (175)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	2,823	3,275	3,635	4,002	4,098	4,283	4,352	4,516	4,784	4,959
<b>End of Year</b>	<b>\$ 2,335</b>	<b>\$ 2,823</b>	<b>\$ 3,275</b>	<b>\$ 3,635</b>	<b>\$ 4,002</b>	<b>\$ 4,098</b>	<b>\$ 4,283</b>	<b>\$ 4,352</b>	<b>\$ 4,516</b>	<b>\$ 4,784</b>

Employer Contributions: Percent of Covered Payroll

n/a

n/a

n/a

n/a

n/a

n/a

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Miscellaneous additions include restorations of employee contributions.

**Schedule of Changes in Plan Net Assets: JRA**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Employer Contributions	\$ 43	\$ 43	\$ 42	\$ 70	\$ 427	\$ 635	\$ 602	\$ 570	\$ 556	\$ 532
Employee Contributions	43	43	42	71	430	635	601	570	556	532
Investment Income (Loss) <sup>1</sup>	1,940	985	(1,910)	(906)	2,452	1,532	760	1,438	376	(920)
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5	3	12	6	5	11	15	18	8	8
<i>Total Additions</i>	2,031	1,074	(1,814)	(759)	3,314	2,813	1,978	2,596	1,496	152
<b>Deductions from Plan Net Assets by Type:</b>										
Benefits	445	389	461	6,540	110	207	411	282	168	206
Refunds	-	1	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
<i>Total Deductions</i>	445	390	461	6,540	110	207	411	282	168	206
<b>Total Changes in Plan Net Assets</b>	<b>\$ 1,586</b>	<b>\$ 684</b>	<b>\$(2,275)</b>	<b>\$(7,299)</b>	<b>\$ 3,204</b>	<b>\$ 2,606</b>	<b>\$ 1,567</b>	<b>\$ 2,314</b>	<b>\$ 1,328</b>	<b>\$ (54)</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>										
Beginning of Year	11,441	10,757	13,032	20,331	17,127	14,521	12,954	10,640	9,312	9,366
<b>End of Year</b>	<b>\$ 13,027</b>	<b>\$ 11,441</b>	<b>\$ 10,757</b>	<b>\$ 13,032</b>	<b>\$ 20,331</b>	<b>\$ 17,127</b>	<b>\$ 14,521</b>	<b>\$ 12,954</b>	<b>\$ 10,640</b>	<b>\$ 9,312</b>
<i>Employer Contributions: Percent of Covered Payroll<sup>2</sup></i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>1</sup>Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

<sup>2</sup>Covered payroll figures are not available for this plan.

**Schedule of Changes in Plan Net Assets: DCP**  
(dollars in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Additions to Plan Net Assets by Source:</b>										
Participant Contributions	\$ 186,734	\$ 185,120	\$ 184,544	\$ 188,735	\$ 175,055	\$ 168,000	\$ 160,029	\$ 147,660	\$ 135,901	\$ 119,008
Investment Income (Loss) <sup>1</sup>	451,033	203,075	(344,592)	(169,322)	314,273	204,021	100,727	204,100	41,536	(153,210)
Charges for Services	1,610	1,780	1,405	838	689	1,079	335	206	287	1,409
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,461	1,145	690	833	854	1,536	2,302	2,578	1,188	992
<i>Total Additions</i>	640,838	391,120	(157,953)	21,084	490,871	374,636	263,393	354,544	178,912	(31,801)

**Deductions from Plan Net Assets by Type:**

Refunds	149,010	108,578	106,645	135,877	127,198	109,318	83,741	73,485	68,469	77,602
Transfers	-	-	2	-	3	-	-	-	-	-
Administrative Expenses	1,735	1,512	1,468	1,488	1,445	1,256	1,344	1,373	1,354	1,598
<i>Total Deductions</i>	150,745	110,090	108,115	137,365	128,646	110,574	85,085	74,858	69,823	79,200
<b>Total Changes in Plan Net Assets</b>	<b>\$ 490,093</b>	<b>\$ 281,030</b>	<b>\$ (266,068)</b>	<b>\$ (116,281)</b>	<b>\$ 362,225</b>	<b>\$ 264,062</b>	<b>\$ 178,308</b>	<b>\$ 279,686</b>	<b>\$ 109,089</b>	<b>\$ (111,001)</b>

**Net Assets Held in Trust for Pension Benefits:**

Beginning of Year	2,450,346	2,169,316	2,435,384	2,551,665	2,189,440	1,925,378	1,747,070	1,467,384	1,358,295	1,469,296
<b>End of Year</b>	<b>\$ 2,940,439</b>	<b>\$ 2,450,346</b>	<b>\$ 2,169,316</b>	<b>\$ 2,435,384</b>	<b>\$ 2,551,665</b>	<b>\$ 2,189,440</b>	<b>\$ 1,925,378</b>	<b>\$ 1,747,070</b>	<b>\$ 1,467,384</b>	<b>\$ 1,358,295</b>

*Employer Contributions: Percent of Covered Payroll<sup>2</sup>*

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

<sup>2</sup>All DCP contributions are made by the participants.



### Distribution of Membership

For the Years Ended June 30, 2007-2010 and September 30, 2001-2006

**Active Members by System and Plan:**

<b>Plan</b>		<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>PERS 1</b>	Percent	3.03%	3.43%	3.86%	4.41%	4.85%	5.50%	6.16%	6.89%	7.59%	8.46%
	Individuals	9,007	10,354	11,663	12,975	14,213	15,962	17,829	19,740	21,737	23,981
	Avg. Age	60	59	59	58	57	57	56	55	55	54
<b>PERS 2</b>	Percent	40.27%	40.35%	40.81%	41.00%	40.39%	40.81%	40.97%	40.93%	40.85%	45.50%
	Individuals	119,826	121,800	123,285	120,625	118,341	118,400	118,572	117,262	116,939	128,955
	Avg. Age	48	47	47	46	46	46	45	45	44	43
<b>PERS 3</b>	Percent	9.31%	8.97%	8.85%	8.30%	7.67%	7.31%	6.86%	6.12%	5.42%	–
	Individuals	27,693	27,081	26,720	24,422	22,473	21,216	19,855	17,548	15,509	–
	Avg. Age	43	42	42	42	42	42	42	42	43	–
<b>SERS 2</b>	Percent	6.84%	6.69%	6.38%	6.04%	6.30%	6.68%	7.06%	7.51%	7.99%	8.49%
	Individuals	20,358	20,197	19,264	17,767	18,464	19,387	20,424	21,504	22,870	24,063
	Avg. Age	51	51	51	51	51	50	49	48	47	47
<b>SERS 3</b>	Percent	10.75%	10.69%	10.76%	11.24%	11.04%	10.67%	10.17%	9.67%	9.40%	8.57%
	Individuals	31,981	32,277	32,510	33,058	32,354	30,963	29,430	27,710	26,921	24,284
	Avg. Age	49	49	48	47	47	46	46	46	45	45
<b>PSERS 2</b>	Percent	1.42%	1.44%	1.32%	0.94%	0.71%	–	–	–	–	–
	Individuals	4,210	4,340	3,981	2,755	2,073	–	–	–	–	–
	Avg. Age	39	38	37	38	39	–	–	–	–	–
<b>TRS 1</b>	Percent	1.54%	1.72%	2.01%	2.15%	2.52%	2.96%	3.41%	3.90%	4.35%	4.93%
	Individuals	4,591	5,204	6,061	6,331	7,382	8,592	9,862	11,175	12,456	13,971
	Avg. Age	61	60	59	58	58	57	56	55	55	54
<b>TRS 2</b>	Percent	3.17%	3.04%	2.68%	2.30%	2.38%	2.48%	2.58%	2.67%	2.73%	2.84%
	Individuals	9,442	9,174	8,103	6,752	6,983	7,205	7,470	7,637	7,809	8,056
	Avg. Age	48	48	49	52	51	51	50	49	49	48
<b>TRS 3</b>	Percent	17.57%	17.56%	17.33%	17.63%	18.22%	17.74%	17.03%	16.50%	16.00%	15.59%
	Individuals	52,292	53,010	52,360	51,856	53,371	51,473	49,302	47,263	45,798	44,193
	Avg. Age	45	44	43	43	42	42	42	41	41	40
<b>LEOFF 1</b>	Percent	0.10%	0.12%	0.14%	0.17%	0.20%	0.25%	0.29%	0.35%	0.40%	0.46%
	Individuals	301	356	421	513	596	723	848	991	1,147	1,315
	Avg. Age	60	59	58	57	56	56	55	54	53	52
<b>LEOFF 2</b>	Percent	5.64%	5.62%	5.50%	5.47%	5.37%	5.23%	5.10%	5.08%	4.90%	4.79%
	Individuals	16,775	16,951	16,626	16,099	15,718	15,168	14,754	14,560	14,011	13,585
	Avg. Age	42	42	41	41	41	41	40	40	39	39
<b>WSPRS 1</b>	Percent	0.27%	0.28%	0.28%	0.30%	0.31%	0.33%	0.34%	0.36%	0.36%	0.36%
	Individuals	806	830	851	885	906	941	997	1,045	1,035	1,027
	Avg. Age	44	43	42	41	41	40	39	39	38	38
<b>WSPRS 2</b>	Percent	0.09%	0.09%	0.08%	0.05%	0.04%	0.03%	0.02%	0.01%	–	–
	Individuals	281	264	234	152	116	81	60	34	–	–
	Avg. Age	32	31	30	31	30	30	29	29	–	–
<b>JRS</b>	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	5	9	10	11	11	13	19	21	24	26
	Avg. Age	69	69	67	66	66	65	63	63	61	61
<b>Judges</b>	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	–	–	–	–	–	–	–	–	1	1
	Avg. Age	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	76	75
<b>Totals</b>	<b>Percent</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
	<b>Individuals</b>	<b>297,568</b>	<b>301,847</b>	<b>302,089</b>	<b>294,201</b>	<b>293,001</b>	<b>290,124</b>	<b>289,422</b>	<b>286,490</b>	<b>286,257</b>	<b>283,457</b>

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, 2007-2010 and September 30, 2001-2006

**Inactive and Retired Members by System and Plan:**

Plan		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>PERS 1</b>	Percent	30.63%	31.87%	33.11%	34.34%	35.47%	37.53%	39.14%	40.64%	42.00%	43.41%
	Individuals	55,721	56,272	56,852	57,342	57,509	57,628	57,561	57,514	57,286	56,848
	Avg. Age	74	73	73	73	73	72	72	72	72	72
<b>PERS 2</b>	Percent	25.04%	24.14%	23.23%	22.34%	21.88%	20.46%	19.62%	19.08%	18.64%	18.14%
	Individuals	45,556	42,614	39,890	37,302	35,485	31,412	28,860	26,993	25,415	23,753
	Avg. Age	61	60	60	59	59	59	59	58	57	57
<b>PERS 3</b>	Percent	2.46%	2.29%	2.12%	1.91%	1.74%	1.39%	1.02%	0.61%	0.15%	-
	Individuals	4,482	4,045	3,647	3,183	2,817	2,136	1,506	856	207	-
	Avg. Age	55	54	53	52	51	50	49	48	46	-
<b>SERS 2</b>	Percent	4.44%	4.26%	3.99%	3.61%	3.36%	2.93%	2.40%	1.86%	1.35%	0.85%
	Individuals	8,069	7,514	6,845	6,019	5,442	4,499	3,525	2,638	1,834	1,120
	Avg. Age	60	58	58	57	56	56	55	54	53	52
<b>SERS 3</b>	Percent	3.86%	3.57%	3.28%	2.87%	2.60%	2.08%	1.71%	1.38%	0.98%	0.55%
	Individuals	7,015	6,308	5,628	4,796	4,210	3,196	2,516	1,954	1,333	715
	Avg. Age	59	58	57	56	56	55	54	53	52	51
<b>PSERS 2</b>	Percent	0.01%	0.00%	0.00%	-	-	-	-	-	-	-
	Individuals	7	2	1	-	-	-	-	-	-	-
	Avg. Age	58	63	66	-	-	-	-	-	-	-
<b>TRS 1</b>	Percent	20.18%	20.88%	21.45%	22.41%	22.80%	23.83%	24.54%	25.09%	25.64%	26.11%
	Individuals	36,716	36,875	36,839	37,420	36,969	36,592	36,099	35,504	34,970	34,190
	Avg. Age	72	72	71	71	71	70	70	70	70	70
<b>TRS 2</b>	Percent	2.63%	2.59%	2.57%	2.57%	2.54%	2.53%	2.47%	2.44%	2.43%	2.33%
	Individuals	4,787	4,576	4,418	4,288	4,116	3,887	3,637	3,450	3,310	3,051
	Avg. Age	62	61	60	59	58	57	56	54	53	52
<b>TRS 3</b>	Percent	4.41%	4.04%	3.84%	3.48%	3.07%	2.52%	2.24%	1.98%	1.78%	1.48%
	Individuals	8,017	7,136	6,592	5,811	4,978	3,864	3,302	2,803	2,434	1,933
	Avg. Age	58	57	56	55	54	53	52	50	49	48
<b>LEOFF 1</b>	Percent	4.40%	4.58%	4.74%	4.89%	5.04%	5.31%	5.52%	5.70%	5.87%	6.05%
	Individuals	8,009	8,089	8,135	8,165	8,177	8,156	8,117	8,068	8,009	7,923
	Avg. Age	70	69	68	68	67	67	66	65	65	64
<b>LEOFF 2</b>	Percent	1.33%	1.16%	1.04%	0.93%	0.85%	0.74%	0.65%	0.53%	0.45%	0.37%
	Individuals	2,420	2,039	1,783	1,553	1,376	1,144	953	755	620	487
	Avg. Age	55	54	54	53	52	52	51	51	50	50
<b>WSPRS 1</b>	Percent	0.53%	0.54%	0.55%	0.56%	0.56%	0.58%	0.59%	0.59%	0.60%	0.60%
	Individuals	970	956	947	933	918	894	862	828	813	785
	Avg. Age	65	65	64	64	64	63	63	63	63	62
<b>WSPRS 2</b>	Percent	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
	Individuals	6	4	2	1	-	-	-	-	-	-
	Avg. Age	35	33	32	29	-	-	-	-	-	-
<b>JRS</b>	Percent	0.07%	0.07%	0.07%	0.08%	0.08%	0.09%	0.09%	0.09%	0.10%	0.10%
	Individuals	125	124	128	131	133	133	129	132	134	137
	Avg. Age	79	79	79	78	77	77	76	76	76	75
<b>Judges</b>	Percent	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	13	13	13	15	15	16	16	17	18	18
	Avg. Age	82	81	80	79	79	78	78	78	80	79
<b>Totals</b>	<b>Percent</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
	<b>Individuals</b>	<b>181,913</b>	<b>176,567</b>	<b>171,720</b>	<b>166,959</b>	<b>162,145</b>	<b>153,557</b>	<b>147,083</b>	<b>141,512</b>	<b>136,383</b>	<b>130,960</b>

