

Comprehensive Annual Financial Report

Funds of the State of Washington
For the Fiscal Year Ended June 30, 2012

Prepared by:

The Washington State Department of Retirement Systems

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Olympia, Washington
98504-8380

www.drs.wa.gov



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Introductory Section



Message from the Director



Elated Customers.
Best Practice Leader.
Vigilant Resource
Steward. Reliable
Partner. Engaged
Team Members.

Short and simple
words, but powerful.
They are the key
goals we strive for in
fulfilling our mission
to ensure DRS'
customers prepare
for and enjoy a
successful retirement.

These goals capture the essence of everything we do here at DRS. How do we know? Over the past several months, we've "mapped" DRS' core business processes to clearly identify our fundamental work and how it supports the goals. It helps all team members connect their work to customer satisfaction, and it helps us identify opportunities for improvement.

Business mapping is one of several initiatives of the past year that move us toward our key goals. Others include:

- Customers can now apply for retirement online thanks to a new application launched in April. Modeled on popular online services for tax preparation, the application flows users through a series of user-friendly submittal screens. More than 23 percent of retirement applications are now being submitted online, and that number is growing.
- Working with the Washington State Investment Board and other partners, we assisted thousands of customers in transitioning to a new lineup of investment fund options for the state's hybrid defined contribution plans and the deferred compensation program. DRS has since received national recognition for its best practices in communicating the fund transition.

- DRS team members interviewed more than 1,100 customers, focusing on the question, "What would it take for you to be 100 percent satisfied as a customer of DRS?" Every team member is now involved in distilling those conversations into a concise set of criteria for customer expectations that will be used to regularly measure customer feedback and incorporate it into service and process improvements.
- Lean principles are being infused into the culture of the organization, providing both a skillset and a mindset that encourages team members to identify constraints, simplify processes and make improvements. More than 40 percent of DRS team members have participated in some form of Lean training, including 19 who are "Green Belt" certified and are already working to counsel teams around the agency on applying the Lean approach to process improvement.

Through these and other initiatives, DRS continues to deliver cost-effective service to our customers. CEM Inc., an international firm that benchmarks the performance of public pension plans, has again determined that DRS' administrative cost is significantly lower than what would be expected, even though Washington's plans are among the most complex in the country to administer.

While we take pride in these initiatives and accomplishments, we recognize they are part of a larger journey toward our key goals. We look forward to continuing the journey in the coming year, with the ultimate aim of excellence in fully meeting the needs and expectations of our customers.

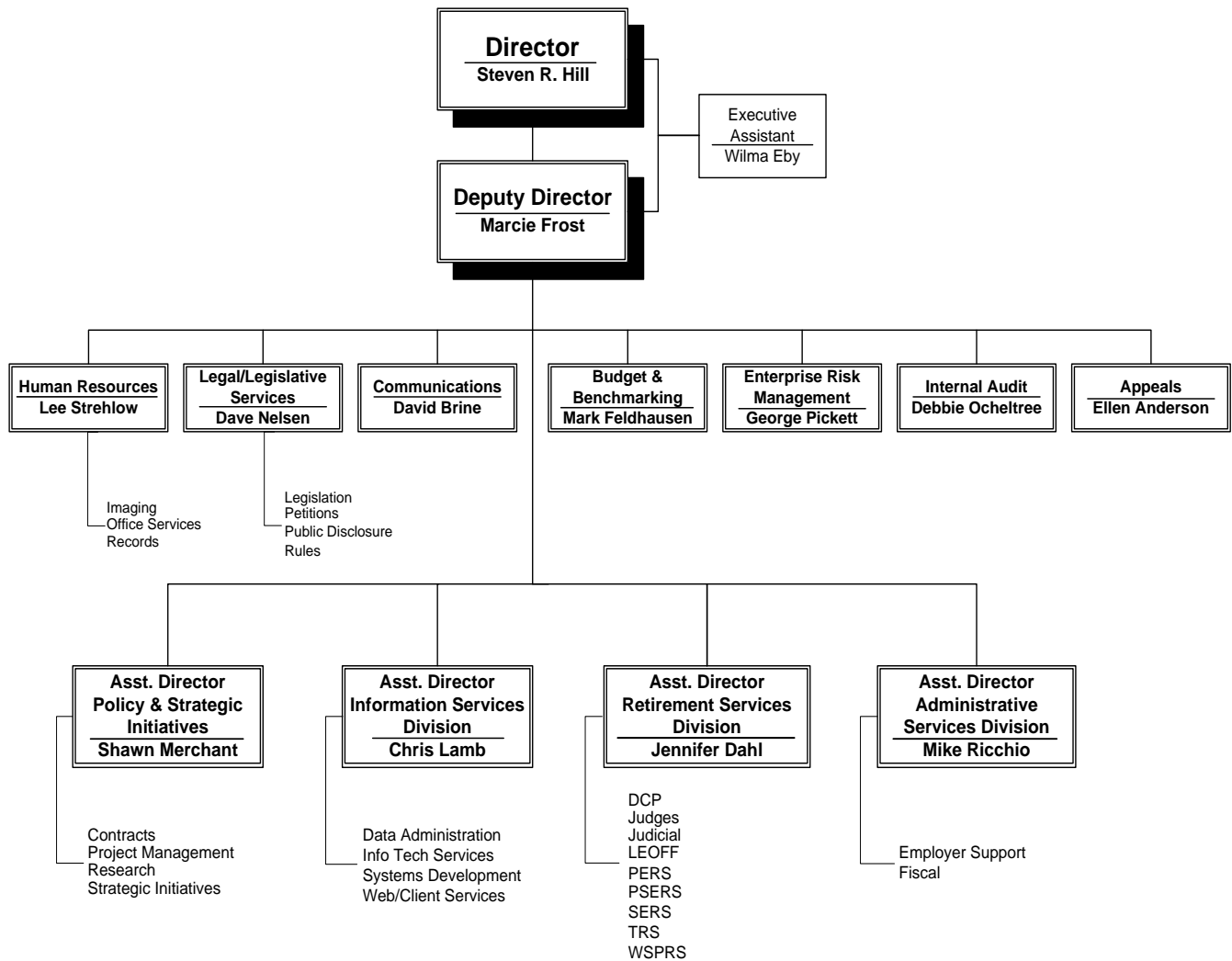
In the following pages, we offer our annual financial report for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Hill". The signature is stylized and written in a cursive-like font.

Steven R. Hill
Director
November 1, 2012

Department of Retirement Systems' Organization – June 2012



Pension System Roles and Responsibilities

Organization	Responsibility	Contact Information	Membership
Department of Retirement Systems	Collects and accounts for employer and employee contributions; maintains retirement records; pays benefits; communicates pension information; provides investment education; and administers the Deferred Compensation Program.	PO Box 48380 Olympia, WA 98504-8380 Phone: 360.664-7000 Toll free: 800.547.6657 Website: www.drs.wa.gov	The governor appoints the director of DRS.
Washington State Investment Board	Invests and accounts for pension funds.	PO Box 40196 Olympia, WA 98504-0916 Phone: 360.956.4600 Website: www.sib.wa.gov	The Board consists of ten voting and five non-voting members. Voting Members: James L. McIntire – (Chair) State Treasurer Representative Sharon Tomiko Santos Senator Lisa Brown Steven R. Hill – Director, Department of Retirement Systems Judy Schurke – Director, Department of Labor and Industries George Masten – Retired Members Patrick McElligott – LEOFF Judi Owens – SERS Natasha Williams – PERS Mike Ragen – (Vice Chair) TRS Non-voting Members – Investment Professionals: William A. Longbrake Richard Muhlebach Roberts S. Nakahara David Nierenberg Jeffrey T. Seely
Office of Financial Management	Advises the governor on pension and funding policies and issues.	PO Box 43113 Olympia, WA 98504-3113 Phone: 360.902.0555 Website: www.ofm.wa.gov	The governor appoints the director of OFM.
Office of the State Actuary	Acts as an advisory agency to the Legislature and to the director of DRS. Performs actuarial studies and reports on retirement bills. Creates formulas used to compute benefit payment adjustments that are based on early retirement, cost-of-living or long-term survivor benefits.	PO Box 40914 Olympia, WA 98504-0914 Phone: 360.786.6140 Website: osa.leg.wa.gov	The Select Committee on Pension Policy appoints the state actuary.

Organization	Responsibility	Contact Information	Membership
Select Committee on Pension Policy	Studies pension issues and retirement finances. Develops pension policies and recommends pension legislation.	Can be contacted through the State Actuary's Office.	<p>Legislators: Representative Barbara Bailey (Vice Chair) Representative Bill Hinkle Representative Tim Ormsby Representative Pat Sullivan Senator Steve Conway (Chair) Senator Steve Hobbs Senator Janea Holmquist Newbry Senator Mark Schoesler</p> <p>Agency Directors: Marty Brown – Office of Financial Management Steven R. Hill – Department of Retirement Systems</p> <p>Retiree Representatives: Eugene Forrester – TRS Bob Thurston – WSPRS</p> <p>Active Member Representatives: Randy Davis – TRS Bob Keller – PERS J. Pat Thompson – PERS David Westberg – SERS</p> <p>Employer Representatives: Doug Miller – PERS Glenn Olson – PERS Corky Mattingly – PERS</p>
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.	PO Box 40918 Olympia WA 98504-0918 Phone: 360.586.2320 Website: www.leoff.wa.gov	<p>Fire Fighter Representatives: Kelly Fox, Chair Pat Hepler Mark Johnston</p> <p>Law Enforcement Representatives: Jeff Holy Ryan Martin Jack L. Simington, Vice Chair</p> <p>Employer Representatives: David Cline Paul Golnik Glenn Olson</p> <p>Legislators: Representative Kevin Van De Wege Senator Jim Honeyford</p>

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

Letter of Transmittal



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

November 1, 2012

The Honorable Christine Gregoire, Governor
Members of the Sixty-Second Legislature
Members of the Select Committee on Pension Policy
State of Washington
Olympia WA 98504

We are pleased to present to you the Department of Retirement Systems' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This CAFR is designed to comply with the requirements of RCW 41.50.050(4) and RCW 41.50.780(9).

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

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on DRS' financial statements for the year ended June 30, 2012. 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, 2012, DRS administered eight statewide public employee retirement systems, which were comprised of 12 defined benefit pension plans and three defined benefit plans with a defined contribution component.

The purpose of DRS is to administer the pension plans for state employees, teachers and classified educational employees, law enforcement officers and fire fighters, and other employees of participating political subdivisions. As of June 30, 2012, there were 1,320 covered employers participating in multiple 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.

DRS is responsible as well for the collection of employer contributions for the Higher Education Retirement Plan Supplemental Benefit Fund (HERP), a new account intended to be used to pay required supplemental benefits to eligible HERP retirees, but that is not administered by DRS. Because of the limited scope of responsibility assigned to DRS by the Legislature, the HERP fund is not included in these financial statements.

Additionally, DRS is responsible for all of the 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 originally 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 state retirement system history are listed below:

1930s-1940s

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

1950s-1960s

Independent administration of individual retirement systems continued.

1970

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

1976

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

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

1977

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

1981

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

1987

The Joint Committee on Pension Policy was created.

1995

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

1996

The state Deferred Compensation program was transferred to DRS.

DRS assumed accounting and reporting responsibility for JRA.

1998

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

The Pension Funding Council was created.

1999

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

2001

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

2003

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

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

2004

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

2007

The Judges' Benefit Multiplier bill, effective January 1, 2007, 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

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

2012

Effective January 1, 2012, DRS was tasked with the collection of HERP Supplemental Benefit Fund contributions.

Accounting System and Internal Control

This report has been prepared to conform to the principles of accounting and reporting established by the Governmental Accounting Standards Board (GASB). The basic financial statements are presented in accordance with guidelines established by GASB Statement No. 25, *Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans*, and other GASB statements, as appropriate. Specific accounting treatments are detailed in the Notes to the Financial Statements 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 \$60,661 million. The accrued liability is \$64,764 million. The accrued liability exceeds the net actuarial value of assets available for benefits by \$4,103 million. The ratio of assets to liabilities is 94 percent, compared to 95 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 2012, the commingled trust fund (CTF) investments provided a 1.40 percent rate of return. The CTF annualized rate of return over the last three years was 11.62 percent and 1.17 percent over the last five years.