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	562	1	7.2%	Dept. of Social & Health Services	1,808	1	8.5%
Dept. of Social & Health Services	559	2	7.1%	University of Washington	1,366	2	6.4%
KC Metro	225	3	2.9%	Dept. of Transportation	725	3	3.4%
Dept. of Transportation	222	4	2.8%	King County	654	4	3.1%
King County	206	5	2.6%	KC Metro	584	5	2.7%
Dept. of Employment Security	175	6	2.2%	Dept. of Employment Security	562	6	2.6%
Dept. of Labor & Industries	150	7	1.9%	Dept. of Labor & Industries	393	7	1.8%
Seattle SD 001	144	8	1.8%	Seattle SD 001	322	8	1.5%
Pierce County	90	9	1.2%	Washington State University	312	9	1.5%
Washington State Ferries	85	10	1.1%	Dept. of Fish & Wildlife	293	10	1.4%
All other*	5,441		69.2%	All other	14,297		67.1%
<b>Total (705 employers)</b>	<b>7,859</b>		<b>100.0%</b>	<b>Total (865 employers)</b>	<b>21,316</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	134	1,907
School Districts	226	1,702
Counties/Municipalities	156	1,153
Other Political Subdivisions	179	679
<b>Total</b>	<b>695</b>	<b>5,441</b>

\*\*2002 calendar year statistics.

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	11,083	1	9.3%	University of Washington	11,003	1	9.1%
Dept. of Social & Health Services	7,952	2	6.7%	Dept. of Social & Health Services	7,898	2	6.6%
KC Metro	4,635	3	3.9%	King County	5,362	3	4.5%
Dept. of Transportation	4,428	4	3.7%	KC Metro	4,258	4	3.5%
King County	4,312	5	3.6%	Dept. of Transportation	3,786	5	3.1%
Dept. of Labor & Industries	2,102	6	1.8%	Pierce County	2,660	6	2.2%
Pierce County	2,095	7	1.8%	Snohomish County	2,159	7	1.8%
Snohomish County	1,877	8	1.6%	Dept. of Labor & Industries	1,957	8	1.6%
Dept. of Employment Security	1,777	9	1.5%	Washington State University	1,832	9	1.5%
Corrections SW Region	1,725	10	1.4%	Corrections SW Region	1,818	10	1.5%
All Other	77,110		64.7%	All other	77,924		64.6%
<b>Total (942 Employers)</b>	<b>119,096</b>		<b>100.0%</b>	<b>Total (961 employers)</b>	<b>120,657</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	171	32,916
School Districts	-	-
Counties/Municipalities	268	24,188
Other Political Subdivisions	493	20,006
<b>Total</b>	<b>932</b>	<b>77,110</b>

\*\*2002 calendar year statistics.

### Principal Participating Employers by Plan: PERS 3 Current Year and Nine Years Prior

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	4,221	1	15.3%	University of Washington	1,345	1	12.3%
Dept. of Social & Health Services	1,612	2	5.8%	Dept. of Social & Health Services	1,065	2	9.7%
Dept. of Transportation	1,038	3	3.7%	Dept. of Transportation	780	3	7.1%
Washington State University	800	4	2.9%	Washington State University	429	4	4.0%
King County	767	5	2.8%	Dept. of Ecology	364	5	3.3%
KC Metro	765	6	2.8%	Dept. of Natural Resources	298	6	2.7%
Dept. of Employment Security	519	7	1.9%	Dept. of Employment Security	274	7	2.5%
Dept. of Ecology	447	8	1.6%	Dept. of Fish & Wildlife	263	8	2.4%
Dept. of Fish & Wildlife	413	9	1.5%	Dept. of Revenue	243	9	2.2%
Pierce County	397	10	1.4%	Dept. of Labor & Industries	239	10	2.2%
All other*	16,659		60.3%	All other	5,653		51.6%
<b>Total (669 Employers)</b>	<b>27,638</b>		<b>100.0%</b>	<b>Total (379 employers)</b>	<b>10,953</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	155	8,224
School Districts	-	-
Counties/Municipalities	195	4,084
Other Political Subdivisions	309	4,351
<b>Total</b>	<b>659</b>	<b>16,659</b>

\*\*2002 calendar year statistics.

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	968	1	4.4%	Seattle SD 001	1,173	1	5.0%
Tacoma SD 010	682	2	3.1%	Tacoma SD 010	868	2	3.7%
Spokane Public Schools	496	3	2.3%	Vancouver SD 037	672	3	2.8%
Kent SD 415	471	4	2.2%	Spokane Public Schools	666	4	2.8%
Highline SD 401	468	5	2.1%	Highline SD 401	648	5	2.7%
Vancouver SD 037	463	6	2.1%	Kent SD 415	625	6	2.6%
Evergreen SD 114	430	7	2.0%	Federal Way SD 210	485	7	2.1%
Federal Way SD 210	405	8	1.9%	Evergreen SD 114	469	8	2.0%
Lake Washington SD 414	396	9	1.8%	Edmonds SD 015	467	9	2.0%
Puyallup SD 003	362	10	1.7%	Bellevue SD 405	444	10	1.9%
All other*	16,648		76.4%	All other	17,123		72.4%
<b>Total (299 Employers)</b>	<b>21,789</b>		<b>100.0%</b>	<b>Total (451 employers)</b>	<b>23,640</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	-	-
School Districts	289	16,648
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
<b>Total</b>	<b>289</b>	<b>16,648</b>

\*\*August 31, 2002 statistics.

**Principal Participating Employers by Plan: SERS 3**  
Current Year and Nine Years Prior

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	1,043	1	3.2%	Evergreen SD 114	944	1	3.6%
Kent SD 415	967	2	3.0%	Seattle SD 001	813	2	3.1%
Spokane Public Schools	844	3	2.6%	Kent SD 415	723	3	2.7%
Evergreen SD 114	806	4	2.4%	Spokane Public Schools	717	4	2.7%
Tacoma SD 010	688	5	2.1%	Vancouver SD 037	709	5	2.7%
Bethel SD 403	672	6	2.1%	Lake Washington SD 414	572	6	2.2%
Vancouver SD 037	672	7	2.1%	Edmonds SD 015	571	7	2.2%
Puyallup SD 003	658	8	2.0%	Federal Way SD 210	564	8	2.1%
Lake Washington SD 414	655	9	2.0%	Tacoma SD 010	519	9	2.0%
Federal Way SD 210	648	10	2.0%	Northshore SD 417	504	10	1.9%
All other*	24,963		76.5%	All other	19,684		74.8%
<b>Total (300 Employers)</b>	<b>32,616</b>		<b>100.0%</b>	<b>Total (299 employers)</b>	<b>26,320</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	-	-
School Districts	290	24,963
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
<b>Total</b>	<b>290</b>	<b>24,963</b>

\*\*August 31, 2002 statistics

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Corrections NW Region	739	1	17.5%				
Corrections SE Region	701	2	16.6%				
Corrections SW Region	451	3	10.6%				
King County	338	4	8.0%				
Pierce County	194	5	4.6%				
Snohomish County	172	6	4.0%				
Parks & Recreation Commission	141	7	3.3%				
Corrections NE Region	120	8	2.8%				
Spokane County	104	9	2.5%				
Yakima County	96	10	2.3%				
All other*	1,177		27.8%				
<b>Total (76 Employers)</b>	<b>4,233</b>		<b>100.0%</b>				

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	5	173
School Districts	-	-
Counties/Municipalities	60	953
Other Political Subdivisions	1	51
<b>Total</b>	<b>66</b>	<b>1,177</b>

\*\*PSERS 2 was not available in 2002.

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	219	1	5.7%	Seattle SD 001	687	1	5.5%
Tacoma SD 010	170	2	4.5%	Tacoma SD 010	525	2	4.2%
Northshore SD 417	113	3	3.0%	Spokane Public Schools	416	3	3.3%
Lake Washington SD 414	96	4	2.5%	Northshore SD 417	316	4	2.5%
Spokane Public Schools	82	5	2.1%	Kent SD 415	276	5	2.2%
Evergreen SD 114	79	6	2.1%	Vancouver SD 037	276	6	2.2%
Kent SD 415	71	7	1.9%	Lake Washington SD 414	274	7	2.2%
Vancouver SD 037	70	8	1.8%	Evergreen SD 114	254	8	2.0%
Everett SD 002	68	9	1.8%	Yakima SD 007	239	9	1.9%
Puyallup SD 003	66	10	1.7%	Puyallup SD 003	218	10	1.7%
All other*	<u>2,784</u>		<u>72.9%</u>	All other	<u>9,112</u>		<u>72.3%</u>
<b>Total (312 Employers)</b>	<b><u>3,818</u></b>		<b><u>100.0%</u></b>	<b>Total (374 employers)</b>	<b><u>12,593</u></b>		<b><u>100.0%</u></b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	49	173
School Districts	253	2,611
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
<b>Total</b>	<b><u>302</u></b>	<b><u>2,784</u></b>

\*\*August 31, 2002 statistics.

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	730	1	6.6%	Seattle SD 001	624	1	7.7%
Tacoma SD 010	460	2	4.2%	Tacoma SD 010	414	2	5.1%
Spokane Public Schools	310	3	2.8%	Spokane Public Schools	312	3	3.9%
Evergreen SD 114	285	4	2.6%	Kent SD 415	186	4	2.3%
Kent SD 415	282	5	2.6%	Federal Way SD 210	169	5	2.1%
Lake Washington SD 414	267	6	2.4%	Edmonds SD 015	166	6	2.1%
Federal Way SD 210	239	7	2.2%	Lake Washington SD 414	159	7	2.0%
Highline SD 401	215	8	2.0%	Highline SD 401	158	8	2.0%
Vancouver SD 037	204	9	1.9%	Vancouver SD 037	147	9	1.8%
Pasco SD 001	188	10	1.7%	Bethel SD 403	146	10	1.8%
All other*	<u>7,786</u>		<u>71.0%</u>	All other	<u>5,566</u>		<u>69.2%</u>
<b>Total (313 Employers)</b>	<b><u>10,966</u></b>		<b><u>100.0%</u></b>	<b>Total (304 employers)</b>	<b><u>8,047</u></b>		<b><u>100.0%</u></b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	25	59
School Districts	278	7,727
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
<b>Total</b>	<b><u>303</u></b>	<b><u>7,786</u></b>

\*\*August 31, 2002 statistics.

**Principal Participating Employers by Plan: TRS 3**  
Current Year and Nine Years Prior

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	2,591	1	4.8%	Seattle SD 001	2,310	1	5.0%
Spokane Public Schools	1,762	2	3.2%	Spokane Public Schools	1,425	2	3.1%
Tacoma SD 010	1,533	3	2.8%	Kent SD 415	1,406	3	3.1%
Evergreen SD 114	1,509	4	2.8%	Tacoma SD 010	1,354	4	2.9%
Kent SD 415	1,466	5	2.7%	Evergreen SD 114	1,159	5	2.5%
Lake Washington SD 414	1,329	6	2.4%	Federal Way SD 210	1,118	6	2.4%
Federal Way SD 210	1,262	7	2.3%	Lake Washington SD 414	1,082	7	2.4%
Vancouver SD 037	1,139	8	2.1%	Edmonds SD 015	1,010	8	2.2%
Edmonds SD 015	1,122	9	2.1%	Vancouver SD 037	988	9	2.2%
Bellevue SD 405	1,079	10	2.0%	Puyallup SD 003	893	10	1.9%
All other*	39,613		72.8%	All other	33,185		72.3%
<b>Total (330 Employers)</b>	<b>54,405</b>		<b>100.0%</b>	<b>Total (330 employers)</b>	<b>45,930</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	28	128
School Districts	292	39,485
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
<b>Total</b>	<b>320</b>	<b>39,613</b>

\*\*August 31, 2002 statistics.