The day-to-day management of pension fund assets is the responsibility of WSIB staff. Further investment information, including the names of investment professionals that provide service to WSIB, is included in the Investment Section of this report.

Departmental Initiatives

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

Professional Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DRS for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the eighteenth consecutive year that DRS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

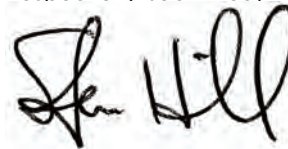
In October 2012, DRS also received the Public Pension Standards 2012 Recognition Award for Administration from the Public Pension Coordinating Council (PPCC). The PPCC is a coalition of three national associations that serve public pension funds. It represents substantially all employees of state and local government in the United States. Eligibility for this award entails meeting the professional standards for plan administration as set forth in the Public Pension Standards. These standards are intended to reflect minimum expectations for public retirement system administration.

Acknowledgments

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

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, 2011

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.



Linda C. Danson

President

Jeffrey R. Enos

Executive Director



Public Pension Coordinating Council

***Recognition Award for Administration
2012***

Presented to

Washington State Department of Retirement Systems

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

Presented by the Public Pension Coordinating Council, a confederation of

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

A handwritten signature in black ink that reads "Alan H. Winkle". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Alan H. Winkle
Program Administrator

2012 Washington State Legislative Actions

The 2012 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

- Engrossed Substitute Senate Bill 6239 allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this bill, survivor benefits may be available to certain members of the state's retirement systems sooner than under current law. Note: This measure is on hold pending a vote on Referendum 74 in the November general election.
- Second Engrossed Senate Bill 6378 makes the following pension reforms:
 - All new employees first hired into eligible positions in PERS, TRS and SERS on or after May 1, 2013, would be provided an option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option would be available only to those who are age 55 or older and have at least 30 years of service.
 - The state's assumption for the rate of long-term investment returns will be gradually lowered by 1/10th of one percent for the next three biennia (from the current rate of eight percent to 7.7 percent) for all pension systems except LEOFF 2. It also requires the State Actuary to study the financial condition of the systems after these changes are made and present the findings to the Pension Funding Council.
 - The Select Committee on Pension Policy will be required to study job classes that, due to physical or psychological risks, may need earlier retirement options than those provided in the bill. They must report their findings no later than December 15, 2012.

Law Enforcement Officers' and Fire Fighters' Retirement System

- Senate Bill 6134 changes the deadline for Department of Fish and Wildlife Enforcement Officers to pay for and transfer service credit under RCW 41.26.435 from June 30, 2014 to June 30, 2012.

Washington State Patrol Retirement System

- Engrossed Senate Bill 5159 allows current Washington State Patrol Retirement System members who have service credit in the Public Employees' Retirement System (PERS) Plan 2 to transfer their PERS credit earned as commercial vehicle enforcement officers or as communications officers into the WSPRS. The member pays the full actuarial cost of the transfer.

Other Pension Related Bills

- Engrossed House Bill 2771 amends the retirement statutes to clarify that governmental contractors are not employers under the system, unless otherwise qualifying, and that the determination of whether an employee/employer relationship has been established shall be based solely on the relationship between the contracted employee and the governmental employer.

Financial
Section





Independent Auditor's 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 (DRS), as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of DRS' management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of DRS as of and for the year ended June 30, 2011, which are summarized in comparative form, were audited by other accountants whose report, dated October 28, 2011, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 2012 financial statements referred to above present fairly, in all material respects, DRS' fiduciary net position as of June 30, 2012, and the changes in its fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements present fairly in all material respects, the fiduciary net position of each of the individual funds of DRS as of June 30, 2012, and the changes in fiduciary net position of such funds for the year then ended in conformity with accounting principles generally accepted in the United States.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Schedules of Funding Progress and Contributions from Employers and Other Contributing Entities, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. Supporting schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Supporting schedules, as listed in the table of contents are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The Introductory Section, Investment Section, Actuarial Section and Statistical Section as listed in the table of contents have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

CliftonLarsonAllen LLP

Baltimore, Maryland
October 30, 2012

Management's Discussion and Analysis

This discussion and analysis provides an overview of financial activities of the Washington State Department of Retirement Systems (DRS) for the Fiscal Year ended June 30, 2012. Please read it in conjunction with the Letter of Transmittal beginning on page 8 and DRS' financial statements, which begin on page 24 of this report.

DRS' overall financial position declined slightly during the year ended June 30, 2012.

Financial Highlights

- The fiduciary net position of all the pension funds administered by DRS decreased \$424.1 million during Fiscal Year 2012.
- The covered payroll requiring both employee and employer pension contributions reported during the year totaled \$16,211.9 million, representing a slight 2.9% decrease from the previous year.
- Employer contributions totaled \$1,145.1 million and member contributions (including restorations) totaled \$1,004.0 million, representing increases of 27% and 5%, 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) decreased \$11,144.2 million to \$784.9 million in Fiscal Year 2012.
- Pension benefits paid to retirees and beneficiaries increased \$158.0 million bringing the total benefit payments to \$3,084.4 million. Refunds of contributions paid to former retirement system members increased 18% from \$431.0 million to \$509.6 million.
- Administrative expenses totaled \$29.8 million and represented a 4% increase from last fiscal year.

Overview of the Financial Statements

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

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

Basic Financial Statements

The basic financial statements, presented for the fiduciary funds, are fund financial statements and include a Statement of Fiduciary Net Position (formerly the Statement of Plan Net Assets) and a Statement of Changes in Fiduciary Net Position (formerly the 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 Fiduciary Net Position presented on pages 24-27 reports the assets, liabilities and resulting net position available for pension and other benefits as of June 30, 2012. The Statement of Changes in Fiduciary Net Position presented on pages 28-31 reports the additions to, deductions from, and resulting change in net fiduciary position for the Fiscal Year ended June 30, 2012.

Notes to the Financial Statements

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

Required Supplementary Information

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

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

Supporting Schedules and Other Financial Information

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

Financial Analysis of DRS Funds

Analysis of Fiduciary Net Position
(dollars in millions)

	Fiscal Year 2012	Fiscal Year 2011	Increase (Decrease) Amount	Increase (Decrease) Percentage
Net Assets				
Assets				
Cash and Pooled Investments	\$ 39.5	\$ 34.4	\$ 5.1	15%
Receivables	1,397.3	1,870.9	(473.6)	(25)%
Capital Assets, Net of Depreciation	0.4	0.4	—	0%
Investments, Noncurrent	67,866.1	71,067.4	(3,201.3)	(5)%
Other Assets	1.6	1.3	0.3	23%
Total Assets	<u>69,304.9</u>	<u>72,974.4</u>	<u>(3,669.5)</u>	<u>(5)%</u>
Liabilities				
Obligations Under Securities Lending Agreements	—	2,712.5	(2,712.5)	(100)%
Other Short-Term Liabilities	1,415.6	1,948.8	(533.2)	(27)%
Long-Term Obligations	1.6	1.3	0.3	23%
Total Liabilities	<u>1,417.2</u>	<u>4,662.6</u>	<u>(3,245.4)</u>	<u>(70)%</u>
Fiduciary Net Position	<u>\$67,887.7</u>	<u>\$68,311.8</u>	<u>\$(424.1)</u>	<u>(1)%</u>

The fiduciary net position decreased by \$424.1 million in Fiscal Year 2012 and totaled \$67,887.7 million as of June 30, 2012. The decrease was largely the result of the impact of current year market movements on the investment portfolio.

Total trust fund assets as of June 30, 2012 were \$69,304.9 million, representing a decrease of \$3,669.5 million, or 5%, from the previous fiscal year. The main components of this decrease are detailed below:

- Total investments decreased by \$3,201.3 million, or 5%, and reflected the difficult market conditions during the year, especially as they pertained to the negative returns of the equity markets.
- Receivables decreased a net of \$473.6 million, or 25%, to \$1,397.3 million. Of this decrease, \$500.6 million was investment-related and the result of international managers having fewer open trades at June 30, 2012 compared to the prior year. Partially offsetting this decrease was a combined \$27.0 million net increase in regular plan receivables from employers, members, and other state agencies, resulting from normal operations.

Total trust fund liabilities as of June 30, 2012 were \$1,417.2 million, representing a decrease of \$3,245.4 million, or 70%, from the previous year. This decrease was also largely investment-related, as described below:

- All securities on loan were recalled by the Washington State Investment Board (WSIB) as of June 30, 2012 in anticipation of a custodian bank transition on July 1, 2012. Accordingly, the Retirement Funds held no collateral in securities lending at year-end, compared to \$2,712.5 million at the end of Fiscal Year 2011.

- Other short term liabilities decreased a net \$533.2 million, or 27%, from the previous year. Of this amount, \$539.6 million represented a decrease in securities trade payables due to fewer open and unsettled security trades at year-end, and \$6.6 million represented an offsetting net increase, resulting from normal operations, in other non-investment related accounts, such as accounts payable, liabilities among the pension funds, accrued salaries and unearned revenue.

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

Changes in Fiduciary Net Position	Fiscal Year 2012	Fiscal Year 2011	Increase (Decrease) Amount	Increase (Decrease) Percentage
Additions				
Employer Contributions	\$ 1,145.1	\$ 901.9	\$243.2	27%
Member Contributions	1,004.0	959.1	44.9	5%
State Contributions	60.9	62.9	(2.0)	(3)%
Participant Contributions	178.4	186.7	(8.3)	(4)%
Net Investment Income (Loss)	784.9	11,929.1	(11,144.2)	(93)%
Charges for Services	27.7	28.0	(0.3)	(1)%
Transfers from Other Pension Plans	3.0	11.5	(8.5)	(74)%
Other Additions	1.0	1.5	(0.5)	(33)%
Total Additions	<u>3,205.0</u>	<u>14,080.7</u>	<u>(10,875.7)</u>	<u>(77)%</u>
Deductions				
Benefits	3,084.4	2,926.4	158.0	5%
Refunds of Contributions	509.6	431.0	78.6	18%
Transfers from Other Pension Plans	3.0	11.5	(8.5)	(74)%
Transfers to Other Funds	2.3	1.5	0.8	53%
Administrative Expenses	29.8	28.6	1.2	4%
Total Deductions	<u>3,629.1</u>	<u>3,399.0</u>	<u>230.1</u>	<u>7%</u>
Net Increase/(Decrease)	<u>(424.1)</u>	<u>10,681.7</u>	<u>(11,105.8)</u>	<u>(104)%</u>
Fiduciary Net Position—Beginning of Year	<u>68,311.8</u>	<u>57,630.1</u>	<u>10,681.7</u>	<u>19%</u>
Fiduciary Net Position—End of Year	<u>\$67,887.7</u>	<u>\$68,311.8</u>	<u>\$(424.1)</u>	<u>(1)%</u>

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 2012 amounted to \$3,202.0 million, a decrease of \$10,867.2 million from Fiscal Year 2011. This decrease was primarily due to the \$11,144.2 million reduction in net income from investment activities, caused almost entirely by current year market movements. This reduced investment performance yielded a modest 1.4% total return for the Retirement Funds' Commingled Trust Fund (CTF), compared to the 21.1% return of the previous year. Specifically, this decrease was the result of realized and unrealized losses in the publicly traded equity securities (which make up 36% of the CTF and experienced a negative 5.78% return), since all other asset classes (except for the very small innovation class, which makes up less than 1% of the CTF and yielded a negative 9.79% return) experienced positive investment returns. These positive investment returns were in the following portfolios: fixed income, 5.51%; tangible, 2.11%; real estate, 8.57%; private equity, 5.26%; and cash, 0.14%.

Employer contributions increased \$243.2 million, or 27%, and totaled \$1,145.1 million for the Fiscal Year ended June 30, 2012. This increase was the result of contribution rate changes. Total covered payroll was \$16,211.9 million in Fiscal Year 2012 and represented a slight 2.9% decrease from the previous year.

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. Total contributions increased \$44.9 million, or 5%, over the previous year and totaled \$1,004.0 million for Fiscal Year 2012. Regular member contributions increased \$51.3 million to \$965.8 million, and reflected higher contribution rates. Restoration contributions decreased \$6.4 million to \$38.2 million during the current year.

State contributions decreased marginally, from \$62.9 million last year to \$60.9 million in Fiscal Year 2012 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) decreased 4% from the prior year and totaled \$178.4 million in Fiscal Year 2012. 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 decrease. As of June 30, 2012, the number of active and contributing DCP participants was 31,728 and represented a decrease of 1,034 (3%) from the previous year.

Transfers from and to other pension plans decreased \$8.5 million to \$3.0 million in Fiscal Year 2012, and reflected the reduced member movement activity among the pension plans.

Other additions decreased by \$0.5 million to \$1.0 million in Fiscal Year 2012.

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

Total trust fund deductions (*excluding* plan transfers) for Fiscal Year 2012 were \$3,626.1 million, an increase of \$238.6 million, or 7%, over Fiscal Year 2011, resulting primarily from an increase in benefits paid to retirees and beneficiaries. Benefit payments increased \$158.0 million, or 5%, due to an increase in the number of retirees during the year, the annual cost-of-living adjustments that increased benefit payouts, and the higher salaries of those newly retired.

Total refunds for Fiscal Year 2012 were \$509.6 million, representing a \$78.6 million increase from the previous year. Of this increase, \$44.9 million can be attributed to employees withdrawing their plan contributions upon terminating public employment and \$22.7 million are

additional distributions from the deferred compensation program for mandatory distributions and other withdrawals from program participants.

Transfers to other funds increased \$.8 million to \$2.3 million in Fiscal Year 2012 and represented an increased operating budget transfer into the State General Fund.

Capital Assets

DRS' investment in capital assets for its fiduciary activities includes furnishings, equipment and improvements other than buildings. As of June 30, 2012, total investment was \$2.6 million, with accumulated depreciation of \$2.2 million, leaving a net book value of \$0.4 million, representing no measurable change from the previous year. Additional information on DRS' capital assets can be found in section J of Note 1 to the financial statements.

Other Long-Term Obligations

At year-end, DRS had \$1.6 million in outstanding general long-term obligations, which represented a slight increase from the prior year. These long-term obligations represent DRS' liability for employees' accumulated annual and sick leave. Additional information on DRS' long-term debt obligations can be found in section L of Note 1 to the financial statements.

Contacting DRS' Financial Management

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

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Statement of Fiduciary Net Position

Pension Trust and Other Employee Benefit Trust Funds by Plan

As of June 30, 2012 and 2011 (page 1 of 4)
(expressed in thousands)

	Pension Trust				
	PERS Plan 1	PERS Plan 2/3	PERS Plan 3 Defined Contribution	SERS Plan 2/3	SERS Plan 3 Defined Contribution
ASSETS					
Cash and Pooled Investments	\$ 3,158	\$ 5,796	\$ 302	\$ 3,461	\$ 1,053
Receivables					
Due from Other Governments	4,144	46,269	4,681	9,774	5,122
Member Accounts Receivable (Net of Allowance)	752	180	–	9	–
Interest and Dividends	21,598	60,313	2,904	8,221	2,742
Investment Trades Pending Receivable – Short Term	127,579	356,587	17,171	48,598	16,214
Due from Pension Funds	410	657	240	2,680	–
Due from Other Washington State Agencies	4	3	–	–	–
Total Receivables	<u>154,487</u>	<u>464,009</u>	<u>24,996</u>	<u>69,282</u>	<u>24,078</u>
Capital Assets, Net of Depreciation	<u>120</u>	<u>70</u>	<u>–</u>	<u>1</u>	<u>–</u>
Investments, Noncurrent					
Equity in the Commingled Trust Fund	7,220,492	20,181,480	971,809	2,750,483	917,627
Liquidity	173,303	492,408	27,797	67,269	25,122
Other Noncurrent Investments	–	–	724,605	–	333,763
Collateral Held Under Securities Lending Agreements	–	–	–	–	–
Total Investments, Noncurrent	<u>7,393,795</u>	<u>20,673,888</u>	<u>1,724,211</u>	<u>2,817,752</u>	<u>1,276,512</u>
Other Assets	<u>482</u>	<u>279</u>	<u>–</u>	<u>2</u>	<u>–</u>
TOTAL ASSETS	<u>7,552,042</u>	<u>21,144,042</u>	<u>1,749,509</u>	<u>2,890,498</u>	<u>1,301,643</u>
LIABILITIES					
Obligations Under Security Lending Agreements	–	–	–	–	–
Accounts Payable	1,695	3,272	3,064	375	2,863
Investment Trades Pending Payable – Short Term	163,590	457,239	22,018	62,315	20,791
Due to Other Governments	6,192	1,955	–	375	–
Due to Pension Funds	2,992	846	–	133	141
Due to Other Washington State Agencies	124	133	–	7	–
Other Short-Term Liabilities	3	2	–	–	–
Other Long-Term Obligations	481	279	–	2	–
Accrued Salaries	194	114	–	1	–
Unearned Revenues	57	414	–	4	–
TOTAL LIABILITIES	<u>175,328</u>	<u>464,254</u>	<u>25,082</u>	<u>63,212</u>	<u>23,795</u>
FIDUCIARY NET POSITION:					
Pension Plans	7,376,714	20,679,788	1,724,427	2,827,286	1,277,848
Deferred Compensation Plan	–	–	–	–	–
TOTAL FIDUCIARY NET POSITION:	<u>\$ 7,376,714</u>	<u>\$ 20,679,788</u>	<u>\$ 1,724,427</u>	<u>\$ 2,827,286</u>	<u>\$ 1,277,848</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Pension Trust and Other Employee Benefit Trust Funds by Plan
As of June 30, 2012 and 2011 (page 2 of 4)
(expresses in thousands)

	Pension Trust				
	PSERS Plan 2	TRS Plan 1	TRS Plan 2/3	TRS Plan 3 Defined Contribution	LEOFF Plan 1
ASSETS					
Cash and Pooled Investments	\$ 252	\$ 3,333	\$ 5,294	\$ 4,461	\$ 1,383
Receivables					
Due from Other Governments	1,926	2,436	25,363	22,426	–
Member Account Receivable (Net of Allowance)	–	464	23	–	72
Interest and Dividends	497	18,130	20,615	9,052	14,348
Investment Trades Pending Receivable – Short Term	2,938	107,104	121,847	53,523	84,792
Due from Pension Funds	5	356	2,781	–	190
Due from Other Washington State Agencies	–	4	1	–	2
Total Receivables	<u>5,366</u>	<u>128,494</u>	<u>170,630</u>	<u>85,001</u>	<u>99,404</u>
Capital Assets, Net of Depreciation	–	104	22	–	56
Investments, Noncurrent					
Equity in the Commingled Trust Fund	166,268	6,061,649	6,896,190	3,029,047	4,798,861
Liquidity	6,374	145,408	173,339	85,028	114,789
Other Noncurrent Investments	–	–	–	2,041,841	–
Collateral Held Under Securities Lending Agreements	–	–	–	–	–
Total Investments, Noncurrent	<u>172,642</u>	<u>6,207,057</u>	<u>7,069,529</u>	<u>5,155,916</u>	<u>4,913,650</u>
Other Assets	–	419	89	–	223
TOTAL ASSETS	<u>178,260</u>	<u>6,339,407</u>	<u>7,245,564</u>	<u>5,245,378</u>	<u>5,014,716</u>
LIABILITIES					
Obligations Under Security Lending Agreements	–	–	–	–	–
Accounts Payable	26	1,213	913	5,669	1,225
Investment Trades Pending Payable – Short Term	3,767	137,335	156,240	68,630	108,725
Due to Other Governments	–	6,043	629	–	11
Due to Pension Funds	19	2,498	373	230	2
Due to Other Washington State Agencies	1	79	27	–	50
Other Short-Term Liabilities	–	3	–	–	1
Other Long-Term Obligations	–	419	89	–	223
Accrued Salaries	–	167	36	–	92
Unearned Revenues	–	167	11	–	–
TOTAL LIABILITIES	<u>3,813</u>	<u>147,924</u>	<u>158,318</u>	<u>74,529</u>	<u>110,329</u>
FIDUCIARY NET POSITION:					
Pension Plans	174,447	6,191,483	7,087,246	5,170,849	4,904,387
Deferred Compensation Plan	–	–	–	–	–
TOTAL FIDUCIARY NET POSITION:	<u>\$ 174,447</u>	<u>\$ 6,191,483</u>	<u>\$ 7,087,246</u>	<u>\$ 5,170,849</u>	<u>\$ 4,904,387</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Pension Trust and Other Employee Benefit Trust Funds by Plan
As of June 30, 2012 and 2011 (page 3 of 4)
(expresses in thousands)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
ASSETS				
Cash and Pooled Investments	\$ 1,187	\$ 762	\$ 3,499	\$ 1,874
Receivables				
Due from Other Governments	16,995	504	2	-
Member Account Receivable (Net of Allowance)	50	2	2	-
Interest and Dividends	19,342	2,569	-	-
Investment Trades Pending Receivable – Short Term	114,351	15,185	-	-
Due from Pension Funds	39	22	-	-
Due from Other Washington State Agencies	-	-	-	-
Total Receivables	<u>150,777</u>	<u>18,282</u>	<u>4</u>	<u>-</u>
Capital Assets, Net of Depreciation	<u>9</u>	<u>6</u>	<u>-</u>	<u>-</u>
Investments, Noncurrent				
Equity in the Commingled Trust Fund	6,471,849	859,429	-	-
Liquidity	165,156	20,621	-	-
Other Noncurrent Investments	-	-	-	-
Collateral Held Under Securities Lending Agreements	-	-	-	-
Total Investments, Noncurrent	<u>6,637,005</u>	<u>880,050</u>	<u>-</u>	<u>-</u>
Other Assets	<u>37</u>	<u>25</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>6,789,015</u>	<u>899,125</u>	<u>3,503</u>	<u>1,874</u>
LIABILITIES				
Obligations Under Security Lending Agreements	-	-	-	-
Accounts Payable	1,226	157	-	-
Investment Trades Pending Payable – Short Term	146,629	19,471	-	-
Due to Other Governments	14	214	32	2
Due to Pension Funds	140	6	-	-
Due to Other Washington State Agencies	30	17	-	-
Other Short-Term Liabilities	-	-	-	-
Other Long-Term Obligations	37	26	-	-
Accrued Salaries	19	10	-	-
Unearned Revenues	227	4	-	-
TOTAL LIABILITIES	<u>148,322</u>	<u>19,905</u>	<u>32</u>	<u>2</u>
FIDUCIARY NET POSITION:				
Pension Plans	6,640,693	879,220	3,471	1,872
Deferred Compensation Plan	-	-	-	-
TOTAL FIDUCIARY NET POSITION:	<u>\$ 6,640,693</u>	<u>\$ 879,220</u>	<u>\$ 3,471</u>	<u>\$ 1,872</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Pension Trust and Other Employee Benefit Trust Funds by Plan
As of June 30, 2012 and 2011 (page 4 of 4)
(expresses in thousands)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2012	June 30, 2011
ASSETS				
Cash and Pooled Investments	\$ 9	\$ 3,651	\$ 39,475	\$ 34,426
Receivables				
Due from Other Governments	–	–	139,642	117,835
Member Account Receivable (Net of Allowance)	3	2,497	4,054	2,684
Interest and Dividends	–	–	180,331	183,846
Investment Trades Pending Receivable – Short Term	–	–	1,065,889	1,563,005
Due from Pension Funds	–	–	7,380	3,531
Due from Other Washington State Agencies	–	1	15	16
Total Receivables	<u>3</u>	<u>2,498</u>	<u>1,397,311</u>	<u>1,870,917</u>
Capital Assets, Net of Depreciation	–	–	388	364
Investments, Noncurrent				
Equity in the Commingled Trust Fund	–	–	60,325,184	60,436,488
Liquidity	–	–	1,496,614	1,945,050
Other Noncurrent Investments	12,257	2,931,869	6,044,335	5,973,365
Collateral Held Under Securities Lending Agreements	–	–	–	2,712,461
Total Investments, Noncurrent	<u>12,257</u>	<u>2,931,869</u>	<u>67,866,133</u>	<u>71,067,364</u>
Other Assets	–	–	1,556	1,306
TOTAL ASSETS	<u>12,269</u>	<u>2,938,018</u>	<u>69,304,863</u>	<u>72,974,377</u>
LIABILITIES				
Obligations Under Security Lending Agreements	–	–	–	2,712,461
Accounts Payable	–	474	22,172	19,072
Investment Trades Pending Payable – Short Term	–	–	1,366,750	1,906,353
Due to Other Governments	–	–	15,467	15,085
Due to Pension Funds	–	–	7,380	3,531
Due to Other Washington State Agencies	–	9	477	406
Other Short-Term Liabilities	–	1,763	1,772	3,380
Other Long-Term Obligations	–	–	1,556	1,306
Accrued Salaries	–	40	673	60
Unearned Revenues	–	–	884	893
TOTAL LIABILITIES	–	<u>2,286</u>	<u>1,417,131</u>	<u>4,662,547</u>
FIDUCIARY NET POSITION:				
Pension Plans	12,269	–	64,952,000	65,371,391
Deferred Compensation Plan	–	<u>2,935,732</u>	<u>2,935,732</u>	<u>2,940,439</u>
TOTAL FIDUCIARY NET POSITION:	<u>\$ 12,269</u>	<u>\$ 2,935,732</u>	<u>\$ 67,887,732</u>	<u>\$ 68,311,830</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2012 and 2011 (page 1 of 4)
(expresses in thousands)