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	80	1	31.6%	City of Seattle	220	1	20.2%
City of Tacoma	17	2	6.7%	City of Spokane	91	2	8.4%
City of Spokane	14	3	5.5%	City of Tacoma	90	3	8.3%
City of Bellevue	10	4	3.9%	City of Bellingham	45	4	4.1%
City of Everett	9	5	3.6%	City of Bellevue	38	5	3.5%
City of Bellingham	7	6	2.8%	King County	35	6	3.2%
Pierce County FPD 03	7	7	2.8%	City of Everett	28	7	2.6%
King County	6	8	2.4%	City of Spokane	26	8	2.4%
City of Pasco	5	9	2.0%	City of Kent	19	9	1.7%
Snohomish County FPD 01	5	10	2.0%	City of Renton	19	10	1.7%
All other*	93		36.7%	All other	478		43.9%
<b>Total (62 Employers)</b>	<b>253</b>		<b>100.0%</b>	<b>Total (132 employers)</b>	<b>1,089</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	-	-
School Districts	-	-
Counties/Municipalities	40	74
Other Political Subdivisions	12	19
<b>Total</b>	<b>52</b>	<b>93</b>

\*\*2002 calendar year statistics.

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

2011				2002**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	2,268	1	13.4%	City of Seattle	2,033	1	14.4%
City of Tacoma	746	2	4.4%	King County	654	2	4.7%
King County	705	3	4.2%	City of Tacoma	652	3	4.6%
City of Spokane	539	4	3.2%	City of Spokane	506	4	3.6%
City of Bellevue	378	5	2.2%	Pierce County	345	5	2.5%
City of Vancouver	351	6	2.1%	City of Everett	329	6	2.3%
City of Everett	350	7	2.1%	City of Vancouver	317	7	2.3%
Pierce County	292	8	1.7%	City of Bellevue	314	8	2.2%
Snohomish County	261	9	1.6%	City of Kent	245	9	1.7%
City of Bellingham	257	10	1.5%	Snohomish County	217	10	1.5%
All other*	10,756		63.6%	All other	8,477		60.2%
<b>Total (374 Employers)</b>	<b>16,903</b>		<b>100.0%</b>	<b>Total (360 employers)</b>	<b>14,089</b>		<b>100.0%</b>

\*In 2011, "all other" consisted of:

Type	Number	Employees
State Agencies	8	229
School Districts	-	-
Counties/Municipalities	204	6,605
Other Political Subdivisions	152	3,922
<b>Total</b>	<b>364</b>	<b>10,756</b>

\*\*2002 calendar year statistics.

### Principal Participating Employers by Plan: JRS Current Year and Nine Years Prior

2011				2002*			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Administrative Office of the Courts	2	1	66.7%	Administrative Office of the Courts	15	1	68.2%
Supreme Court	1	2	33.3%	Court of Appeals	5	2	22.7%
All other	-		-	Supreme Court	2	3	9.1%
<b>Total (2 employers)</b>	<b>3</b>		<b>100.0%</b>	<b>Total (3 employers)</b>	<b>22</b>		<b>100.0%</b>

\*2002 calendar year statistics.



## Employers Covered by DRS Administered Retirement Systems

As of June 30, 2011 (page 1 of 12)

### State Agencies

Administrative Office of the Courts	Dept. of Social & Health Services (9)	Office of Public Defense
Board for Volunteer Firefighters	Dept. of Transportation	Office of the Attorney General
Board of Industrial Insurance Appeals	Dept. of Veterans' Affairs	Office of the Forecast Council
Board of Tax Appeals	Eastern State Hospital	Office of the Governor
Center for Childhood Deafness & Hearing Loss	Eastern WA State Historical Society	Office of the Insurance Commissioner
Child Study & Treatment Ctr.	Echo Glen Children's Ctr.	Office of the Lieutenant Governor
Consolidated Support Services	Economic Development Finance Auth.	Office of the Secretary of State
Corrections Health Services	Environmental Hearings Office	Office of the State Actuary
County Road Administration Board	Fircrest School	Office of the State Auditor
Court of Appeals	Frances H. Morgan Ctr.	Office of the State Treasurer
Dept. of Agriculture	Governor's Office of Indian Affairs	Puget Sound Partnership
Dept. of Archaeology-Historic Preservation	Green Hill School	Rainier School
Dept. of Commerce	Health Care Facilities Auth.	Recreation & Conservation Office
Dept. of Corrections	Higher Education Coordinating Board	Senate
<i>Corrections Northeast Region</i>	House of Representatives	Soldiers Home of WA State
<i>Corrections Northwest Region</i>	Human Resource Info. System Division	Special Commitment Ctr.
<i>Corrections Southeast Region</i>	Indeterminate Sentence Review Board	State Board for Community & Technical Colleges
<i>Corrections Southwest Region</i>	Joint Legislative Audit & Review Committee	State Board of Accountancy
Dept. of Early Learning	Joint Legislative Systems Committee	State of WA Caseload Forecast Council
Dept. of Ecology	Joint Transportation Committee	Statute Law Committee
Dept. of Employment Security	Lakeland Village	Superintendent of Public Instruction
Dept. of Financial Institutions	Law Library	Supreme Court
Dept. of Fish & Wildlife	LEAP Committee	Transportation Improvement Board
Dept. of General Administration	LEOFF Plan 2 Retirement Board	Veterans Home - Spokane
Dept. of Health	Liquor Control Board	WA Pollution Liability Insurance Agency
Dept. of Information Services	Maple Lane School	WA State Bar Assn.
Dept. of Labor & Industries	Military Dept.	WA State Ferries
Dept. of Licensing	Naselle Youth Camp	WA State Health Care Auth.
Dept. of Natural Resources	Office of Administrative Hearings	WA State Historical Society
Dept. of Personnel	Office of Civil Legal Aid	WA State Investment Board
Dept. of Printing	Office of Financial Mgmt.	WA State Patrol
Dept. of Retirement Systems	Office of Minority & Women's Business Enterprises	WA State School Directors' Assn.
Dept. of Revenue		WA State School for the Blind
Dept. of Services for the Blind		WA Veterans' Home

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (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  
Gambling  
Grain  
Hispanic Affairs  
Hop  
Horse Racing  
Housing Finance  
Human Rights  
Judicial Conduct  
Lottery  
Marine Employees  
Parks & Recreation  
Potato  
Public Disclosure  
Public Employment Relations  
Puget Sound Pilotage  
Redistricting  
Salaries for Elected Officials  
Sentencing Guidelines  
Traffic Safety  
Tree Fruit Research  
Utilities & Transportation  
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 Hartline  
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, 2011 (page 3 of 12)

### School Districts (continued)

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

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (page 4 of 12)

### School Districts (continued)

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

White Salmon  
 Wilbur  
 Willapa Valley  
 Wilson Creek  
 Winlock  
 Wishkah Valley  
 Wishram  
 Woodland  
 Yakima  
 Yelm  
 Zillah

### Educational Service Districts

E.S.D. 105  
 E.S.D. 112  
 E.S.D. 113  
 E.S.D. 123  
 E.S.D. NW  
 North Central WA E.S.D.  
 North East E.S.D. 101  
 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  
 Centralia College  
 Clark Community College  
 Clover Park Technical College  
 Columbia Basin Community College  
 Edmonds Community College  
 Everett Community College  
 Grays Harbor College  
 Green River Community College  
 Highline Community College

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (page 5 of 12)

<b>Community Colleges, Technical Colleges (continued)</b>	Bellingham	Darrington (Town of)
Lake Washington Technical College	Benton City	Davenport
Lower Columbia Community College	Bingen	Dayton
Olympic College	Black Diamond	Deer Park
Peninsula College	Blaine	Des Moines
Pierce College	Bonney Lake	Dupont
Renton Technical College	Bothell	Duvall
Seattle Community College	Bremerton	East Wenatchee
Shoreline Community College	Brewster	Eatonville (Town of)
Skagit Valley College	Bridgeport (Town of)	Edgewood
South Puget Sound Community College	Brier	Edmonds
Tacoma Community College	Buckley	Electric City (Town of)
Walla Walla Community College	Burien	Ellensburg
Wenatchee Valley College	Burlington	Elma
Whatcom Community College	Camas	Elmer City (Town of)
Yakima Valley College	Carbonado (Town of)	Entiat
	Carnation	Enumclaw
	Cashmere	Ephrata
	Castle Rock	Everett
	Cathlamet (Town of)	Everson
	Centralia	Federal Way
<b>Universities</b>	Chehalis	Ferndale
Central Washington University	Chelan	Fife
Eastern Washington University	Cheney	Fircrest
Evergreen State College	Chewelah	Forks
University of Washington	Clarkston	Friday Harbor (Town of)
Washington State University	Cle Elum	Garfield (Town of)
Western Washington University	Clyde Hill	George
	Colfax	Gig Harbor
<b>Cities &amp; Towns</b>	College Place	Gold Bar
Aberdeen	Colton (Town of)	Goldendale
Airway Heights	Colville	Grand Coulee
Algona	Conconully (Town of)	Grandview
Anacortes	Concrete (Town of)	Granger (Town of)
Arlington	Connell	Granite Falls (Town of)
Asotin	Cosmopolis	Harrington (Town of)
Auburn	Coulee City (Town of)	Hoquiam
Bainbridge Island	Coulee Dam (Town of)	Hunts Point (Town of)
Battle Ground	Coupeville (Town of)	Ilwaco
Beaux Arts Village	Creston (Town of)	Issaquah
Bellevue	Cusick (Town of)	Kalama

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (page 6 of 12)

### Cities & Towns (continued)

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
Milton	Puyallup	Sumas
Monroe	Quincy	Sumner
Montesano	Rainier	Sunnyside
Morton	Raymond	Tacoma
Moses Lake	Reardan (Town of)	Tekoa
Mossyrock	Redmond	Tenino
	Renton	Tieton

## Employers Covered by DRS Administered Retirement Systems

As of June 30, 2011 (page 7 of 12)

### Cities & Towns (continued)

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  
SW Clean Air Agency

Spokane Regional Clean Air Auth.  
Yakima Regional Clean Air Auth.

### Area Agencies on Aging

Aging & Adult Care of Central WA  
Aging & Long-Term Care of Eastern WA  
Olympic Area Agency on Aging

### Conservation Districts

Cascadia  
Clallam  
Columbia  
Cowlitz  
King  
Kittitas  
Okanogan  
Pacific  
Snohomish  
Spokane Co.  
Stevens Co.  
Thurston Co.  
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  
Chelan Co. FPDs 1, 3, 5, 6, 7 & 9  
Clallam Co. FPDs 2, 3 & 5  
Clark Co. Fire and Rescue  
Clark Co. FPDs 3, 5, 6, 10, & 13  
Columbia Co. FPD 3  
Cowlitz Co. FPDs 1-3, 5 & 6  
Cowlitz-Skamania Co. FPD 7  
Douglas Co. FPD 2

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (page 8 of 12)

### Fire Protection Districts (continued)

Douglas-Okanogan Co. FPD 15  
 East County Fire & Rescue  
 Franklin Co. FPD 3  
 Garfield 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, 2, 3 & 4  
 Kent Fire Dept. Regional Fire Auth.  
 King Co. FPDs 2, 10, 16, 20, 27, 28, 34, 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, 5, 10, 14 & 15  
 Marysville Fire Dist. 12  
 Mason Co. FPDs 2-6 & 13  
 North County Regional Fire Auth.  
 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, 10, 13, 14, 16-18, 21-23 & 27  
 Prosser FPD 3  
 Riverside Fire Auth.  
 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.  
 SE Thurston Fire Auth.  
 Spokane Co., FPDs 3, 4, 8-10 & 13  
 Spokane Valley Fire Dept.  
 Stevens Co. FPD 1  
 Thurston Co. FPDs 3, 5, 6, 8, 9, 12, 13 & 17  
 Valley Regional Fire Auth.  
 Vashon Island Fire & Rescue  
 Walla Walla Co. FPDs 4 & 5  
 West Thurston Regional Fire Auth.  
 Whatcom Co. FPDs 1, 4, 7, 8, 14, & 17  
 Woodinville Fire and Rescue  
 Yakima Co. FPDs 4, 5, & 12

### 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.  
 Kittitas Co. Public Hospital Dist. 2  
 North Central WA Regional Support Network  
 North Sound Regional Support Network  
 Snohomish Health Dist.  
 Spokane Regional Health Dist.  
 Timberlands Regional Support Network  
 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 Ctr.  
 North Country Emergency Medical Service  
 NE King County Public Safety Communication Agency  
 RIVERCOM  
 San Juan Is. Emergency Medical Services  
 Skagit Co. EMS Commission  
 Skagit 911 (SECOM)  
 Snocom Medic-7  
 Snohomish Co. Emergency Radio System  
 South Beach Ambulance Service  
 Thurston 911 Communications  
 Valley Communication Ctr.