	Pension Trust				
	PERS Plan 1	PERS Plan 2/3	PERS Plan 3 Defined Contribution	SERS Plan 2/3	SERS Plan 3 Defined Contribution
ADDITIONS					
Retirement Contributions					
Employer	\$ 257,197	\$ 385,253	\$ —	\$ 74,640	\$ —
Plan Member	24,317	310,160	95,172	24,095	59,021
State	—	—	—	—	—
Plan Member Restorations	7,283	15,969	—	222	—
Total Retirement Contributions	<u>288,797</u>	<u>711,382</u>	<u>95,172</u>	<u>98,957</u>	<u>59,021</u>
Participant Contributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	(68,905)	(125,496)	(14,778)	(17,299)	(8,731)
Interest and Other Investment Income	78,303	204,652	10,810	27,850	9,912
Dividends	109,659	290,733	14,098	39,645	13,323
Less: Investment Expenses	(32,680)	(85,208)	(4,755)	(11,744)	(4,132)
Total Net Investment Income	<u>86,377</u>	<u>284,681</u>	<u>5,375</u>	<u>38,452</u>	<u>10,372</u>
Charges For Services	2,962	8,724	259	1,400	245
Transfers from Other Pension Plans	97	270	1,432	11	407
Miscellaneous	24	72	—	13	—
TOTAL ADDITIONS	<u>378,257</u>	<u>1,005,129</u>	<u>102,238</u>	<u>138,833</u>	<u>70,045</u>
DEDUCTIONS					
Benefits	1,173,683	376,999	—	53,630	—
Refunds of Contributions	4,554	35,716	66,245	2,516	60,929
Annuity Payments	—	—	322	—	302
Transfers to Other Pension Plans	—	1,376	338	307	163
Transfer to Other Funds	265	804	—	147	—
Administrative Expenses	3,522	9,082	258	1,403	245
TOTAL DEDUCTIONS	<u>1,182,024</u>	<u>423,977</u>	<u>67,163</u>	<u>58,003</u>	<u>61,639</u>
NET INCREASE (DECREASE)	(803,767)	581,152	35,075	80,830	8,406
FIDUCIARY NET POSITION					
Beginning of Year: July 1	<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>
End of Year: June 30	<u>\$ 7,376,714</u>	<u>\$ 20,679,788</u>	<u>\$ 1,724,427</u>	<u>\$ 2,827,286</u>	<u>\$ 1,277,848</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2012 and 2011 (page 2 of 4)
(expresses in thousands)

	Pension Trust				
	PSERS Plan 2	TRS Plan 1	TRS Plan 2/3	TRS Plan 3 Defined Contribution	LEOFF Plan 1
ADDITIONS					
Retirement Contributions					
Employer	\$ 15,285	\$ 111,937	\$ 213,852	\$ -	\$ 2
Plan Member	15,228	14,098	29,829	255,867	-
State	-	-	-	-	-
Plan Member Restorations	70	3,722	1,346	-	1,410
Total Retirement Contributions	<u>30,583</u>	<u>129,757</u>	<u>245,027</u>	<u>255,867</u>	<u>1,412</u>
Participant Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	(388)	(57,183)	(42,945)	(27,593)	(39,971)
Interest and Other Investment Income	1,566	65,753	69,577	32,627	50,780
Dividends	2,247	92,083	99,269	43,469	71,500
Less: Investment Expenses	(647)	(27,450)	(29,490)	(14,438)	(21,157)
Total Net Investment Income	<u>2,778</u>	<u>73,203</u>	<u>96,411</u>	<u>34,065</u>	<u>61,152</u>
Charges For Services	70	2,486	4,091	811	1,967
Transfers from Other Pension Plans	8	38	16	618	-
Miscellaneous	1	20	39	-	16
TOTAL ADDITIONS	<u>33,440</u>	<u>205,504</u>	<u>345,584</u>	<u>291,361</u>	<u>64,547</u>
DEDUCTIONS					
Benefits	70	892,608	91,400	-	343,438
Refunds of Contributions	1,921	1,552	2,169	150,404	435
Annuity Payments	-	21,256	-	1,149	-
Transfers to Other Pension Plans	-	-	213	520	-
Transfer to Other Funds	6	223	439	-	176
Administrative Expenses	70	2,699	4,020	811	2,064
TOTAL DEDUCTIONS	<u>2,067</u>	<u>918,338</u>	<u>98,241</u>	<u>152,884</u>	<u>346,113</u>
NET INCREASE (DECREASE)	31,373	(712,834)	247,343	138,477	(281,566)
FIDUCIARY NET POSITION					
Beginning of Year: July 1	<u>143,074</u>	<u>6,904,317</u>	<u>6,839,903</u>	<u>5,032,372</u>	<u>5,185,953</u>
End of Year: June 30	<u>\$ 174,447</u>	<u>\$ 6,191,483</u>	<u>\$ 7,087,246</u>	<u>\$ 5,170,849</u>	<u>\$ 4,904,387</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2012 and 2011 (page 3 of 4)
(expresses in thousands)

	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	Judges
ADDITIONS				
Retirement Contributions				
Employer	\$ 80,480	\$ 6,454	\$ 31	\$ -
Plan Member	132,584	5,376	31	-
State	52,770	-	8,100	-
Plan Member Restorations	6,535	1,654	-	-
Total Retirement Contributions	<u>272,369</u>	<u>13,484</u>	<u>8,162</u>	<u>-</u>
Participant Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	(38,039)	(6,345)	6	5
Interest and Other Investment Income	65,255	8,924	15	14
Dividends	92,752	12,615	-	-
Less: Investment Expenses	(27,101)	(3,713)	(8)	-
Total Net Investment Income	<u>92,867</u>	<u>11,481</u>	<u>13</u>	<u>19</u>
Charges For Services	2,664	353	1	1
Transfers from Other Pension Plans	10	54	-	-
Miscellaneous	21	3	-	-
TOTAL ADDITIONS	<u>367,931</u>	<u>25,375</u>	<u>8,176</u>	<u>20</u>
DEDUCTIONS				
Benefits	78,153	40,368	9,764	482
Refunds of Contributions	11,214	262	-	-
Annuity Payments	-	-	-	-
Transfers to Other Pension Plans	44	-	-	-
Transfer to Other Funds	238	32	-	-
Administrative Expenses	3,672	392	2	1
TOTAL DEDUCTIONS	<u>93,321</u>	<u>41,054</u>	<u>9,766</u>	<u>483</u>
NET INCREASE (DECREASE)	274,610	(15,679)	(1,590)	(463)
FIDUCIARY NET POSITION				
Beginning of Year: July 1	<u>6,366,083</u>	<u>894,899</u>	<u>5,061</u>	<u>2,335</u>
End of Year: June 30	<u>\$ 6,640,693</u>	<u>\$ 879,220</u>	<u>\$ 3,471</u>	<u>\$ 1,872</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds by Plan
For the Years Ended June 30, 2012 and 2011 (page 4 of 4)
(expresses in thousands)

	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation	June 30, 2012	June 30, 2011
ADDITIONS				
Retirement Contributions				
Employer	\$ 38	\$ —	\$ 1,145,169	\$ 901,893
Plan Member	38	—	965,816	914,431
State	—	—	60,870	62,884
Plan Member Restorations	—	—	38,211	44,617
Total Retirement Contributions	<u>76</u>	<u>—</u>	<u>2,210,066</u>	<u>1,923,825</u>
Participant Contributions	<u>—</u>	<u>178,449</u>	<u>178,449</u>	<u>186,734</u>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	(136)	(34,605)	(482,403)	10,534,617
Interest and Other Investment Income	120	25,049	651,207	688,449
Dividends	5	1,435	882,833	922,502
Less: Investment Expenses	<u>(18)</u>	<u>(4,171)</u>	<u>(266,712)</u>	<u>(216,442)</u>
Total Net Investment Income	<u>(29)</u>	<u>(12,292)</u>	<u>784,925</u>	<u>11,929,126</u>
Charges For Services	<u>—</u>	<u>1,677</u>	<u>27,711</u>	<u>28,018</u>
Transfers from Other Pension Plans	<u>—</u>	<u>—</u>	<u>2,961</u>	<u>11,442</u>
Miscellaneous	<u>5</u>	<u>794</u>	<u>1,008</u>	<u>1,538</u>
TOTAL ADDITIONS	<u>52</u>	<u>168,628</u>	<u>3,205,120</u>	<u>14,080,683</u>
DEDUCTIONS				
Benefits	810	—	3,061,405	2,903,798
Refunds of Contributions	—	171,741	509,658	431,039
Annuity Payments	—	—	23,029	22,605
Transfers to Other Pension Plans	—	—	2,961	11,442
Transfer to Other Funds	—	—	2,330	1,500
Administrative Expenses	<u>—</u>	<u>1,594</u>	<u>29,835</u>	<u>28,607</u>
TOTAL DEDUCTIONS	<u>810</u>	<u>173,335</u>	<u>3,629,218</u>	<u>3,398,991</u>
NET INCREASE (DECREASE)	<u>(758)</u>	<u>(4,707)</u>	<u>(424,098)</u>	<u>10,681,692</u>
FIDUCIARY NET POSITION				
Beginning of Year: July 1	<u>13,027</u>	<u>2,940,439</u>	<u>68,311,830</u>	<u>57,630,138</u>
End of Year: June 30	<u>\$ 12,269</u>	<u>\$ 2,935,732</u>	<u>\$ 67,887,732</u>	<u>\$ 68,311,830</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2012

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

A. Reporting Entity

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

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

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

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

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

B. Basic Financial Statements

The financial statements provided in this report are fiduciary statements.

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

C. Measurement Focus and Basis of Accounting

DRS' financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). The retirement plans are accounted for in pension trust funds using the flow of economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are 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 Fiduciary Net Position. The net assets of the Retirement Funds are valued on a monthly basis using the following sources:

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

Limited Partnerships: The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity, real estate, 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 \$25.4 billion as of June 30, 2012. 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 portfolio companies' projections. The market approach involves valuing a company at a multiple of a specified financial measure (generally EBITDA) based on multiples at which comparable companies trade.

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

E. Use of Estimates

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

F. Revenue Recognition

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

G. Allocation

DRS maintains 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 Fiduciary Net Position as cash and pooled investments.

Deposits – Custodial Credit Risk: Custodial credit risk is the risk that deposits may not be returned to a depositor in the event of the failure of a financial institution. The OST minimizes custodial credit risk by restrictions set forth in state law. Statutes restrict the OST to deposit funds in financial institutions that are physically located in Washington unless otherwise expressly permitted by statute and authorized by the PDPC. As of June 30, 2012, the carrying amount of DRS' cash and pooled investment deposits is \$39.5 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 2012.

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 20 percent higher or lower than the duration of the index. As of June 30, 2012 the Retirement Funds' duration was within the duration target of this index.

The schedule on page 36 provides information about the interest rate risks associated with the Retirement Trust Funds' categorized investments in the Commingled Trust Fund (CTF) as of June 30, 2012. 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, 2012, 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, 2012 are presented in the schedule on page 36. Investment types with multiple credit ratings are presented in the schedule on page 37.

Investments – Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The WSIB's policy states that no corporate fixed income issue shall exceed three percent of cost at the time of purchase or six percent of fair value of the fund thereafter, and that no high yield issues shall exceed one percent of cost or two percent of the fair value of the fund. There was no concentration of credit risk exceeding these policy guidelines as of June 30, 2012. 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 2012.

Investment Maturities

As of June 30, 2012

(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	\$ 20,083	\$ –	\$ 20,063	\$ –	\$ 20	0.05	Multiple
Residential Mortgage Backed Securities	1,823,684	406,753	1,416,870	61	–	1.68	Multiple
Commercial Mortgage Backed Securities	232,991	–	232,991	–	–	3.25	Multiple
Corporate Bonds Domestic (USD)	978,111	–	195,199	613,878	169,034	5.89	Multiple
Corporate Bonds Domestic (Non USD)	62,017	–	62,017	–	–	1.86	Multiple
Corporate Bonds Foreign (USD)	3,871,778	15,897	658,324	2,570,203	627,354	6.68	Multiple
Corporate Bonds Foreign (Non USD)	160,125	–	73,373	55,675	31,077	5.21	Multiple
U.S. Government Treasuries	3,274,407	300,000	2,170,432	803,975	–	3.79	Aaa
Foreign Government and Agencies (USD)	1,120,079	–	134,668	827,013	158,398	6.39	Multiple
Foreign Government and Agencies (Non USD)	617,513	–	154,214	284,988	178,311	6.05	Multiple
Supranational (Non USD)	379,054	7,545	271,265	100,244	–	3.32	Aaa
Total Categorized Investments	\$ 12,539,842	\$ 730,195	\$ 5,389,416	\$ 5,256,037	\$ 1,164,194		
Investments Not Required to be Categorized:							
Corporate Stock - U.S. Dollar Denominated	2,910,238						
Corporate Stock - Non U.S. Dollar Denominated	9,533,429						
Commingled Equity Index Funds	9,890,185						
Alternative Investments	25,451,239						
Liquidity	1,496,866						
Total Investments Not Required to be Categorized	\$ 49,281,957						
DCP, JRA, and Defined Contribution - SELF Plan Assets:							
Retirement Strategy Funds (Target Date Funds)	2,409,694						
Equity Index Funds	1,181,413						
Guaranteed Investment Contracts	1,050,527						
Bond Funds	899,677						
Money Market Mutual Funds	503,018						
Life Annuity	5						
Total DCP, JRA, and Defined Contribution - SELF Plan Assets	\$ 6,044,334						
Total Investments Non Current - 6/30/2012	\$ 67,866,133						

Investments with Multiple Credit Ratings

As of June 30, 2012

(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	
Asset Backed Securities	\$ 20,083	\$ 20,063	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Mortgage Backed Securities	1,823,684	1,806,240	-	2,200	-	-	15,244	-	-	-	-	-
Commercial Mortgage Backed Securities	232,991	188,891	-	-	44,100	-	-	-	-	-	-	-
Corporate Bonds Domestic (USD)	978,111	-	-	-	57,348	21,978	189,437	49,517	206,616	204,583	248,632	-
Corporate Bonds Domestic (Non USD)	62,017	-	-	-	-	-	21,848	-	-	40,169	-	-
Corporate Bonds Foreign (USD)	3,871,778	-	-	28,470	16,439	62,124	64,871	333,923	512,157	947,489	1,906,305	-
Corporate Bonds Foreign (Non USD)	160,125	-	-	-	-	10,248	31,077	32,321	21,167	20,707	44,605	-
US Government Treasuries	3,274,407	3,274,407	-	-	-	-	-	-	-	-	-	-
Foreign Government and Agencies (USD)	1,120,079	-	18,363	28,754	62,938	284,489	24,073	25,554	49,337	280,571	346,000	-
Foreign Government and Agencies (Non USD)	617,513	168,694	21,964	-	-	24,449	42,389	68,348	25,794	105,601	160,274	-
Supranational (Non USD)	379,054	379,054	-	-	-	-	-	-	-	-	-	-
Total	\$12,539,842	\$5,837,349	\$ 40,347	\$ 59,424	\$ 180,825	\$ 403,288	\$ 388,939	\$ 509,663	\$ 815,071	\$1,599,120	\$2,705,816	

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, 2012, is presented in the schedule on page 38. The schedule, stated in U.S. dollars, provides information on deposits and investments held in various foreign currencies. Private equity and real estate are presented according to the financial reporting currency of the individual funds and is not a presentation of currency exposure relating to the underlying holdings.

Foreign Currency Risk

As of June 30, 2012

(expressed in thousands)

Investment Type in U.S. Dollar Equivalent								
Foreign Currency Denomination	Currency	Fixed Income	Corporate Stock	Commingled Index Funds	Private Equity	Real Estate	Total	Percent of Total Foreign Investments
Australia - Dollar	\$ 1,659	\$ 387,015	\$ 554,836	\$ —	\$ —	\$ 24,613	\$ 968,123	3.7%
Brazil - Real	323	294,657	118,982	—	—	—	413,962	1.6%
Canada - Dollar	4,231	—	740,506	—	—	—	744,737	2.8%
Denmark - Krone	1,804	—	104,792	—	—	—	106,596	0.4%
E.M.U. - Euro	21,886	—	2,308,474	—	2,107,006	168,215	4,605,581	17.5%
Hong Kong - Dollar	2,596	—	387,049	—	—	—	389,645	1.5%
India - Rupee	—	123,446	83,674	—	—	—	207,120	0.8%
Indonesia - Rupiah	678	71,241	61,133	—	—	—	133,052	0.5%
Japan - Yen	21,045	—	1,573,086	—	—	—	1,594,131	6.0%
Malaysia - Ringgit	2,373	68,348	25,749	—	—	—	96,470	0.4%
Mexico - Peso	217	56,871	41,464	—	—	—	98,552	0.4%
Singapore - Dollar	1,572	—	141,158	—	—	—	142,730	0.5%
South Korea - Won	1	—	151,399	—	—	—	151,400	0.6%
Sweden - Krona	2,121	—	240,115	—	1,650	—	243,886	0.9%
Switzerland - Franc	2,276	—	680,372	—	—	—	682,648	2.6%
Turkey - Lira	—	62,826	40,192	—	—	—	103,018	0.4%
United Kingdom - Pound	25,082	—	1,951,934	—	4,164	—	1,981,180	7.5%
Other - Miscellaneous	3,424	154,304	328,513	—	—	—	486,241	1.8%
Total Foreign Investments (in Foreign Currency)	91,288	1,218,708	9,533,428	—	2,112,820	192,828	13,149,072	49.9%
Foreign Investments Denominated in U.S. Dollars	—	4,991,857	824,943	1,629,468	3,451,348	2,304,089	13,201,705	50.1%
Total Foreign Investments	\$91,288	\$6,210,565	\$10,358,371	\$1,629,468	\$5,564,168	\$2,496,917	\$26,350,777	100.0%

Source: Washington State Investment Board

Securities Lending: Securities lending management responsibilities as authorized by statute are as follows:

WSIB—Washington State law and WSIB policy permit the WSIB to participate in securities lending transactions to augment the investment income of the Retirement Funds. The 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 counterparty to these transactions.

The Retirement Funds report securities lent (the underlying securities) as assets in the Statement of Fiduciary Net Position. 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 Fiduciary Net Position. 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.

In anticipation of the custodian bank conversion on July 1, 2012, the WSIB recalled all securities on loan. There were no assets on loan at June 30, 2012 and no collateral held related to securities lending transactions.

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.

During Fiscal Year 2012, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The weighted average maturity of loans for Fiscal Year 2012 was 1.5 days.

Cash collateral was invested by the WSIB's agents in the WSIB's separately managed short term investment pool. 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. 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 2012, there were no significant violations of legal or contractual provisions or failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the Retirement Funds incurred no losses during Fiscal Year 2012 resulting from a default by either the borrowers or the securities lending agents.

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

OST—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 securities lending agent, Citibank, N.A., to lend securities in the OST 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. There were no assets on loan at June 30, 2012 and no collateral held related to securities lending transactions.

State law also permits the OST to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers margin against a decline in the fair value of the securities. If the dealers default on their obligations to resell these securities to the OST or provide securities or cash of equal value, the Retirement Funds would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. The OST generally does not match maturities. Securities purchased from proceeds of reverse repurchase agreements are not used to liquidate the agreements. During Fiscal Year 2012, the OST incurred no losses by default, nor recovered prior period losses, from these transactions. At June 30, 2012, 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. At June 30, 2012, 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 2012, there were no violations of legal or contractual provisions or any losses resulting from a default by either the borrowers or the securities lending agent.

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

WSIB—is authorized to utilize various derivative financial instruments, including 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 cash overlay program, at June 30, 2012, 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 Fiduciary Net Position 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, 2012, 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, and such loss upon failure by counterparties to deliver under contracts would not be material at June 30, 2012. The fair value of TBA derivatives is included in residential mortgage-backed securities within the Investments section of the accompanying Statement of Fiduciary Net Position.

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, 2012, the Retirement Funds had outstanding forward currency contracts to purchase foreign currencies with a fair value of \$1,026.1 million and outstanding contracts to sell foreign currencies with a fair value of \$1,028.3 million included within the Investment Trades Pending payable and receivable categories in the accompanying Statement of Fiduciary Net Position. The net unrealized gain of \$2.2 million is included as Net Appreciation (Depreciation) in Fair Value of Investments within the Investments category in the accompanying Statement of Changes in Fiduciary Net Position. The contracts have varying maturity dates ranging from July 2, 2012 to September 19, 2012.

At June 30, 2012, the Retirement Funds' fixed income portfolio held derivative securities consisting of collateralized mortgage obligations of \$680.3 million. Domestic and foreign passive equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of derivative securities by passive equity index fund managers is unavailable.

Derivatives which are exchange traded are not subject to credit risk. The maximum loss that would be recognized at June 30, 2012, if all counterparties fail to perform as contracted was *de minimus*.

At June 30, 2012, 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.

OST – The OST did not engage in derivative transactions during Fiscal Year 2012.

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

Classification		Changes in Fair Value -	Fair Value at	
		Included in	June 30, 2012 -	Investment Derivative
		Investment Income	Investment Derivative	
<i>(expressed in thousands)</i>				
		Amount	Amount	Notional
Futures Contracts:				
Bond Index Futures	Investment	\$ 54,466	\$ 1,835	5
Equity Index Futures	Investment	(3,761)	3,716	1
Total		<u>\$ 50,705</u>	<u>\$ 5,551</u>	<u>6</u>
To Be Announced Securities:				
FHLMC TBA	Investment	\$ 1,205	\$ 47,596	43,798
FNMA TBA	Investment	9,916	182,157	170,593
GNMA TBA	Investment	2,409	61,118	55,904
Total		<u>\$ 13,530</u>	<u>\$ 290,871</u>	<u>270,295</u>
Forward Currency Contracts:				
Australian Dollar	Investment	\$ (9,124)	\$ 40	240,348
Brazilian Real	Investment	(282)	–	–
Canadian Dollar	Investment	(6,853)	552	127,290
Danish Krone	Investment	(571)	(14)	25,868
Euro	Investment	(34,042)	(2,406)	245,916
Hong Kong Dollar	Investment	1	–	221,752
Israeli Shekel	Investment	(1)	(1)	920
Japanese Yen	Investment	(1,817)	(10)	8,177,892
Mexican Peso	Investment	(7)	(7)	6,484
New Zealand Dollar	Investment	(465)	(168)	6,126
Norwegian Krone	Investment	(2,950)	(11)	142,178
Pound Sterling	Investment	(8,634)	(115)	74,680
Singapore Dollar	Investment	(711)	(3)	1,544
South African Rand	Investment	175	176	56,319
Swedish Krona	Investment	(3,557)	(187)	281,554
Swiss Franc	Investment	(8,376)	(1)	19,641
U.S. Dollar	Investment	74,617	–	1,020,550
Total		<u>\$ (2,597)</u>	<u>\$ (2,155)</u>	<u>10,649,062</u>

Certain investment types in DRS' portfolio cannot be categorized within the guidelines established by GASB Statement Number 3. These investments total approximately \$49.3 billion in both carrying value and fair value.