### Housing Authorities

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



## Employers Covered by DRS Administered Retirement Systems

As of June 30, 2011 (page 9 of 12)

### Housing Authorities (continued)

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

### Insurance Authorities

Enduris Washington  
 Transit Insurance Pool of WA  
 WA Cities Insurance Auth.  
 WA Counties Insurance Fund  
 WA Counties Risk Pool  
 Water & Sewer Insurance Pool

### Irrigation, Sewer & Water Districts

Agnew Irrigation Dist.  
 Ahtanum Irrigation Dist.  
 Alderwood Water Dist.  
 Beacon Hill Water & Sewer Dist.  
 Belfair Water Dist.  
 Benton Irrigation Dist.  
 Birch Bay Water & Sewer Dist.  
 Brewster Flat Irrigation Dist.  
 Cascade Irrigation Dist.  
 Cedar River Water & Sewer Dist.  
 Chinook Water Dist.

Clark Regional Wastewater Dist.  
 Clinton Water Dist.  
 Coal Creek Utility Dist.  
 Coalition for Clean Water  
 Columbia Irrigation Dist.  
 Columbia Valley Water Dist.  
 Consolidated Diking  
 Improvement Dist. 1 & 2  
 Consolidated Irrigation Dist. 19  
 Covington Water Dist.  
 Cross Valley Water Dist.  
 Dallesport Water Dist.  
 Diamond Lake Water & Sewer  
 Dist.  
 Douglas Co. Sewer Dist. 1  
 East Columbia Basin Irrigation  
 Dist.  
 East Spokane Water Dist. 1  
 East Wenatchee Water Dist.  
 Eastsound Sewer & Water Dist.  
 Fall City Water Dist.  
 Franklin Co. Irrigation Dist. 1  
 Gardena Farms Dist. 13  
 Glacier Water Dist.  
 Grays Harbor Co. Water Dist. 1  
 Greater Wenatchee Irrigation Dist.  
 Highland Irrigation Dist.  
 Highline Water Dist.  
 Holmes Harbor Sewer Dist.  
 Icicle Irrigation Dist.  
 Irvin Water Dist. 6  
 Kennewick Irrigation Dist.  
 King Co. Water Dist. 19, 20, 45,  
 49, 54, 90, 111, 119 & 125  
 Kiona Irrigation Dist.  
 Kittitas Reclamation Dist.  
 Lake Chelan Reclamation Dist.  
 Lake Forest Park Water Dist.  
 Lake Stevens Sewer Dist.  
 Lake Whatcom Water & 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 & Wastewater  
 Dist.  
 Naches Selah Irrigation Dist.  
 North Beach Water Dist.  
 North Perry Ave. Water Dist.  
 North Spokane Irrigation Dist. 8  
 NE Sammamish Sewer & Water  
 Dist.  
 Northshore Utility Dist.  
 Okanogan Irrigation Dist.  
 Olympic View Water Dist.  
 Orchard Ave. Irrigation Dist.  
 Oroville-Tonasket Irrigation Dist.  
 Pasadena Park Irrigation Dist. 17  
 Point Roberts Water Dist. 4  
 Quincy Columbia Basin Irrigation  
 Dist.  
 Ronald Wastewater Dist.  
 Roza Irrigation Dist.  
 Samish Water Dist.  
 Sammamish Plateau Water &  
 Sewer Dist.  
 Selah-Moxee Irrigation Dist.  
 Shoreline Water Dist.  
 Silverdale Water Dist. 16  
 Silverlake Water Dist.  
 Skyway Water & Sewer Dist.  
 Snoqualmie Pass Utility Dist.  
 Soos Creek Water & Sewer Dist.

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (page 10 of 12)

### Irrigation, Sewer & Water Districts (continued)

South Columbia Basin Irrigation Dist.  
 South King Co. Regional Water Assn.  
 SW Suburban Sewer Dist.  
 Spokane Co. Water Dist. 3  
 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  
 Walla Walla Management Partnership  
 Wenatchee Reclamation Dist.  
 Whatcom Co. Water Dist. 2  
 Whitestone Reclamation Dist.  
 Whitworth Water Dist. 2  
 Willapa Valley Water Dist.  
 Woodinville Water Dist.  
 Yakima-Tieton Irrigation Dist.

### 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  
 Jefferson Co. Rural Library Dist.  
 King Co. Law Library  
 King Co. Rural Library Dist.  
 Kitsap Regional Library  
 La Conner Regional Library  
 Lopez Island Library Dist.  
 Mid-Columbia Regional Library  
 North Central Regional Library  
 North Olympic Library System  
 Orcas Island Library Dist.  
 Pend Oreille Library  
 Pierce Co. Law Library  
 Pierce Co. Rural Library Dist.  
 San Juan Island Co. Library  
 Sno-Isle Regional Library  
 Spokane Co. Law Library  
 Spokane Co. Library Dist.  
 Stevens Co. Rural Library  
 Timberland Regional Library  
 Upper Skagit Library Dist.  
 Walla Walla Co. Rural Library  
 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  
 Everett  
 Friday Harbor  
 Grant Co. 1, 8 & 9  
 Grays Harbor  
 Ilwaco  
 Kalama  
 Kennewick  
 Kingston  
 Klickitat  
 Longview  
 Mattawa  
 Moses Lake  
 Olympia  
 Orcas  
 Othello  
 Pasco  
 Peninsula  
 Port Angeles  
 Port Townsend  
 Ridgefield  
 Royal Slope  
 Seattle  
 Shelton  
 Skagit Co.  
 Skamania Co.  
 Sunnyside  
 Tacoma  
 Vancouver  
 Wahkiakum Co. 1  
 Walla Walla  
 Whitman Co.  
 Willapa Harbor  
 Woodland

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (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 Auth.  
 Grant Co. Public Works  
 Grant Co. PUD 2  
 Grays Harbor Co. PUD 1  
 Jefferson Co. PUD 1  
 Kitsap Co. PUD 1  
 Kittitas Co. PUD 1  
 Klickitat Co. PUD 1  
 Lewis Co. PUD 1  
 Mason Co. PUD 1 & 3  
 Okanogan Co. PUD 1  
 Pacific Co. PUD 2  
 Pend Oreille Co. PUD 1  
 Skagit Co. PUD 1  
 Skamania Co. PUD 1  
 Snohomish Co. PUD 1  
 Stevens Co. PUD  
 Thurston Co. PUD 1  
 Wahkiakum Co. PUD 1  
 Wells Hydroelectric Project  
 West Sound Utility Dist.

### Transit Authorities, Transportation Districts

Ben 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  
 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.  
 Snohomish Co. P.T.B.A.  
 Spokane Regional Transportation  
 Council  
 Spokane Transit Auth.  
 Valley Transit  
 Whatcom Transportation Auth.

### Associations, Unions

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 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  
 Lewis, Mason, Thurston Council  
 of Governments  
 Northwest Regional Council  
 Pacific Council of Governments  
 Pacific Mountain Workforce  
 Development Council  
 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.

## Employers Covered by DRS Administered Retirement Systems As of June 30, 2011 (page 12 of 12)

### Development Authorities/ Districts

Bellingham Public Development  
Auth.  
Cultural Development Auth. of  
King Co.  
Grays Harbor Public  
Development Auth.  
Tricounty Economic  
Development Dist.  
Walla Walla Joint Community  
Development Agency

### Cemetery Districts

Cowlitz Co. Cemetery Dist. 1, 2  
& 5  
Pend Oreille Cemetery Dist. 1  
Skagit Co. Cemetery Dist. 2

### Road Departments

Chelan Co. Roads  
Lincoln Co. Highway Dept.

### Public Facility Districts

Edmonds Public Facilities Dist.  
Lynnwood Public Facilities  
Spokane Public Facility Dist.  
WA State Public Stadium Auth.

### Other Government Entities

Pierce Co. Law Enforcement  
Support Agency  
Snohomish Co. Police Staff  
Auxiliary  
South Correctional Entity  
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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100**	199	169	19	5	6	166	28	3	2
101-200	483	331	–	43	109	328	99	54	2
201-300	1,575	1,140	3	106	326	1,100	318	150	7
301-400	1,767	1,236	22	119	390	1,166	415	180	6
401-500	1,951	1,404	1	95	451	1,281	415	242	13
501-600	2,054	1,447	1	119	487	1,332	417	287	18
601-700	2,189	1,616	–	101	472	1,450	419	298	22
701-800	2,132	1,541	1	92	498	1,355	419	336	22
801-900	2,135	1,557	3	108	467	1,372	418	321	24
901-1,000	2,077	1,563	1	88	425	1,298	397	356	26
Over 1,000	<u>37,180</u>	<u>34,311</u>	<u>3</u>	<u>458</u>	<u>2,408</u>	<u>24,641</u>	<u>6,017</u>	<u>4,987</u>	<u>1,535</u>
<b>Totals</b>	<u>53,742</u>	<u>46,315</u>	<u>54</u>	<u>1,334</u>	<u>6,039</u>	<u>35,489</u>	<u>9,362</u>	<u>7,214</u>	<u>1,677</u>

\*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.

\*\*Includes L&J holdoffs.

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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	393	202	–	145	46	252	120	14	7
101-200	1,404	886	–	346	172	968	358	58	20
201-300	1,627	1,168	–	266	193	1,098	391	106	32
301-400	1,682	1,252	–	219	211	1,118	432	91	41
401-500	1,604	1,246	–	181	177	1,075	383	105	41
501-600	1,481	1,182	–	139	160	921	399	115	46
601-700	1,385	1,166	–	98	121	911	341	92	41
701-800	1,387	1,201	–	80	106	904	313	110	60
801-900	1,271	1,129	–	63	79	863	268	89	51
901-1,000	1,225	1,113	–	56	56	819	249	113	44
Over 1,000	<u>8,584</u>	<u>8,247</u>	<u>–</u>	<u>101</u>	<u>236</u>	<u>5,825</u>	<u>1,255</u>	<u>1,051</u>	<u>453</u>
<b>Totals</b>	<u>22,043</u>	<u>18,792</u>	<u>–</u>	<u>1,694</u>	<u>1,557</u>	<u>14,754</u>	<u>4,509</u>	<u>1,944</u>	<u>836</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 Benefit Recipients by Type of Benefit: PERS Plan 3**  
For the Twelve Months Ended June 30, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	16	6	–	6	4	6	9	1	–
101-200	113	70	–	22	21	61	44	7	1
201-300	181	156	–	10	15	126	37	12	6
301-400	176	155	–	12	9	108	39	19	10
401-500	168	152	–	6	10	116	32	13	7
501-600	91	83	–	4	4	57	22	11	1
601-700	94	89	–	1	4	71	12	6	5
701-800	56	53	–	–	3	33	11	10	2
801-900	42	42	–	–	–	29	10	1	2
901-1,000	37	36	–	–	1	24	6	2	5
Over 1,000	140	139	–	–	1	97	20	17	6
<b>Totals</b>	<b>1,114</b>	<b>981</b>	<b>–</b>	<b>61</b>	<b>72</b>	<b>728</b>	<b>242</b>	<b>99</b>	<b>45</b>

\*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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	46	14	–	27	5	26	17	2	1
101-200	331	250	–	55	26	231	78	12	10
201-300	386	322	–	36	28	269	89	17	11
301-400	406	351	–	33	22	286	86	24	10
401-500	351	316	–	23	12	261	60	17	13
501-600	329	304	–	14	11	231	64	24	10
601-700	263	246	–	6	11	193	40	23	7
701-800	199	194	–	4	1	161	24	12	2
801-900	202	197	–	2	3	154	23	21	4
901-1,000	149	144	–	2	3	112	21	13	3
Over 1,000	649	631	–	3	15	479	76	68	26
<b>Totals</b>	<b>3,311</b>	<b>2,969</b>	<b>–</b>	<b>205</b>	<b>137</b>	<b>2,403</b>	<b>578</b>	<b>233</b>	<b>97</b>

\*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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	104	82	–	13	9	63	31	6	4
101-200	512	453	–	26	33	364	117	23	8
201-300	529	490	–	12	27	390	105	21	13
301-400	352	335	–	10	7	272	62	11	7
401-500	198	192	–	2	4	139	34	17	8
501-600	131	129	–	1	1	97	21	7	6
601-700	83	81	–	1	1	64	6	10	3
701-800	60	59	–	1	–	46	7	4	3
801-900	38	38	–	–	–	25	6	4	3
901-1,000	21	20	–	–	1	17	1	3	–
Over 1,000	45	45	–	–	–	34	4	5	2
<b>Totals</b>	<b>2,073</b>	<b>1,924</b>	<b>–</b>	<b>66</b>	<b>83</b>	<b>1,511</b>	<b>394</b>	<b>111</b>	<b>57</b>

\*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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	3	1	–	1	1	2	1	–	–
101-200	1	1	–	–	–	1	–	–	–
201-300	2	1	–	1	–	2	–	–	–
301-400	1	1	–	–	–	1	–	–	–
401-500	–	–	–	–	–	–	–	–	–
501-600	–	–	–	–	–	–	–	–	–
601-700	–	–	–	–	–	–	–	–	–
701-800	–	–	–	–	–	–	–	–	–
801-900	–	–	–	–	–	–	–	–	–
901-1,000	–	–	–	–	–	–	–	–	–
Over 1,000	–	–	–	–	–	–	–	–	–
<b>Totals</b>	<b>7</b>	<b>4</b>	<b>–</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>–</b>	<b>–</b>