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

The assets within DCP, JRA and the Defined Contribution-SELF Plans total \$6.0 billion and represent less than ten percent of the total investments administered by DRS. (Please refer to the Investment Maturities schedule on page 36 of this report). Participation and membership in these plans is voluntary. Although withdrawals from the plans is

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

The composition of these assets is as follows:

40%–Retirement Strategy Funds (Target Date Funds)— These funds are customized asset allocation portfolios, managed by investment professionals contracted by WSIB, that offer investors a diversified mix of equities, bonds, and global REITs, in five-year increments. Each of these funds has both actively and passively managed investments. The investment mix becomes progressively more conservative over time as the fund approaches and passes through its target date for retirement.

These funds are not publicly traded and thus have no ratings. Foreign credit risk and fixed income exposure are deemed immaterial for these funds at June 30, 2012.

20%–Equity Index Funds—There are four funds in this category, all are passively managed, and all seek to meet or surpass the returns of established benchmarks. As equities, they have no duration. Two of these funds have average ratings (Morningstar 3 stars) and immaterial foreign credit exposure. The other two funds, at \$248.2 million invested, are unrated and have foreign credit exposure that is considered immaterial at June 30, 2012 vis-à-vis the combined DCP, JRA and Defined Contribution-SELF Plans assets.

17%–Guaranteed Investment Contracts (GIC)—GICs are valued at contract value as estimated by the respective insurance companies or investment managers. GICs provide a guaranteed return on the principal invested over a specified time period. The GIC pool has no credit rating because it is not a publicly traded fund. Its underlying assets, however, have credit ratings ranging from AAA to A3, using a blended Moody’s/S&P rating. The pool has no duration since GICs are priced at par. The GIC pool contains no foreign currency exposure at June 30, 2012.

15%–Bond Funds—There is multiple account ownership in these funds which include ownership by accounts for the DCP/JRA, Plan 3 and the underlying asset class in the Retirement Strategy Funds. Bonds are valued using a third-party pricing system. The Bond Fund has no rating because it is not publicly traded. Its underlying securities, however, have credit ratings ranging from AAA to Baa3 and its effective duration at June 30, 2012 was 4.609. Foreign credit exposure at June 30, 2012 was deemed immaterial. The Socially Responsible Balanced Fund has an AA+ Standard & Poor’s credit rating, a modified adjusted duration of 4.7 years, no credit risk and no direct foreign currency exposure.

8%–Money Market Mutual Funds—The two money market funds have first tier short-term ratings (Moody’s P-1, S&P’s A-1+ and A-1, Fitch F-1+). Duration of the funds at June 30, 2012 was 0.09 and 0.12, respectively. Neither of the funds had foreign credit exposure at June 30, 2012.

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, 2012, total investment management fees paid were \$266.7 million and total netted fees totaled \$30.6 million. For a detailed disclosure, refer to the Schedule of Investment Expenses in the Supporting Schedules of the Financial Section of this report.

Unfunded Commitments: The WSIB has entered into agreements that commit the DRS pension funds, upon request, to make additional investment purchases up to a predetermined amount. As of June 30, 2012, the Retirement Funds had the following unfunded investment commitments in millions of dollars:

Innovation Portfolio	\$194.3
Private Equity Partnerships	\$9,043.7
Real Estate	\$7,158.8
Tangible Assets	\$407.4

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, 2012 and 2011 are as follows:

	June 30, 2012	June 30, 2011
<i>(expressed in thousands)</i>		
PERS Plan 1	\$ 853,967	\$ 939,853
PERS Plan 2/3	4,815,732	5,179,208
PERS Plan 3 - WSIB	996,778	971,649
PERS Plan 3 - SELF	727,649	717,703
SERS Plan 2/3	369,832	349,185
SERS Plan 3 - WSIB	941,954	937,719
SERS Plan 3 - SELF	335,894	331,723
PSERS Plan 2	84,596	67,400
TRS Plan 1	511,504	636,213
TRS Plan 2/3	538,866	511,006
TRS Plan 3 - WSIB	3,115,756	3,028,153
TRS Plan 3 - SELF	2,055,093	2,004,219
LEOFF Plan 1	33,351	43,400
LEOFF Plan 2	1,997,577	1,849,759
WSPRS Plan 1/2	79,459	76,751
JRS	962	1,454
Judges	–	–
Total Member Reserves	<u>\$ 17,458,970</u>	<u>\$ 17,645,395</u>

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, 2012 and 2011 are as follows:

	June 30, 2012	June 30, 2011
<i>(expressed in thousands)</i>		
PERS Plan 1	\$ 6,520,152	\$ 7,237,927
PERS Plan 2/3	15,862,549	14,917,524
SERS Plan 2/3	2,457,434	2,397,186
PSERS Plan 2	89,851	75,672
TRS Plan 1	5,677,725	6,265,758
TRS Plan 2/3	6,547,889	6,328,203
LEOFF Plan 1	4,869,838	5,141,273
LEOFF Plan 2	4,639,741	4,515,140
LEOFF Plan 2 – Medical	3,176	866
WSPRS Plan 1/2	799,591	817,983
WSPRS Plan 1/2 – Medical	32	14
JRS	2,501	3,605
Judges	1,867	2,335
Total Benefit Reserves	<u>\$ 47,472,346</u>	<u>\$ 47,703,486</u>

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

J. Capital Assets

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

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

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

Following is a summary of changes in capital assets for Fiscal Year 2012:

Assets	Beginning Balance	Acquisition/ Increase Depreciation	Disposal	Ending Balance
<i>(expressed in thousands)</i>				
Improvements Other Than Buildings	\$ 634	\$ 28	\$ -	\$ 662
Furnishings & Equipment	1,965	182	(161)	1,986
Accumulated Depreciation	<u>(2,235)</u>	<u>159</u>	<u>(184)</u>	<u>(2,260)</u>
Total	\$ 364	\$ 369	\$ (345)	\$ 388

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, 2012:

Operating Leases		
<i>(expressed in thousands)</i>		
By Fiscal Year:	2013	\$ 1,479
	2014	1,548
	2015	1,722
	2016	1,658
	2017	1,548
	2018 and beyond	<u>2,580</u>
Total Future Minimum Payments		<u>\$10,535</u>

The total operating lease rental expenditure for Fiscal year 2012 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 \$1.1 million as of June 30, 2012.

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, 2012.

Following is a summary of changes in compensated absences for the fiduciary funds for Fiscal Year 2012:

Compensated Absences	Beginning Balance	Additions	Deletions	Ending Balance
<i>(expressed in thousands)</i>				
Annual Leave	\$ 907	\$ 994	\$ (780)	\$ 1,121
Sick Leave	<u>399</u>	<u>147</u>	<u>(111)</u>	<u>435</u>
Total	<u>\$ 1,306</u>	<u>\$ 1,141</u>	<u>\$ (891)</u>	<u>\$ 1,556</u>

M. Transfers

Transfers from and to other pension plans, as reported in the financial statements, typically reflect routine transfers among the various trust funds resulting from plan membership changes and member-directed defined contribution plan selections. In Fiscal Year 2012, these transfers totaled \$2.96 million and represented a decrease of \$8.48 million from the previous year.

Transfers to other funds totaled \$2.3 million in Fiscal Year 2012 and represented an operating budget transfer into the State General Fund (3ESHB 2127, Chapter 7, Laws of 2012).

N. Contingencies—Litigation

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

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

The trial court ruled in favor of plaintiffs and against the State of Washington and DRS in Phase 1 of this litigation which dealt with whether the Legislature had the authority to repeal gain-sharing. The trial court ruled in favor of the State and DRS in Phase 2 of the litigation which dealt with whether the Legislature could repeal the replacement benefits if gainsharing is restored. The State has appealed the trial court’s Phase 1 decision to the Washington Supreme Court on cross-appeal.

The parties are preparing their briefs for the Supreme Court. Plaintiffs do not request damages. Instead, they ask for the return of gainsharing and to retain the benefits that were enacted by the Legislature to replace gainsharing for certain Plan 2 members. There is a likelihood of a favorable outcome for DRS on appeal.

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

Note 2: General Description of the Retirement Systems

A. General

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

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

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

Public Employees' Retirement System (PERS)

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

School Employees' Retirement System (SERS)

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

Public Safety Employees' Retirement System (PSERS)

- Plan 2 — defined benefit

Teachers' Retirement System (TRS)

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

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

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

Washington State Patrol Retirement System (WSPRS)

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

Judicial Retirement System (JRS)

- Defined benefit

Judges' Retirement Fund (Judges)

- Defined benefit

Number of Participating Members

Plan	Retirees and Beneficiaries Receiving Benefits	Terminated Members Entitled to But Not Yet Receiving Benefits	Active Plan Members Vested	Active Plan Members Nonvested	Total
PERS Plan 1	53,264	1,789	7,260	473	62,786
PERS Plan 2	24,711	24,456	87,495	29,601	166,263
PERS Plan 3	1,388	3,680	10,823	16,765	32,656
SERS Plan 2	3,823	4,874	13,849	6,935	29,481
SERS Plan 3	2,605	5,388	19,042	12,506	39,541
PSERS Plan 2	15	1	167	4,020	4,203
TRS Plan 1	36,118	581	3,700	40	40,439
TRS Plan 2	2,657	2,423	5,719	4,566	15,365
TRS Plan 3	2,934	6,200	33,040	19,138	61,312
LEOFF Plan 1	7,932	1	250	–	8,183
LEOFF Plan 2	2,015	655	13,692	3,113	19,475
WSPRS Plan 1	875	117	767	–	1,759
WSPRS Plan 2	–	6	145	170	321
JRS	124	–	3	–	127
Judges	13	–	–	–	13
Total	138,474	50,171	195,952	97,327	481,924

The latest actuarial valuation date for all plans was June 30, 2011.
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	129	220	155	174	678
PERS Plan 2	169	–	274	494	937
PERS Plan 3	157	–	206	300	663
SERS Plan 2	–	299	–	–	299
SERS Plan 3	–	301	–	–	301
PSERS Plan 2	10	–	65	1	76
TRS Plan 1	47	257	–	–	304
TRS Plan 2	24	295	–	–	319
TRS Plan 3	35	302	–	–	337
LEOFF Plan 1	–	–	42	12	54
LEOFF Plan 2	8	–	212	153	373
WSPRS Plan 1	1	–	–	–	1
WSPRS Plan 2	1	–	–	–	1
JRS	1	–	–	–	1
Total	582	1,674	954	1,134	4,344

Employers can participate in multiple systems and/or plans. The actual total number of participating employers as of June 30, 2012 is 1,320.
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; employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; employees 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.

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 Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to PERS Plan 3. 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 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

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

PERS Plan 1 members are eligible for retirement 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, but the benefit may not exceed 60% of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

The monthly benefit is subject to a minimum for 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. If a survivor option is chosen, the benefit is reduced. Plan 1 members retiring from inactive status prior to the age of 65 may also receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a

month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount.

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

PERS Plan 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.

The survivor of a PERS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

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

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

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

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

- 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.

The surviving spouse or eligible child(ren) of a PERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

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.

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

For Fiscal Year 2012, PERS Plan 3 employee contributions were \$95.2 million, and plan refunds paid out were \$66.2 million.

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

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

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

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65;
- If they have 30 service credit years 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.

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.

PERS Plan 2 and Plan 3 members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or

eligible child(ren), may request interruptive military service credit.

PERS Plan 2 and Plan 3 members can 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. 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 the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a three and one-half percent multiplier. The benefit would be capped at 75% of the AFC. Judges in PERS Plan 3 could elect a one and six-tenths percent of pay per year of service benefit, capped at 37.5% of the AFC.

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 the 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.
- Not be subject to a benefit cap.
- Continue to participate in JRA, if applicable.
- Continue to pay contributions at the regular PERS rate.
- Never be a participant in the JBM Program.

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 in the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in PERS benefit provisions for the Fiscal Year ended June 30, 2012.

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.

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

employee contributions. Employee contributions to the SERS Plan 2 defined benefit plan accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from SERS-covered employment.

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

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

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

SERS Plan 2 members 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.

The surviving spouse or eligible child (ren) of a SERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly

benefit or a lump sum payment of the member's contributions plus interest.

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.

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

For Fiscal Year 2012, SERS Plan 3 employee contributions were \$59.0 million, and plan refunds paid out were \$60.9 million.

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

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

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

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies according to age, for each year before age 65;
- If they have 30 service credit years 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.

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

SERS 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.

SERS members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible child(ren) may request interruptive military service credit.

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 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 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. 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 the 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 in the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in SERS benefit provisions for the Fiscal Year ended June 30, 2012.

Public Safety Employees' Retirement System (PSERS):

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

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

PSERS membership includes:

- Full-time employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- 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, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities, except for Seattle, Spokane and Tacoma; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

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

PSERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

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

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

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

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

PSERS Plan 2 members can receive service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

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. 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, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Changes to the PSERS plan resulting from recent years' legislation can be found on the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in PSERS benefit provisions for the Fiscal Year ended June 30, 2012.

Teachers' Retirement System (TRS):

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

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by June 30, 1996 are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996 and those who exercised their transfer option, became members of TRS Plan 3. Legislation passed in 2007 gives TRS members hired on or after July 1, 2007 ninety days to make an irrevocable choice to become a member of either TRS Plan 2 or Plan 3. At the end of the ninety days, any member who has not made a choice, becomes a member of Plan 3. 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 Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the TRS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment.

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

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

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. If a survivor option is chosen, the benefit is reduced. 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), or active members-\$600 (if employed full-time at time of death). The survivor of a TRS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

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

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

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

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

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

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

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

The surviving spouse or eligible child(ren) of a TRS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

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.

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

For Fiscal Year 2012, TRS Plan 3 employee contributions were \$255.9 million and plan refunds paid out were \$150.4 million.

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

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

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

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies according to age, for each year before age 65;
- If they have 30 service credit years 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.

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

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

TRS members can receive service credit for military service that interrupts employment. Additionally, TRS members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

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

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 benefit.

Beneficiaries of TRS members killed in the course of employment receive survivor benefits without actuarial reduction. 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, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

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

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 the 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.
- Not be subject to a benefit cap.
- Continue to participate in JRA, if applicable.
- Continue to pay contributions at the regular TRS rate.
- Never be a participant in the JBM Program.

Newly elected or appointed justices and judges who chose to become TRS members on or after January 1, 2007 were required to participate in the JBM Program. 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 in the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in TRS benefit provisions for the Fiscal Year ended June 30, 2012.

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

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

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit

plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

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

LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings 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 the

FAS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of the FAS for the first child plus ten percent for each additional child, subject to a 60 percent limitation of the FAS, divided equally.

A one-time duty-related death benefit is provided to the 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, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

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

LEOFF Plan 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 benefit.

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

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

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

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

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

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

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 receive 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, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

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 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, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Director of the Department of Labor and Industries.

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

Changes to the LEOFF plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in LEOFF benefit provisions for the Fiscal Year ended June 30, 2012.

Washington State Patrol Retirement System (WSPRS):

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

WSPRS is a single-employer defined benefit retirement system. WSPRS members who joined the system by December 31, 2002 are Plan 1 members. Those who joined on or after January 1, 2003 are Plan 2 members. For financial reporting and investment

purposes, however, both plans are accounted for in the same pension fund.

WSPRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to WSPRS accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012 the rate 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 benefit is two percent of the average final salary (AFS) per year of service, capped at 75 percent. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

For WSPRS Plan 1 members, the AFS is based on the average of the 24 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 benefit of 60 percent of the AFS; or (2) If no eligible spouse, 30 percent of the AFS for the first child plus ten percent for each additional child, subject to a 60 percent limitation of the AFS, or (3) If no spouse or eligible children, beneficiary gets the refund of contributions and interest.

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

retirement survivor benefits. Death benefits for these members, if on active duty, consist of the following: (1) If the member is single or has less than ten years of service, the return of the member's accumulated contributions; or (2) If the member is married, has an eligible child, or has completed ten years of service, a reduced benefit reflecting a joint and 100 percent survivor option or 150 percent of the member's accumulated contributions, at the survivor's option.

WSPRS Plan 2 members may receive up to five years of no-cost 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, or a surviving spouse or eligible child(ren) may request interruptive service credit.

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 benefit.

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, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's

covered employment, if found eligible by the Director of the Department of Labor and Industries.

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

Changes to the WSPRS plans resulting from recent years' legislation can be found on the table immediately following this section on pages 64-65. Besides those included in the table, there were no other material changes in WSPRS benefit provisions for the Fiscal Year ended June 30, 2012.

Judicial Retirement System (JRS):

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

JRS is 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.

Employee contributions accrue interest at a rate specified by the Director of DRS. During Fiscal Year 2012, the rate on employee contributions was five and one-half percent, compounded quarterly. JRS members who are vested in the plan may not elect to withdraw their contributions upon termination. 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 the FAS, exclusive of cost of living increases.

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

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

There were no material changes in JRS benefit provisions for the Fiscal Year ended June 30, 2012.

Judges’ Retirement Fund:

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

The Judges’ Retirement Fund is 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.

There were no material changes in Judges’ benefit provisions for the Fiscal Year ended June 30, 2012.

Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2012 (page 1 of 2)

(Arranged Chronologically by Effective Date)

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 521, Laws of 2009 (ESSSB 5688)	Varies per section from 7/26/09 to 1/1/14	All systems and plans	Domestic partners registered with the state will be treated the same as married spouses, to the extent that treatment is not in conflict with federal laws.
Chapter 80, Laws of 2010 (SB 6546)	3/17/10	LEOFF 2	The State Director of Fire Protection, if previously a member of LEOFF 2, 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 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 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 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.
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.
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), Sections # 27-36	6/30/10	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.
Chapter 362, Laws of 2011 (SHB 2021)	6/30/11	PERS 1 and TRS 1	The automatic annual benefit increase for retirees/beneficiaries in PERS 1 and TRS 1 is eliminated, and the Adjusted Minimum Benefit limit is increased to \$1,545 per month. Additionally, the minimum employer contribution rates for the unfunded liability of both of these plans are lowered.
Chapter 5, Laws of 2011 (HB 2070)	7/1/11	LEOFF 2, PERS, PSERS, SERS, TRS and WSPRS	DRS is required to include the qualifying foregone compensation during the 2011-2013 biennium in the benefits calculation of retiring government employees in LEOFF 2, PERS, PSERS, SERS, TRS and WSPRS.

Recent Legislation Affecting Pension Systems/Plans Administered by DRS During Fiscal Year 2012 (page 2 of 2)

(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: -Limits to 867 the post retirement hours that a PERS 1 or TRS 1 retiree may work prior to suspension of the pension benefit, -Applies the return to work provision of the applicable retirement system to higher education positions eligible for the HERPs, -Prohibits higher education institutions and entities from offering participation in a HERP to any newly hired employee that has retired or is eligible to retire from a DRS administered retirement plan, -Provides, for newly hired employees eligible to participate in a HERP, the option at time of hire to participate in PERS 3, TRS 3 or a HERP, -Requires institutions to contribute a percentage of their HERP-covered employees' salary to DRS to be invested by the WSIB. These funds are intended to be used to pay required supplemental benefits to eligible HERP retirees.
Chapter 68, Laws of 2011 (HB 1263)	7/22/11	PSERS	The employer definition within PSERS is modified to include correctional entities formed by PSERS employers under the Interlocal Cooperation Act (RCW 39.34).
Chapter 80, Laws of 2011 (HB 1625)	7/22/11	PERS 3, SERS 3 and TRS 3	The investment option for new employees who default into membership in PERS 3, SERS 3 or TRS 3 by failing to choose a retirement plan within the allotted 90 days is changed from the Total Allocation Portfolio to a Retirement Strategy Fund, based on the member's birth year and an assumed retirement at age 65.
Chapter 3, Laws of 2012 (ESSB 6239)	6/7/12*	All systems/plans	This bill allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this bill, survivor benefits may be available to certain members of the state's retirement systems sooner than under current law. *This law will remain on hold pending the results of a referendum to take place in November, 2012.
Chapter 72, Laws of 2012 (ESB 5159)	6/7/12	WSPRS	Current WSPRS members who have service credit earned as commercial vehicle enforcement officers within PERS 2 may transfer said credit into the WSPRS. The member must pay the full actuarial cost of the transfer.
Chapter 236, Laws of 2012 (EHB 2771)	6/7/12	LEOFF, PERS, PSERS, SERS and TRS	This bill amends the retirement statutes to clarify that governmental contractors are not employers under the system, unless otherwise qualifying, and that the determination of whether an employee/employer relationship has been established shall be based solely on the relationship between the contracted employee and the governmental employer.
Chapter 248, Laws of 2012 (SB 6134)	6/7/12	LEOFF 2	The initial timeline to transfer service credit under RCW 41.26.435 is moved from June 30, 2014 to June 30, 2012.

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 went into effect beginning with the 2011-2013 biennium.

All employers are required to contribute at the level established by the Legislature. The table at the end of this section provides the required contribution rates for all plans (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2012.

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

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

TRS: Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at seven and one-half percent for state elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under TRS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from five to 15 percent, 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 41.37 and 41.45 RCW.

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

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. 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 2012, the state contributed \$52.8 million to LEOFF Plan 2.

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

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

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

JRS: 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 2012, the state contributed \$8.1 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. However, there are no active members remaining in the Judges' Retirement Fund.

The state guarantees the solvency of the Judges' Retirement fund on a pay-as-you-go basis. Each biennium, therefore, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2012, 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 2012 were as follows:

Actual Contribution Rates:	Employer			Employee		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3
PERS						
Members Not Participating in JBM:						
State agencies*	7.08%	7.08%	7.08%**	6.00%	4.64%	***
Local governmental units*	7.08%	7.08%	7.08%**	6.00%	4.64%	***
State government elected officials*	10.54%	7.08%	7.08%**	7.50%	4.64%	***
Members Participating in JBM:						
State agencies*	9.58%	9.58%	9.58%**	9.76%	9.10%	7.50%****
Local governmental units*	7.08%	7.08%	7.08%**	12.26%	11.60%	7.50%****
SERS						
State agencies*	n/a	7.58%	7.58%**	n/a	4.09%	***
Local governmental units*	n/a	7.58%	7.58%**	n/a	4.09%	***
PSERS						
State agencies*	n/a	8.74%	n/a	n/a	6.36%	n/a
Local governmental units*	n/a	8.74%	n/a	n/a	6.36%	n/a
TRS						
Members Not Participating in JBM:						
State agencies*	8.04%	8.04%	8.04%**	6.00%	4.69%	***
Local governmental units*	8.04%	8.04%	8.04%**	6.00%	4.69%	***
State government elected officials*	8.04%	8.04%	8.04%**	7.50%	4.69%	***
Members Participating in JBM:						
State agencies*	8.04%	n/a	n/a	9.76%	n/a	n/a
LEOFF						
Local governmental units*	0.16%	5.24%	n/a	n/a	8.46%	n/a
Ports and universities*	n/a	8.62%	n/a	n/a	8.46%	n/a
State of Washington	n/a	3.38%	n/a	n/a	n/a	n/a
WSPRS						
State agencies*	8.07%	8.07%	n/a	6.59%	6.59%	n/a
Judicial						
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, 2011, the most recent actuarial valuation date, is as follows:

(dollar amounts in millions)