\*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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	47	45	–	–	2	39	6	2	–
101-200	194	181	–	2	11	131	45	17	1
201-300	518	442	–	16	60	376	108	29	5
301-400	526	427	–	22	77	356	128	37	5
401-500	533	411	–	26	96	335	134	55	9
501-600	528	384	–	35	109	336	124	62	6
601-700	554	376	–	31	147	332	115	104	3
701-800	693	480	–	34	179	408	135	142	8
801-900	733	455	–	36	242	370	169	185	9
901-1,000	736	471	–	27	238	348	158	221	9
Over 1,000	<u>30,953</u>	<u>28,952</u>	<u>–</u>	<u>461</u>	<u>1,540</u>	<u>20,044</u>	<u>5,856</u>	<u>3,875</u>	<u>1,178</u>
<b>Totals</b>	<u>36,015</u>	<u>32,624</u>	<u>–</u>	<u>690</u>	<u>2,701</u>	<u>23,075</u>	<u>6,978</u>	<u>4,729</u>	<u>1,233</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 Benefit Recipients by Type of Benefit: TRS Plan 2**  
For the Twelve Months Ended June 30, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	27	20	–	4	3	21	5	1	–
101-200	40	29	–	8	3	24	14	1	1
201-300	65	52	–	8	5	49	14	2	–
301-400	85	64	–	10	11	58	22	5	–
401-500	107	87	–	8	12	76	21	8	2
501-600	105	86	–	6	13	67	24	5	9
601-700	100	84	–	4	12	70	26	3	1
701-800	124	108	–	8	8	69	34	16	5
801-900	120	95	–	11	14	74	36	7	3
901-1,000	106	95	–	5	6	79	20	5	2
Over 1,000	<u>1,441</u>	<u>1,407</u>	<u>–</u>	<u>11</u>	<u>23</u>	<u>1,033</u>	<u>198</u>	<u>128</u>	<u>82</u>
<b>Totals</b>	<u>2,320</u>	<u>2,127</u>	<u>–</u>	<u>83</u>	<u>110</u>	<u>1,620</u>	<u>414</u>	<u>181</u>	<u>105</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 Benefit Recipients by Type of Benefit: TRS Plan 3**  
For the Twelve Months Ended June 30, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2 (100%)	3 (50%)	4 (66%)
\$0-100	35	16	–	11	8	20	14	1	–
101-200	141	93	–	18	30	80	55	3	3
201-300	250	203	–	16	31	152	78	16	4
301-400	241	209	–	7	25	180	45	11	5
401-500	228	212	–	4	12	172	44	4	8
501-600	213	201	–	3	9	153	38	13	9
601-700	196	188	–	–	8	147	35	8	6
701-800	144	137	–	–	7	95	28	17	4
801-900	124	121	–	–	3	78	20	19	7
901-1,000	136	132	–	1	3	90	25	13	8
Over 1,000	527	518	–	1	8	376	84	41	26
<b>Totals</b>	<b>2,235</b>	<b>2,030</b>	<b>–</b>	<b>61</b>	<b>144</b>	<b>1,543</b>	<b>466</b>	<b>146</b>	<b>80</b>

\*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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (A)	2** (100%)	3** (50%)	4** (66%)
\$0-100	4	4	–	–	–	4	–	–	–
101-200	7	7	–	–	–	6	–	1	–
201-300	3	2	–	–	1	3	–	–	–
301-400	7	6	–	–	1	6	1	–	–
401-500	8	6	–	–	2	8	–	–	–
501-600	13	10	–	–	3	13	–	–	–
601-700	11	9	–	–	2	9	2	–	–
701-800	12	10	–	–	2	12	–	–	–
801-900	18	14	–	–	4	16	1	1	–
901-1,000	11	7	–	–	4	11	–	–	–
Over 1,000	7,914	2,632	3,341	499	1,442	7,358	450	50	56
<b>Totals</b>	<b>8,008</b>	<b>2,707</b>	<b>3,341</b>	<b>499</b>	<b>1,461</b>	<b>7,446</b>	<b>454</b>	<b>52</b>	<b>56</b>

\*1 – A is the standard option, 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, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)
\$0-100	8	7	–	1	–	6	1	1	–
101-200	8	4	–	1	3	4	3	1	–
201-300	16	9	4	1	2	8	7	1	–
301-400	21	9	3	1	8	11	8	2	–
401-500	27	22	4	1	–	11	10	5	1
501-600	28	19	4	1	4	13	14	–	1
601-700	29	24	2	–	3	11	13	3	2
701-800	32	19	7	2	4	17	12	3	–
801-900	41	34	4	–	3	22	14	2	3
901-1,000	28	21	3	2	2	18	8	1	1
Over 1,000	<u>1,401</u>	<u>1,187</u>	<u>127</u>	<u>24</u>	<u>63</u>	<u>651</u>	<u>445</u>	<u>169</u>	<u>136</u>
<b>Totals</b>	<u><u>1,639</u></u>	<u><u>1,355</u></u>	<u><u>158</u></u>	<u><u>34</u></u>	<u><u>92</u></u>	<u><u>772</u></u>	<u><u>535</u></u>	<u><u>188</u></u>	<u><u>144</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.  
\*\* 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: WSPRS Plan 1**  
For the Twelve Months Ended June 30, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*	
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (A)	2** (B)
\$0-100	–	–	–	–	–	–	
101-200	2	2	–	–	–	–	
201-300	–	–	–	–	–	–	
301-400	–	–	–	–	–	–	
401-500	1	1	–	–	–	–	
501-600	–	–	–	–	–	–	
601-700	6	1	–	–	5	1	
701-800	8	2	–	–	6	1	
801-900	7	1	–	–	6	–	
901-1,000	4	–	–	–	4	–	
Over 1,000	<u>823</u>	<u>713</u>	<u>–</u>	<u>–</u>	<u>110</u>	<u>183</u>	
<b>Totals</b>	<u><u>851</u></u>	<u><u>720</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>131</u></u>	<u><u>185</u></u>	

\*1 – Option A is the standard option, 100% joint and survivor, with additional benefits to eligible children.  
2 – Option B is 100% joint and survivor, but the initial pension is the actuarial equivalent of the single life annuity.  
\*\*This option is available for post retirement marriages.

Source: Washington State Office of the State Actuary

**Schedule of Benefit Recipients by Type of Benefit: JRS**  
For the Twelve Months Ended June 30, 2010

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (A)	2** (100%)	3** (50%)	4** (66%)
\$0-100	-	-	-	-	-	-	-	-	-
101-200	-	-	-	-	-	-	-	-	-
201-300	-	-	-	-	-	-	-	-	-
301-400	-	-	-	-	-	-	-	-	-
401-500	-	-	-	-	-	-	-	-	-
501-600	-	-	-	-	-	-	-	-	-
601-700	-	-	-	-	-	-	-	-	-
701-800	-	-	-	-	-	-	-	-	-
801-900	-	-	-	-	-	-	-	-	-
901-1,000	-	-	-	-	-	-	-	-	-
Over 1,000	<u>125</u>	<u>82</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>116</u>	<u>8</u>	<u>-</u>	<u>1</u>
<b>Totals</b>	<u><u>125</u></u>	<u><u>82</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>43</u></u>	<u><u>116</u></u>	<u><u>8</u></u>	<u><u>-</u></u>	<u><u>1</u></u>

\*1 – A is the standard option, 50% joint and survivor, for eligible spouses, 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 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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$456.42	\$1,100.41	\$1,426.42	\$2,003.96	\$2,931.01	\$3,388.27
Average Final Salary (Monthly)*	\$3,755.10	\$4,211.26	\$4,053.07	\$4,439.81	\$5,328.15	\$5,679.56
Number of Active Retirees	158	126	169	215	228	596
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$496.59	\$943.47	\$1,430.86	\$2,171.94	\$2,965.90	\$3,381.04
Average Final Salary (Monthly)*	\$3,983.17	\$3,711.90	\$4,081.31	\$4,766.33	\$5,372.21	\$5,660.85
Number of Active Retirees	143	122	160	182	263	590
<b>Period 7/1/07 to 6/30/08</b>						
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
<b>Period 10/1/06 to 6/30/07</b>						
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
<b>Period 10/1/05 to 9/30/06</b>						
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
<b>Period 10/1/04 to 9/30/05</b>						
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
<b>Period 10/1/03 to 9/30/04</b>						
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
<b>Period 10/1/02 to 9/30/03</b>						
Average Monthly Benefit*	\$352.67	\$745.84	\$1,216.41	\$1,696.38	\$2,672.02	\$2,902.88
Average Final Salary (Monthly)*	\$3,143.11	\$3,052.16	\$3,572.79	\$3,686.95	\$4,815.61	\$4,995.48
Number of Active Retirees	138	118	157	243	988	504
<b>Period 10/1/01 to 9/30/02</b>						
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
<b>Period 1/1/01 to 9/30/01</b>						
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
<b>Period 1/1/00 to 12/31/00</b>						
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

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$476.80	\$891.24	\$1,407.69	\$1,646.55	\$2,529.93	\$3,002.36
Average Final Salary (Monthly)*	\$3,592.08	\$3,644.54	\$4,246.31	\$4,405.77	\$5,011.27	\$5,291.83
Number of Active Retirees	461	403	489	430	435	157
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$424.97	\$952.70	\$1,323.26	\$1,620.48	\$2,440.27	\$2,885.16
Average Final Salary (Monthly)*	\$3,322.80	\$3,831.80	\$4,055.40	\$4,246.60	\$4,820.87	\$5,267.21
Number of Active Retirees	510	331	408	414	409	73
<b>Period 7/1/07 to 6/30/08</b>						
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
<b>Period 10/1/06 to 6/30/07</b>						
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	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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
<b>Period 10/1/03 to 9/30/04</b>						
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
<b>Period 10/1/02 to 9/30/03</b>						
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
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 1/1/01 to 9/30/01</b>						
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	-

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit**	\$206.96	\$372.48	\$650.80	\$898.92	\$1,237.32	\$1,399.82
Average Final Salary (Monthly)**	\$3,977.34	\$3,840.32	\$4,624.96	\$4,778.36	\$5,284.05	\$5,238.95
Number of Active Retirees	14	41	50	40	30	17
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit**	\$203.00	\$370.16	\$590.03	\$868.92	\$1,140.46	\$959.19
Average Final Salary (Monthly)**	\$3,144.81	\$3,813.15	\$4,340.40	\$5,186.33	\$5,312.97	\$3,803.49
Number of Active Retirees	22	39	40	38	32	1
<b>Period 7/1/07 to 6/30/08</b>						
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	-
<b>Period 10/1/06 to 6/30/07</b>						
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	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-
<b>Period 10/1/03 to 9/30/04</b>						
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
<b>Period 10/1/02 to 9/30/03</b>						
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	-	-
<b>Period 10/1/01 to 9/30/02</b>						
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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$329.64	\$499.38	\$697.76	\$959.01	\$1,466.33	\$1,877.92
Average Final Salary (Monthly)*	\$2,325.81	\$2,018.06	\$2,147.60	\$2,636.97	\$2,910.30	\$3,246.34
Number of Active Retirees	76	102	94	86	56	18
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$306.14	\$490.36	\$717.17	\$982.85	\$1,597.73	\$2,427.76
Average Final Salary (Monthly)*	\$1,974.14	\$2,020.86	\$2,133.43	\$2,542.47	\$3,044.62	\$3,936.89
Number of Active Retirees	97	91	86	89	47	1
<b>Period 7/1/07 to 6/30/08</b>						
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	-
<b>Period 10/1/06 to 6/30/07</b>						
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	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-
<b>Period 10/1/03 to 9/30/04</b>						
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	-
<b>Period 10/1/02 to 9/30/03</b>						
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	-
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 1/1/01 to 9/30/01</b>						
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	-	-

Retirees with missing or invalid data elements were excluded.  
 \*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

**Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: SERS Plan 3**

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$179.29	\$250.79	\$345.57	\$504.72	\$737.83	\$1,141.89
Average Final Salary (Monthly)*	\$2,441.66	\$2,254.72	\$2,330.69	\$2,659.54	\$2,888.18	\$4,035.92
Number of Active Retirees	41	46	77	92	39	5
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$142.97	\$253.20	\$325.52	\$458.37	\$660.37	\$851.43
Average Final Salary (Monthly)*	\$2,070.97	\$2,338.58	\$2,190.72	\$2,412.90	\$2,879.59	\$2,972.85
Number of Active Retirees	43	50	106	88	47	3
<b>Period 7/1/07 to 6/30/08</b>						
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	-
<b>Period 10/1/06 to 6/30/07</b>						
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	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-
<b>Period 10/1/03 to 9/30/04</b>						
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	-
<b>Period 10/1/02 to 9/30/03</b>						
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	-
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 1/1/01 to 9/30/01</b>						
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.

\*At retirement (may not be audited).

Source: Washington State Office of the State Actuary



**Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: PSERS Plan 2\***

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit**	\$271.60	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)**	\$5,230.39	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	3	-	-	-	-	-

Retirees with missing or invalid data elements were excluded.

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

\*\*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

**Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: TRS Plan 1**

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$438.54	\$989.00	\$1,631.06	\$2,361.44	\$3,124.49	\$3,493.23
Average Final Salary (Monthly)*	\$3,228.12	\$3,923.42	\$4,939.54	\$5,582.54	\$6,092.38	\$6,401.14
Number of Active Retirees	74	56	72	128	132	330
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$453.06	\$1,006.59	\$1,618.97	\$2,354.28	\$2,904.77	\$3,314.77
Average Final Salary (Monthly)*	\$3,243.52	\$4,073.33	\$5,030.12	\$5,709.31	\$5,870.41	\$6,261.55
Number of Active Retirees	66	69	90	164	176	443
<b>Period 7/1/07 to 6/30/08</b>						
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
<b>Period 10/1/06 to 6/30/07</b>						
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
<b>Period 10/1/05 to 9/30/06</b>						
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
<b>Period 10/1/04 to 9/30/05</b>						
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
<b>Period 10/1/03 to 9/30/04</b>						
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
<b>Period 10/1/02 to 9/30/03</b>						
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
<b>Period 10/1/01 to 9/30/02</b>						
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
<b>Period 7/1/00 to 9/30/01</b>						
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

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$511.71	\$1,228.38	\$1,902.99	\$2,012.05	\$3,025.53	\$3,167.60
Average Final Salary (Monthly)*	\$3,830.95	\$4,964.28	\$5,759.54	\$5,413.19	\$5,762.55	\$5,520.72
Number of Active Retirees	42	47	47	42	41	13
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$520.28	\$1,146.03	\$1,602.18	\$2,141.67	\$2,938.41	\$3,665.93
Average Final Salary (Monthly)*	\$3,516.21	\$4,585.47	\$5,136.98	\$5,467.87	\$5,809.95	\$6,295.83
Number of Active Retirees	35	44	62	46	43	2
<b>Period 7/1/07 to 6/30/08</b>						
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	-
<b>Period 10/1/06 to 6/30/07</b>						
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	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-
<b>Period 10/1/03 to 9/30/04</b>						
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	-
<b>Period 10/1/02 to 9/30/03</b>						
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	-	-
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 7/1/00 to 9/30/01</b>						
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	-	-

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$319.39	\$545.45	\$786.31	\$1,078.33	\$1,453.56	\$1,699.32
Average Final Salary (Monthly)*	\$4,468.37	\$4,766.92	\$5,254.99	\$5,634.96	\$5,839.55	\$5,992.94
Number of Active Retirees	79	73	91	75	79	22
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$303.61	\$547.01	\$796.81	\$993.91	\$1,500.99	\$1,419.21
Average Final Salary (Monthly)*	\$4,534.11	\$5,211.68	\$5,389.18	\$5,394.30	\$5,833.52	\$5,397.36
Number of Active Retirees	76	53	84	77	83	5
<b>Period 7/1/07 to 6/30/08</b>						
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	-
<b>Period 10/1/06 to 6/30/07</b>						
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	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-
<b>Period 10/1/03 to 9/30/04</b>						
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	-
<b>Period 10/1/02 to 9/30/03</b>						
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	-	-
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 7/1/00 to 9/30/01</b>						
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	-	-

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$5,846.14	\$6,727.58
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$9,964.96	\$9,156.08
Number of Active Retirees	-	-	-	-	1	56
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$8,876.88	\$5,773.59
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$13,656.74	\$8,293.04
Number of Active Retirees	-	-	-	-	1	67
<b>Period 7/1/07 to 6/30/08</b>						
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
<b>Period 10/1/06 to 6/30/07</b>						
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
<b>Period 10/1/05 to 9/30/06</b>						
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
<b>Period 10/1/04 to 9/30/05</b>						
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
<b>Period 10/1/03 to 9/30/04</b>						
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
<b>Period 10/1/02 to 9/30/03</b>						
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
<b>Period 10/1/01 to 9/30/02</b>						
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
<b>Period 1/1/01 to 9/30/01</b>						
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

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$802.80	\$1,430.37	\$2,176.26	\$2,935.73	\$4,107.79	\$4,329.19
Average Final Salary (Monthly)*	\$5,885.87	\$5,662.91	\$6,203.07	\$6,911.64	\$7,594.47	\$7,264.63
Number of Active Retirees	24	17	21	43	99	33
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$826.57	\$1,481.13	\$2,064.59	\$2,981.51	\$3,846.34	\$4,459.60
Average Final Salary (Monthly)*	\$6,372.71	\$5,884.19	\$5,940.37	\$6,704.73	\$7,298.28	\$7,742.83
Number of Active Retirees	15	17	29	42	83	13
<b>Period 7/1/07 to 6/30/08</b>						
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	-
<b>Period 10/1/06 to 6/30/07</b>						
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
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-
<b>Period 10/1/03 to 9/30/04</b>						
Average Monthly Benefit*	\$801.24	\$1,298.02	\$1,819.42	\$2,342.40	\$3,069.32	\$-
Average Final Salary (Monthly)*	\$5,595.05	\$5,158.93	\$5,350.85	\$5,471.12	\$6,524.11	\$-
Number of Active Retirees	18	12	31	36	7	-
<b>Period 10/1/02 to 9/30/03</b>						
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	-
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 1/1/01 to 9/30/01</b>						
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	-	-

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+
<b>Period 7/1/09 to 6/3/10</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,603.10	\$5,653.44	\$5,437.71
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$7,241.18	\$9,302.30	\$8,000.30
Number of Active Retirees	-	-	-	9	10	3
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,205.87	\$3,984.48	\$5,748.34
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$6,495.52	\$7,139.94	\$8,014.31
Number of Active Retirees	-	-	-	2	7	3
<b>Period 7/1/07 to 6/30/08</b>						
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
<b>Period 10/1/06 to 6/30/07</b>						
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
<b>Period 10/1/05 to 9/30/06</b>						
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
<b>Period 10/1/04 to 9/30/05</b>						
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
<b>Period 10/1/03 to 9/30/04</b>						
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
<b>Period 10/1/02 to 9/30/03</b>						
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
<b>Period 10/1/01 to 9/30/02</b>						
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
<b>Period 1/1/01 to 9/30/01</b>						
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

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+
<b>Period 7/1/09 to 6/30/10</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$7,904.34	\$8,292.69	\$9,770.51
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$13,027.34	\$12,402.60	\$13,027.34
Number of Active Retirees	-	-	-	1	2	1
<b>Period 7/1/08 to 6/30/09</b>						
Average Monthly Benefit*	\$-	\$-	\$5,286.59	\$9,301.95	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$10,367.60	\$12,402.60	\$-	\$-
Number of Active Retirees	-	-	1	1	-	-
<b>Period 7/1/07 to 6/30/08</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$9,255.00
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$12,340.00
Number of Active Retirees	-	-	-	-	-	1
<b>Period 10/1/06 to 6/30/07</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	-	-	-	-	-	-
<b>Period 10/1/05 to 9/30/06</b>						
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	-
<b>Period 10/1/04 to 9/30/05</b>						
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	-	-
<b>Period 10/1/03 to 9/30/04</b>						
Average Monthly Benefit*	\$-	\$-	\$-	\$7,696.44	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$10,334.99	\$-	\$-
Number of Active Retirees	-	-	-	3	-	-
<b>Period 10/1/02 to 9/30/03</b>						
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	-	-
<b>Period 10/1/01 to 9/30/02</b>						
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	-	-
<b>Period 1/1/01 to 9/30/01</b>						
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 2002-2011  
(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 1,059,536	\$ 1,024,555	\$ 987,383	\$ 947,353	\$ 901,730	\$ 854,882	\$ 809,658	\$ 760,454	\$ 710,565	\$ 656,113
Disability	14,431	14,718	14,871	15,121	14,950	15,171	15,159	14,970	15,210	14,506
Survivor	75,555	72,113	68,675	65,460	62,315	59,370	56,057	53,341	50,908	48,111
<b>Refunds</b>										
Separations	2,930	3,997	3,612	4,011	4,194	4,796	4,093	4,309	4,224	5,422
Death	540	949	1,459	1,562	2,021	1,757	1,050	1,319	1,453	2,024
<b>Total</b>	<u>\$ 1,152,992</u>	<u>\$ 1,116,332</u>	<u>\$ 1,076,000</u>	<u>\$ 1,033,507</u>	<u>\$ 985,210</u>	<u>\$ 935,976</u>	<u>\$ 886,017</u>	<u>\$ 834,393</u>	<u>\$ 782,360</u>	<u>\$ 726,176</u>

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

For Years Ended 2002-2011  
(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 287,560	\$ 230,776	\$ 188,971	\$ 154,388	\$ 129,890	\$ 109,007	\$ 92,401	\$ 77,193	\$ 64,733	\$ 54,065
Disability	10,140	9,795	9,014	8,294	7,669	6,871	5,969	5,456	4,920	4,310
Survivor	13,243	11,194	9,334	7,635	6,243	5,218	4,372	3,525	2,807	2,177
<b>Refunds</b>										
Separations	27,956	25,005	22,798	24,498	21,866	22,378	20,515	23,729	27,645	38,626
Death	5,730	6,420	3,644	2,076	4,599	4,098	3,571	3,353	3,190	3,460
<b>Total</b>	<u>\$ 344,629</u>	<u>\$ 283,190</u>	<u>\$ 233,761</u>	<u>\$ 196,891</u>	<u>\$ 170,267</u>	<u>\$ 147,572</u>	<u>\$ 126,828</u>	<u>\$ 113,256</u>	<u>\$ 103,295</u>	<u>\$ 102,638</u>

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

For Years Ended 2002-2011  
(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 164	\$ 80	\$ 51	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
<b>Refunds</b>										
Separations	56,974	40,215	38,856	35,702	33,724	34,854	24,563	25,601	5,515	-
Death	2,169	1,508	1,346	2,589	1,530	685	970	980	222	-
<b>Total</b>	<b>\$ 59,307</b>	<b>\$ 41,803</b>	<b>\$ 40,253</b>	<b>\$ 38,314</b>	<b>\$ 35,254</b>	<b>\$ 35,539</b>	<b>\$ 25,533</b>	<b>\$ 26,581</b>	<b>\$ 5,737</b>	<b>\$ -</b>

\*PERS Plan 3 became effective March 1, 2002.

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

For Years Ended 2002-2011  
(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 40,753	\$ 32,202	\$ 26,468	\$ 20,944	\$ 16,230	\$ 12,352	\$ 9,167	\$ 5,902	\$ 3,647	\$ 1,646
Disability	1,198	1,068	1,037	928	781	736	664	568	442	355
Survivor	1,387	1,179	802	755	630	412	283	222	216	47
<b>Refunds</b>										
Separations	1,916	1,779	1,693	1,752	2,148	1,970	1,970	1,855	1,972	2,090
Death	576	346	432	293	368	507	221	170	248	307
<b>Total</b>	<b>\$ 45,830</b>	<b>\$ 36,574</b>	<b>\$ 30,432</b>	<b>\$ 24,672</b>	<b>\$ 20,157</b>	<b>\$ 15,977</b>	<b>\$ 12,305</b>	<b>\$ 8,717</b>	<b>\$ 6,525</b>	<b>\$ 4,445</b>

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

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 182	\$ 91	\$ 62	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
<b>Refunds</b>										
Separations	51,431	31,383	40,501	39,438	30,539	24,104	20,777	11,731	10,528	10,498
Death	1,811	2,533	1,540	377	1,538	842	701	633	800	373
<b>Total</b>	<u>\$ 53,424</u>	<u>\$ 34,007</u>	<u>\$ 42,103</u>	<u>\$ 39,823</u>	<u>\$ 32,077</u>	<u>\$ 24,946</u>	<u>\$ 21,478</u>	<u>\$ 12,364</u>	<u>\$ 11,328</u>	<u>\$ 10,871</u>

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

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 30	\$ 14	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	4	3	4	-	-	-	-	-	-	-
Survivor	1	-	-	-	-	-	-	-	-	-
<b>Refunds</b>										
Separations	1,747	895	450	151	22	-	-	-	-	-
Death	33	33	16	1	1	-	-	-	-	-
<b>Total</b>	<u>\$ 1,815</u>	<u>\$ 945</u>	<u>\$ 471</u>	<u>\$ 152</u>	<u>\$ 23</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 2002-2011  
(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service <sup>1</sup>	\$ 847,353	\$ 809,214	\$ 801,974	\$ 798,668	\$ 757,896	\$ 720,921	\$ 700,288	\$ 653,560	\$ 652,419	\$ 644,218
Disability	11,111	10,905	11,068	11,186	11,301	11,379	11,325	11,129	10,916	10,691
Survivor	41,355	39,131	37,220	35,132	33,147	31,313	29,505	27,554	25,919	24,100
<b>Refunds</b>										
Separations	1,389	574	930	827	841	714	878	1,792	1,521	2,313
Death	431	930	330	173	1,037	328	302	—	—	—
<b>Total</b>	<u>\$ 901,639</u>	<u>\$ 860,754</u>	<u>\$ 851,522</u>	<u>\$ 845,986</u>	<u>\$ 804,222</u>	<u>\$ 764,655</u>	<u>\$ 742,298</u>	<u>\$ 694,035</u>	<u>\$ 690,775</u>	<u>\$ 681,322</u>

<sup>1</sup>6/30/06 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 2002-2011  
(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 68,782	\$ 52,921	\$ 42,587	\$ 33,984	\$ 26,770	\$ 20,716	\$ 15,953	\$ 12,389	\$ 9,988	\$ 7,876
Disability	1,118	921	838	882	732	796	616	521	406	437
Survivor	2,238	1,812	1,370	1,150	1,032	839	549	506	467	356
<b>Refunds</b>										
Separations	1,584	2,092	1,423	1,712	2,284	2,023	2,611	2,432	3,082	4,220
Death	697	776	766	478	442	376	499	426	456	290
<b>Total</b>	<u>\$ 74,419</u>	<u>\$ 58,522</u>	<u>\$ 46,984</u>	<u>\$ 38,206</u>	<u>\$ 31,260</u>	<u>\$ 24,750</u>	<u>\$ 20,228</u>	<u>\$ 16,274</u>	<u>\$ 14,399</u>	<u>\$ 13,179</u>

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

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 542	\$ 257	\$ 128	\$ 45	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
<b>Refunds</b>										
Separations	110,425	67,158	74,586	82,756	59,658	40,397	33,660	23,911	18,611	17,375
Death	5,146	4,507	1,580	2,020	3,152	1,511	1,922	2,021	720	1,020
<b>Total</b>	<u>\$ 116,113</u>	<u>\$ 71,922</u>	<u>\$ 76,294</u>	<u>\$ 84,821</u>	<u>\$ 62,828</u>	<u>\$ 41,908</u>	<u>\$ 35,582</u>	<u>\$ 25,932</u>	<u>\$ 19,331</u>	<u>\$ 18,395</u>

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

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 134,321	\$ 132,450	\$ 126,562	\$ 119,464	\$ 112,073	\$ 105,527	\$ 100,529	\$ 95,318	\$ 89,457	\$ 83,586
Disability	147,653	150,521	148,846	145,795	143,468	140,552	139,928	139,544	139,236	135,537
Survivor	56,801	55,260	51,625	48,271	44,911	42,130	39,500	37,256	35,925	33,502
<b>Refunds</b>										
Separations	48	11	43	-	1	3	5	4	153	6
Death	-	3	150	150	10	-	-	129	5	87
<b>Total</b>	<u>\$ 338,823</u>	<u>\$ 338,245</u>	<u>\$ 327,226</u>	<u>\$ 313,680</u>	<u>\$ 300,463</u>	<u>\$ 288,212</u>	<u>\$ 279,962</u>	<u>\$ 272,251</u>	<u>\$ 264,776</u>	<u>\$ 252,718</u>

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

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service*	\$ 52,613	\$ 39,100	\$ 30,694	\$ 23,096	\$ 16,889	\$ 11,801	\$ 7,672	\$ 5,338	\$ 3,596	\$ 2,481
Disability	6,710	5,356	4,632	3,480	3,204	2,139	967	498	319	200
Survivor	2,553	1,702	1,289	929	720	493	339	207	144	61
<b>Refunds</b>										
Separations	7,155	6,739	6,112	6,350	7,557	6,238	7,117	5,367	4,810	8,554
Death	1,026	4,208	1,111	1,289	438	877	648	353	314	590
<b>Total</b>	<u>\$ 70,057</u>	<u>\$ 57,105</u>	<u>\$ 43,838</u>	<u>\$ 35,144</u>	<u>\$ 28,808</u>	<u>\$ 21,548</u>	<u>\$ 16,743</u>	<u>\$ 11,763</u>	<u>\$ 9,183</u>	<u>\$ 11,886</u>

\*Service includes medical payments of \$66 in Fiscal Year 2011.

**Schedule of Benefit Expenses and Refunds by Type: WSPRS 1**

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service*	\$ 35,081	\$ 33,015	\$ 31,643	\$ 30,293	\$ 29,048	\$ 27,619	\$ 25,796	\$ 24,111	\$ 22,536	\$ 20,874
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	3,306	3,101	2,879	2,670	2,345	3,047	1,810	1,613	1,511	1,442
<b>Refunds</b>										
Separations	148	97	68	269	291	125	173	303	221	199
Death	99	-	138	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 38,634</u>	<u>\$ 36,213</u>	<u>\$ 34,728</u>	<u>\$ 33,232</u>	<u>\$ 31,684</u>	<u>\$ 30,791</u>	<u>\$ 27,779</u>	<u>\$ 26,027</u>	<u>\$ 24,268</u>	<u>\$ 22,515</u>

\*Service includes medical payments of \$8 in Fiscal Year 2011.

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

For Years Ended 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
<b>Refunds</b>										
Separations	63	30	5	-	-	-	-	-	-	-
Death	5	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 68</u>	<u>\$ 30</u>	<u>\$ 5</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 2002-2011

(expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 7,678	\$ 7,704	\$ 7,811	\$ 7,719	\$ 7,696	\$ 7,732	\$ 7,333	\$ 7,076	\$ 6,966	\$ 6,769
Disability	-	-	-	-	-	-	-	-	34	56
Survivor	2,060	2,019	1,772	1,795	1,660	1,515	1,428	1,328	1,279	1,235
<b>Refunds</b>										
Separations	-	-	-	-	-	-	-	-	-	-
Death	-	-	7	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 9,738</u>	<u>\$ 9,723</u>	<u>\$ 9,590</u>	<u>\$ 9,514</u>	<u>\$ 9,356</u>	<u>\$ 9,247</u>	<u>\$ 8,761</u>	<u>\$ 8,404</u>	<u>\$ 8,279</u>	<u>\$ 8,060</u>

**Schedule of Benefit Expenses and Refunds by Type: Judges**  
 For Years Ended 2002-2011  
 (expressed in thousands)

	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
<b>Benefit Expenses</b>										
Service	\$ 420	\$ 421	\$ 422	\$ 466	\$ 483	\$ 497	\$ 521	\$ 597	\$ 567	\$ 603
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	79	79	79	79	98	127	120	88	72	53
<b>Refunds</b>										
Separations	-	-	-	-	-	-	13	-	-	-
Death	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 499</u>	<u>\$ 500</u>	<u>\$ 501</u>	<u>\$ 545</u>	<u>\$ 581</u>	<u>\$ 624</u>	<u>\$ 654</u>	<u>\$ 685</u>	<u>\$ 639</u>	<u>\$ 656</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 (AOC). On July 1, 1996, the merger of DCP and DRS took effect and DRS, via an inter-agency agreement, assumed the investing, accounting and reporting responsibilities of the JRA member accounts. These operational functions replicated those that were already in place for the DCP participant accounts. A subsequent agreement signed November 24, 1998 between DRS, AOC and the Washington State Investment Board (WSIB) transferred investing responsibilities to the WSIB.

### 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, 2011		June 30, 2010		June 30, 2009		June 30, 2008	
	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
<b>Active U.S. Core Stock Fund<sup>1</sup></b>	\$ 238,087	8.11	\$ 192,558	7.87	\$ 180,558	8.34	\$ 267,879	11.02
<b>Active U.S. Value Stock Fund<sup>2</sup></b>	299,662	10.20	245,272	10.03	213,669	9.87	326,400	13.43
<b>Calvert Social Investment Fund – Balanced Portfolio</b>	–	–	–	–	–	–	–	–
<b>Fidelity Equity – Income Fund</b>	–	–	–	–	–	–	–	–
<b>Fidelity Growth Company Fund</b>	366,490	12.48	268,855	10.99	224,090	10.35	315,284	12.97
<b>Fidelity Independence Fund<sup>3</sup></b>	–	–	–	–	–	–	–	–
<b>Fidelity Overseas Fund</b>	–	–	–	–	–	–	–	–
<b>International Stock Fund<sup>4</sup></b>	123,184	4.20	97,897	4.00	89,981	4.16	140,526	5.78
<b>Savings Pool</b>	1,013,313	34.51	959,255	39.21	954,969	44.10	819,272	33.71
<b>U.S. Small Stock Index Fund<sup>5</sup></b>	116,776	3.98	77,248	3.16	52,854	2.44	64,641	2.66
<b>U.S. Stock Market Index Fund<sup>6</sup></b>	163,011	5.55	124,866	5.10	102,935	4.75	134,940	5.55
<b>Washington State Bond Fund<sup>7</sup></b>	179,032	6.10	178,187	7.28	134,101	6.19	132,298	5.44
<b>Washington State Long-Horizon Fund<sup>8</sup></b>	–	–	–	–	–	–	64,478	2.65
<b>Washington State Mid-Horizon Fund<sup>8</sup></b>	–	–	–	–	–	–	72,182	2.97
<b>Washington State Short-Horizon Fund<sup>8</sup></b>	–	–	–	–	–	–	34,602	1.42
<b>Washington State Socially Responsible Balanced Fund<sup>9</sup></b>	73,021	2.49	58,828	2.41	49,115	2.27	58,317	2.40
<b>2000 Retirement Strategy<sup>10</sup></b>	6,312	0.21	3,973	0.16	3,458	0.16	–	–
<b>2005 Retirement Strategy<sup>10</sup></b>	11,313	0.39	9,269	0.38	6,919	0.32	–	–
<b>2010 Retirement Strategy<sup>10</sup></b>	48,294	1.64	38,435	1.57	29,057	1.34	–	–
<b>2015 Retirement Strategy<sup>10</sup></b>	100,846	3.43	69,852	2.86	44,406	2.05	–	–
<b>2020 Retirement Strategy<sup>10</sup></b>	81,120	2.76	51,674	2.11	34,220	1.58	–	–
<b>2025 Retirement Strategy<sup>10</sup></b>	50,278	1.71	30,265	1.24	19,402	0.90	–	–
<b>2030 Retirement Strategy<sup>10</sup></b>	29,300	1.00	17,133	0.70	10,986	0.51	–	–
<b>2035 Retirement Strategy<sup>10</sup></b>	17,332	0.59	10,869	0.44	7,444	0.34	–	–
<b>2040 Retirement Strategy<sup>10</sup></b>	10,251	0.35	6,417	0.26	4,163	0.19	–	–
<b>2045 Retirement Strategy<sup>10</sup></b>	5,554	0.19	3,301	0.14	2,215	0.10	–	–
<b>2050 Retirement Strategy<sup>10</sup></b>	2,228	0.08	1,491	0.06	882	0.04	–	–
<b>2055 Retirement Strategy<sup>11</sup></b>	1,023	0.03	769	0.03	–	–	–	–
<b>TOTAL</b>	<u>\$ 2,936,427</u>	<u>100.00</u>	<u>\$ 2,446,414</u>	<u>100.00</u>	<u>\$ 2,165,424</u>	<u>100.00</u>	<u>\$ 2,430,819</u>	<u>100.00</u>

Chart continued on page 213

<sup>1</sup>This fund replaced the Fidelity Independence Fund as of January 1, 2006.

<sup>2</sup>This fund replaced the Fidelity Equity-Income Fund as of January 1, 2006.

<sup>3</sup>The Fidelity Retirement Growth Fund was renamed the Fidelity Independence Fund effective January 27, 2001.

<sup>4</sup>This fund replaced the Fidelity Overseas Fund as of April 1, 2005.

<sup>5</sup>This investment option was added in October 2002.

<sup>6</sup>This investment option was added in July 1998.

<sup>7</sup>This fund replaced the Fidelity Intermediate Bond Fund as of September 1, 2000.

<sup>8</sup>These investment options were added on September 1, 2000.

<sup>9</sup>This fund replaced the Calvert Social Investment – Balanced Portfolio as of July 1, 2003.

<sup>10</sup>These investment options were added in October 2008.

<sup>11</sup>This investment option was added in January 2010.

Chart continued from page 212

June 30, 2007		June 30, 2006		June 30, 2005		June 30, 2004		June 30, 2003		June 30, 2002	
Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
\$ 352,142	13.82	\$ 318,035	14.56	\$ -	-	\$ -	-	\$ -	-	\$ -	-
500,501	19.65	412,711	18.89	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	30,619	2.09	29,556	2.18
-	-	-	-	385,152	20.05	363,619	20.88	289,313	19.80	317,669	23.49
279,402	10.97	262,555	12.02	218,618	11.38	209,736	12.05	153,105	10.48	136,675	10.10
-	-	-	-	298,141	15.52	293,937	16.88	264,735	18.12	275,006	20.33
-	-	-	-	-	-	40,802	2.34	19,788	1.35	20,534	1.52
167,724	6.58	95,487	4.37	51,946	2.70	-	-	-	-	-	-
723,624	28.41	696,006	31.86	648,046	33.74	571,790	32.84	539,970	36.95	463,982	34.30
87,907	3.45	75,769	3.47	46,398	2.42	33,788	1.94	4,620	0.32	-	-
152,066	5.97	119,714	5.48	101,902	5.30	84,955	4.88	57,304	3.92	48,248	3.57
87,000	3.42	72,714	3.33	74,565	3.88	70,776	4.07	85,999	5.89	52,445	3.88
62,784	2.46	35,668	1.63	20,823	1.08	12,745	0.73	4,785	0.33	3,046	0.23
61,143	2.40	38,058	1.74	23,593	1.23	14,528	0.83	6,395	0.44	3,379	0.25
24,892	0.98	15,218	0.70	11,053	0.58	7,548	0.43	4,491	0.31	2,018	0.15
48,082	1.89	42,519	1.95	40,750	2.12	37,079	2.13	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<b>\$ 2,547,267</b>	<b>100.00</b>	<b>\$ 2,184,454</b>	<b>100.00</b>	<b>\$ 1,920,987</b>	<b>100.00</b>	<b>\$ 1,741,303</b>	<b>100.00</b>	<b>\$ 1,461,124</b>	<b>100.00</b>	<b>\$ 1,352,558</b>	<b>100.00</b>

## Deferred Compensation Program

Performance – Periods Ending June 30, 2011

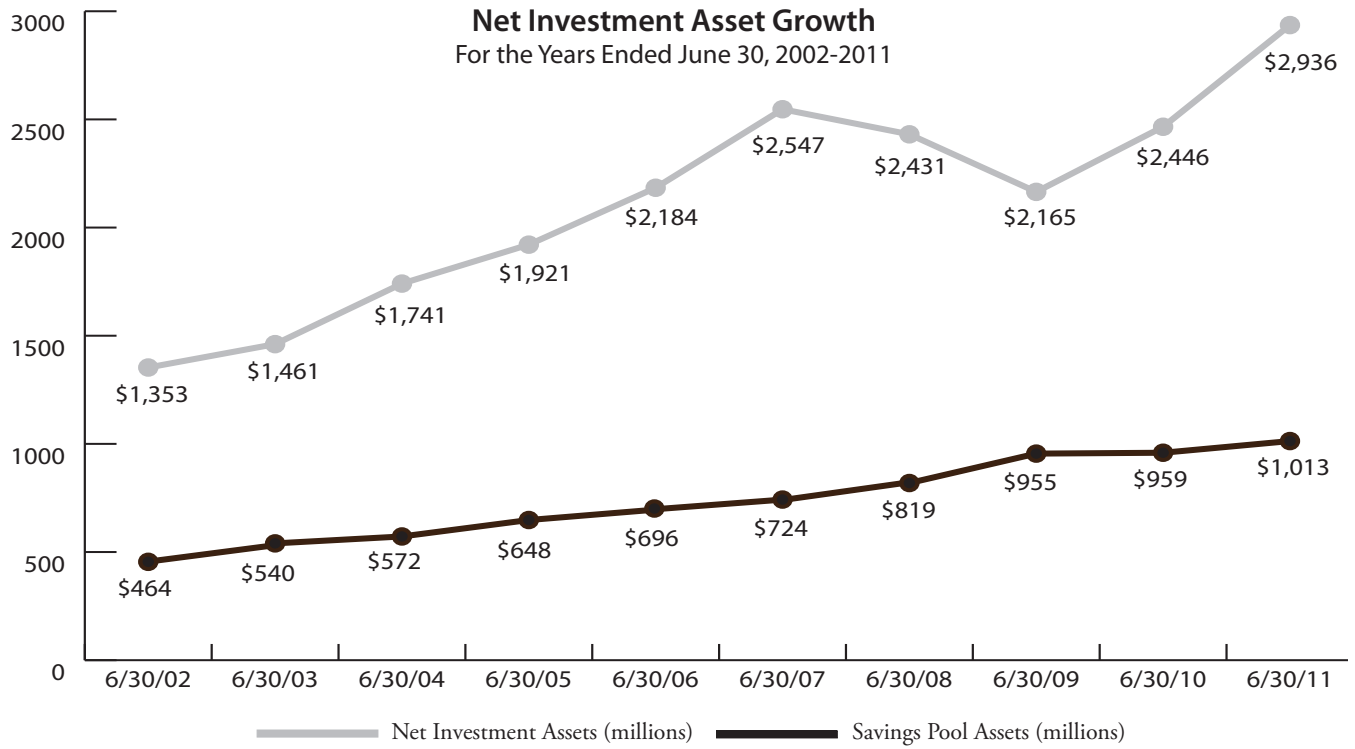
Fund Name <i>Benchmark</i>	Quarter Ending 6/30/11	Performance History <sup>1</sup> Average Annual Total Returns			
		1 Year	3 Year	5 Year	10 Year/Since Inception
<b>Active U.S. Core Stock Fund</b> <i>S&amp;P 500 Index</i>	<b>1.49%</b> 0.10%	<b>31.75%</b> 30.69%	<b>1.28%</b> 3.34%	<b>0.92%</b> 2.94%	<b>1.45%</b> 2.72%
<b>Active U.S. Value Stock Fund</b> <i>Russell 1000 Value Index</i>	<b>(2.03)%</b> (0.51)%	<b>28.90%</b> 28.94%	<b>2.42%</b> 2.28%	<b>0.01%</b> 1.15%	<b>5.36%</b> 3.98%
<b>Fidelity Growth Company Fund</b> <i>Russell 3000 Growth Index</i>	<b>1.77%</b> 0.64%	<b>41.56%</b> 35.68%	<b>5.45%</b> 5.28%	<b>7.65%</b> 5.36%	<b>4.69%</b> 2.43%
<b>International Stock Fund</b> <i>MSCI EAFE</i>	<b>1.23%</b> 1.56%	<b>31.27%</b> 30.36%	<b>(2.76)%</b> (1.77)%	<b>0.47%</b> 1.48%	<b>4.72%</b> 5.66%
<b>Savings Pool</b>	<b>0.73%</b>	<b>3.31%</b>	<b>3.99%</b>	<b>4.28%</b>	<b>4.79%</b>
<b>U.S. Small Stock Index Fund</b> <i>Russell 2000 Index</i>	<b>(1.66)%</b> (1.61)%	<b>37.49%</b> 37.41%	<b>7.99%</b> 7.77%	<b>4.19%</b> 4.08%	<b>11.13%</b> 6.27%
<b>U.S. Stock Market Index Fund</b> <i>Dow Jones US TMSI</i>	<b>(0.02)%</b> (0.01)%	<b>32.46%</b> 32.44%	<b>4.27%</b> 4.23%	<b>3.64%</b> 3.59%	<b>3.81%</b> 3.80%
<b>Washington State Bond Fund</b> <i>Barclays Capital Intermediate Credit Index</i>	<b>1.84%</b> 2.21%	<b>5.53%</b> 6.12%	<b>8.53%</b> 7.73%	<b>7.91%</b> 6.81%	<b>6.48%</b> 6.04%
<b>Washington State Socially Responsible Balanced Fund</b> <i>Custom Benchmark<sup>2</sup></i>	<b>1.62%</b> 1.09%	<b>20.03%</b> 18.21%	<b>6.17%</b> 5.29%	<b>6.40%</b> 4.95%	<b>6.65%</b> 4.43%
<b>2000 Retirement Strategy</b> <i>2000 Composite Benchmark<sup>2</sup></i>	<b>1.57%</b> 1.76%	<b>16.08%</b> 16.46%	<b>**</b> **	<b>**</b> **	<b>9.80%</b> 8.46%
<b>2005 Retirement Strategy</b> <i>2005 Composite Benchmark<sup>2</sup></i>	<b>1.46%</b> 1.71%	<b>19.17%</b> 19.74%	<b>**</b> **	<b>**</b> **	<b>10.60%</b> 9.22%
<b>2010 Retirement Strategy</b> <i>2010 Composite Benchmark<sup>2</sup></i>	<b>1.29%</b> 1.65%	<b>22.16%</b> 23.03%	<b>**</b> **	<b>**</b> **	<b>11.09%</b> 9.99%
<b>2015 Retirement Strategy</b> <i>2015 Composite Benchmark<sup>2</sup></i>	<b>1.06%</b> 1.50%	<b>24.19%</b> 25.04%	<b>**</b> **	<b>**</b> **	<b>11.27%</b> 10.10%
<b>2020 Retirement Strategy</b> <i>2020 Composite Benchmark<sup>2</sup></i>	<b>0.83%</b> 1.32%	<b>25.92%</b> 26.82%	<b>**</b> **	<b>**</b> **	<b>11.15%</b> 10.10%
<b>2025 Retirement Strategy</b> <i>2025 Composite Benchmark<sup>2</sup></i>	<b>0.60%</b> 1.16%	<b>27.59%</b> 28.58%	<b>**</b> **	<b>**</b> **	<b>11.03%</b> 10.08%
<b>2030 Retirement Strategy</b> <i>2030 Composite Benchmark<sup>2</sup></i>	<b>0.38%</b> 1.04%	<b>28.39%</b> 29.51%	<b>**</b> **	<b>**</b> **	<b>10.54%</b> 9.76%
<b>2035 Retirement Strategy</b> <i>2035 Composite Benchmark<sup>2</sup></i>	<b>0.31%</b> 0.97%	<b>29.08%</b> 30.32%	<b>**</b> **	<b>**</b> **	<b>9.93%</b> 9.28%
<b>2040 Retirement Strategy</b> <i>2040 Composite Benchmark<sup>2</sup></i>	<b>0.15%</b> 0.95%	<b>29.08%</b> 30.42%	<b>**</b> **	<b>**</b> **	<b>9.93%</b> 9.29%
<b>2045 Retirement Strategy</b> <i>2045 Composite Benchmark<sup>2</sup></i>	<b>0.23%</b> 0.95%	<b>29.13%</b> 30.42%	<b>**</b> **	<b>**</b> **	<b>10.02%</b> 9.29%
<b>2050 Retirement Strategy</b> <i>2050 Composite Benchmark<sup>2</sup></i>	<b>0.23%</b> 0.95%	<b>29.23%</b> 30.42%	<b>**</b> **	<b>**</b> **	<b>10.05%</b> 9.29%
<b>2055 Retirement Strategy</b> <i>2055 Composite Benchmark<sup>2</sup></i>	<b>0.18%</b> 0.95%	<b>29.11%</b> 30.42%	<b>**</b> **	<b>**</b> **	<b>9.22%</b> 11.50%

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

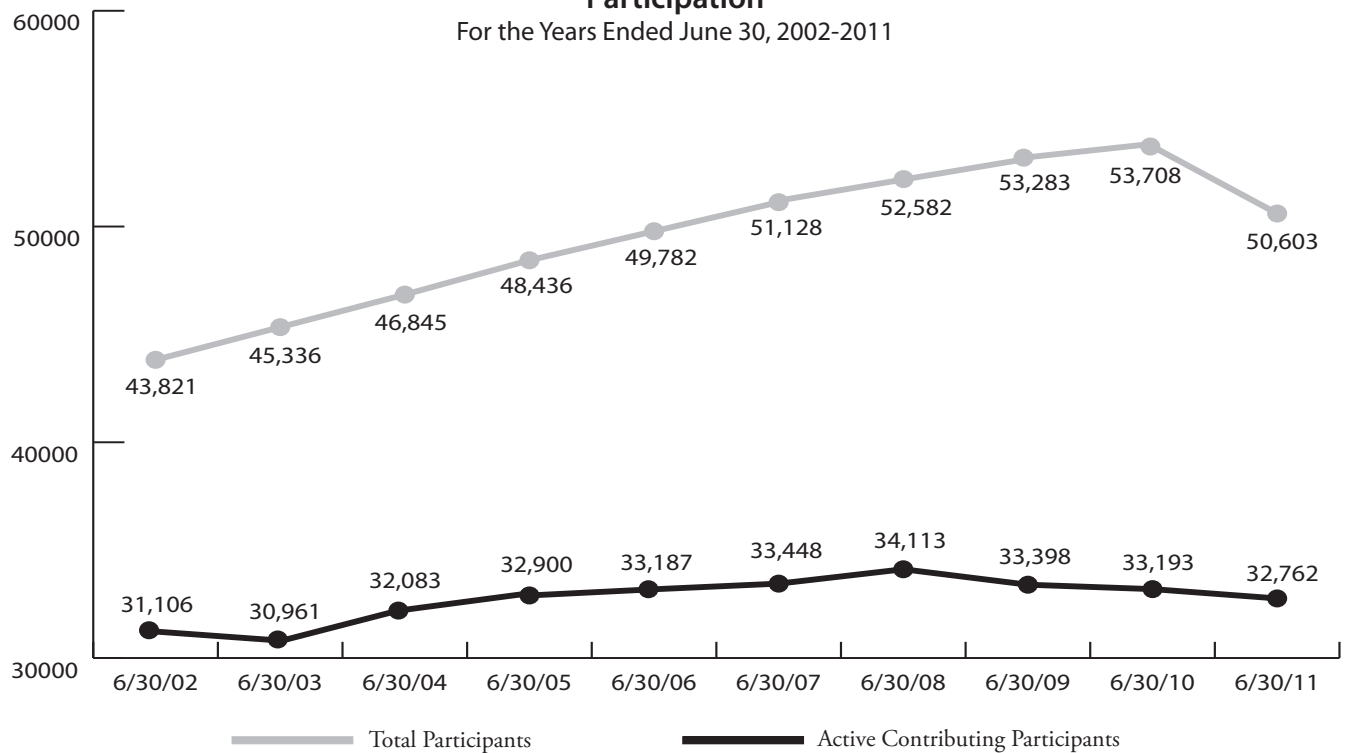
<sup>1</sup>Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit [www.drs.wa.gov/dcp](http://www.drs.wa.gov/dcp). The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost. All returns are calculated in U.S. dollars.

<sup>2</sup>Estimated 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, 2002-2011



### Deferred Compensation Program Participation For the Years Ended June 30, 2002-2011



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