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
PERS Plan 1	\$ 8,883.4	\$ 12,571.2	\$ 3,687.8	71%	\$ 431.8	854%
PERS Plan 2/3*	\$ 20,996.7	\$ 21,626.6	\$ 629.9	97%	\$ 8,148.4	8%
SERS Plan 2/3*	\$ 2,872.1	\$ 2,956.0	\$ 83.8	97%	\$ 1,490.0	6%
PSERS Plan 2*	\$ 140.7	\$ 126.5	\$ (14.2)	111%	\$ 232.8	(6)%
TRS Plan 1	\$ 7,485.0	\$ 9,231.8	\$ 1,746.8	81%	\$ 284.2	615%
TRS Plan 2/3*	\$ 7,140.6	\$ 7,193.8	\$ 53.2	99%	\$ 4,085.0	1%
LEOFF Plan 1	\$ 5,565.3	\$ 4,144.7	\$ (1,420.6)	134%	\$ 24.5	(5,794)%
LEOFF Plan 2*	\$ 6,620.7	\$ 5,941.2	\$ (679.5)	111%	\$ 1,534.7	(44)%
WSPRS 1/2*	\$ 949.5	\$ 859.4	\$ (90.1)	110%	\$ 81.5	(111)%
JRS	\$ 5.1	\$ 109.3	\$ 104.3	5%	\$ 0.5	22,574%
Judges	\$ 2.3	\$ 3.9	\$ 1.5	61%	\$ -	n/a

* These plans use the Aggregate actuarial cost method which does not separately amortize Unfunded Actuarial Accrued Liabilities (UAAL) outside the normal cost. 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
Valuation – Date	6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011
Actuarial Cost Method	entry age normal ¹	aggregate ²	entry age normal ¹	aggregate ²	aggregate ²
Amortization Method:					
Funding	level % ⁴	n/a	level % ⁴	n/a	n/a
GASB	level \$	n/a	level \$	n/a	n/a
Remaining Amortization Years (Closed)	10-year rolling	open plan	10-year rolling	open plan	open plan
Remaining Amortization Period (Closed)	N/A	N/A	N/A	N/A	N/A
Asset Valuation Method	8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵
Actuarial Assumptions:					
Investment Rate of Return ⁷	7.90%	7.90%	7.90%	7.90%	7.90%
Projected Salary Increases					
Salary Inflation at 3.75%, Plus the Merit Increases Described Below ⁵ :					
Initial Salary Merit (Grades Down to 0%)	6.1%	6.1%	5.8%	5.8%	6.9%
Merit Period (Years of Service)	17 yrs.	17 yrs.	26 yrs.	26 yrs.	20 yrs.
Includes Inflation at Cost of Living Adjustments	N/A Minimum COLA ⁶	3.00% CPI increase, maximum 3%	N/A Minimum COLA ⁶	3.00% CPI increase, maximum 3%	3.00% CPI increase, maximum 3%

N/A indicates data not applicable.

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

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

³ Pay-As-You-Go basis for funding.

⁴ Level percent of system payroll, including system growth.

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

Annual Gain/Loss						
Rate of Return	Smoothing Period	Annual Recognition	Rate of Return	Smoothing Period	Annual Recognition	
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 71

Chart continued from page 70

PSERS Plan 2	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	Judicial	Judges
6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011
aggregate ²	frozen initial liability ¹	aggregate ²	aggregate ²	entry age ³	entry age ³
N/A	level % ⁴	N/A	N/A	N/A	N/A
N/A	level \$	N/A	N/A	level \$	level \$
open plan	13.00	open plan	open plan	5-year rolling	5-year rolling
N/A	6/30/2024	N/A	N/A	N/A	N/A
8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵	8-year graded smoothed fair value ⁵	market	market
7.90%	7.90%	7.50%	7.90%	4.00%	4.00%
6.1%	11.0%	11.0%	7.1%	0.0%	0.0%
17 yrs.	21 yrs.	21 yrs.	26 yrs.	N/A	N/A
3.00% CPI increase maximum 3%	3.00% CPI increase	3.00% CPI increase maximum 3%	3.00% CPI increase maximum 3%	3.00% CPI increase maximum 3%	3.00% none

⁶The PERS 1 and TRS 1 COLA

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

<u>Date</u>	<u>COLA Type</u>	<u>Amount</u>
7/1/2002	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
7/1/2012	Minimum	\$2.00

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

E. Judicial Retirement Account

The Judicial Retirement Account (JRA) was established by the Legislature in 1988 to provide supplemental retirement benefits. It is a defined contribution plan administered by the state of Washington Administrative Office of the Courts, 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, 2012, there were 9 active members and 170 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, as an employer, to cost-sharing plans in accordance with the funding policy. All contributions required by the funding method were paid.

	2012	2011	2010
(expressed in thousands)			
PERS Plan 1	\$ 28.5	\$ 48.4	\$ 66.7
PERS Plan 2/3	858.3	614.8	632.3
Total	<u>\$ 886.8</u>	<u>\$ 663.2</u>	<u>\$ 699.0</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 program (DCP) pursuant to RCW 41.50.770, in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, disability, death or unforeseeable financial emergency. This deferred compensation plan is administered by DRS.

The intent of the program is to provide additional income to participants upon retirement. By deferring part of their income, participants can reduce their taxable income each year. The investments 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.

Employees participating in DCP 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 DCP 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 program offers two investment options.

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

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

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

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

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

Required Supplementary Information

Schedule of Funding Progress: PERS Plan 1

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$8,883	\$9,293	\$9,776	\$9,853	\$9,715	\$9,591
Actuarial Accrued Liability	\$12,571	\$12,538	\$13,984	\$13,901	\$13,740	\$13,129
Unfunded Actuarial Liability	\$3,688	\$3,245	\$4,209	\$4,048	\$4,025	\$3,538
Funded Ratio	71%	74%	70%	71%	71%	73%
Covered Payroll	\$432	\$507	\$580	\$638	\$676	\$725
Unfunded Actuarial Liability as a Percentage of Covered Payroll	854%	640%	725%	634%	595%	488%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: PERS Plan 2/3

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$20,997	\$19,474	\$18,260	\$16,693	\$14,888	\$13,529
Actuarial Accrued Liability	\$21,627	\$20,029	\$18,398	\$16,508	\$14,661	\$12,770
Unfunded Actuarial Liability	\$630	\$555	\$137	\$(185)	\$(227)	\$(759)
Funded Ratio	97%	97%	99%	101%	102%	106%
Covered Payroll	\$8,148	\$8,206	\$8,132	\$7,869	\$7,157	\$6,771
Unfunded Actuarial Liability as a Percentage of Covered Payroll	8%	7%	2%	(2)%	(3)%	(11)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: SERS Plan 2/3

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	9/30/07	9/30/06
Actuarial Value of Plan Assets	\$2,872	\$2,664	\$2,503	\$2,303	\$2,133	\$1,934
Actuarial Accrued Liability	\$2,956	\$2,706	\$2,493	\$2,207	\$1,998	\$1,787
Unfunded Actuarial Liability	\$84	\$41	\$(10)	\$(95)	\$(136)	\$(147)
Funded Ratio	97%	98%	100%	104%	107%	108%
Covered Payroll	\$1,490	\$1,475	\$1,467	\$1,379	\$1,283	\$1,243
Unfunded Actuarial Liability as a Percentage of Covered Payroll	6%	3%	(1)%	(7)%	(11)%	(12)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: PSERS Plan 2

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$141	\$103	\$69	\$39	\$14	*
Actuarial Accrued Liability	\$126	\$94	\$64	\$37	\$19	*
Unfunded Actuarial Liability	\$(14)	\$(9)	\$(5)	\$(2)	\$6	*
Funded Ratio	111%	109%	108%	106%	71%	*
Covered Payroll	\$233	\$227	\$223	\$200	\$134	*
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(6)%	(4)%	(2)%	(1)%	4%	*

*Data not available

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: TRS Plan 1

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$7,485	\$7,791	\$8,146	\$8,262	\$8,302	\$8,275
Actuarial Accrued Liability	\$9,232	\$9,201	\$10,820	\$10,754	\$10,826	\$10,359
Unfunded Actuarial Liability	\$1,747	\$1,410	\$2,674	\$2,492	\$2,524	\$2,084
Funded Ratio	81%	85%	75%	77%	77%	80%
Covered Payroll	\$284	\$344	\$389	\$432	\$426	\$478
Unfunded Actuarial Liability as a Percentage of Covered Payroll	615%	410%	688%	576%	592%	436%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: TRS Plan 2/3

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$7,141	\$6,593	\$6,160	\$5,681	\$5,277	\$4,835
Actuarial Accrued Liability	\$7,194	\$6,558	\$6,048	\$5,264	\$4,682	\$4,030
Unfunded Actuarial Liability	\$53	\$(36)	\$(112)	\$(417)	\$(594)	\$(806)
Funded Ratio	99%	101%	102%	108%	113%	120%
Covered Payroll	\$4,085	\$3,966	\$3,957	\$3,621	\$3,318	\$3,225
Unfunded Actuarial Liability as a Percentage of Covered Payroll	1%	(1)%	(3)%	(12)%	(18)%	(25)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: LEOFF Plan 1

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$5,565	\$5,561	\$5,612	\$5,592	\$5,298	\$5,018
Actuarial Accrued Liability	\$4,145	\$4,393	\$4,492	\$4,368	\$4,340	\$4,309
Unfunded Actuarial Liability	\$(1,421)	\$(1,168)	\$(1,120)	\$(1,225)	\$(958)	\$(709)
Funded Ratio	134%	127%	125%	128%	122%	116%
Covered Payroll	\$25	\$29	\$33	\$37	\$43	\$48
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(5,794)%	(4,012)%	(3,360)%	(3,303)%	(2,243)%	(1,475)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: LEOFF Plan 2

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$6,621	\$6,043	\$5,564	\$5,053	\$4,360	\$3,844
Actuarial Accrued Liability	\$5,941	\$5,164	\$4,641	\$3,998	\$3,626	\$3,486
Unfunded Actuarial Liability	\$(679)	\$(879)	\$(923)	\$(1,054)	\$(734)	\$(358)
Funded Ratio	111%	117%	120%	126%	120%	110%
Covered Payroll	\$1,535	\$1,490	\$1,442	\$1,345	\$1,234	\$1,172
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(44)%	(59)%	(64)%	(78)%	(59)%	(31)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: WSPRS Plan 1/2

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$949	\$920	\$900	\$870	\$800	\$743
Actuarial Accrued Liability	\$859	\$812	\$790	\$745	\$702	\$671
Unfunded Actuarial Liability	\$(90)	\$(107)	\$(110)	\$(124)	\$(98)	\$(72)
Funded Ratio	110%	113%	114%	117%	114%	111%
Covered Payroll	\$82	\$83	\$83	\$79	\$72	\$69
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(111)%	(130)%	(133)%	(158)%	(136)%	(105)%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: JRS

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$5	\$4	\$2	\$1	\$1	\$–
Actuarial Accrued Liability	\$109	\$84	\$89	\$92	\$85	\$88
Unfunded Actuarial Liability	\$104	\$80	\$87	\$91	\$85	\$88
Funded Ratio	5%	5%	2%	1%	1%	0%
Covered Payroll	\$0.5	\$0.7	\$0.9	\$1.3	\$1.3	\$1.4
Unfunded Actuarial Liability as a Percentage of Covered Payroll	22,574%	11,565%	9,216%	7,141%	6,374%	6,071%

Source: Washington State Office of the State Actuary

Schedule of Funding Progress: Judges

(dollars in millions)

	2011	2010	2009	2008	2007	2006
Actuarial Valuation Date	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	9/30/06
Actuarial Value of Plan Assets	\$2.3	\$2.8	\$3.3	\$3.6	\$4.0	\$4.1
Actuarial Accrued Liability	\$3.9	\$3.2	\$3.4	\$3.5	\$3.9	\$4.0
Unfunded Actuarial Liability	\$1.5	\$0.4	\$0.1	\$(0.1)	\$(0.1)	\$(0.1)
Funded Ratio	61%	87%	97%	104%	103%	103%
Covered Payroll	\$–	\$–	\$–	\$–	\$–	\$–
Unfunded Actuarial Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a

Source: Washington State Office of the State Actuary

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

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

Schedule of Contributions from Employers and Other Contributing Entities

The following schedule covers the fiscal years ended 2007-2012.

	(dollars in millions)											
	Annual Required Contribution*						Percentage Contributed					
	2012	2011	2010	2009	2008	2007	2012	2011	2010	2009	2008	2007
PERS Plan 1	\$508.0	\$439.3	\$627.8	\$620.2	\$453.1	\$397.3	51%	33%	25%	52%	49%	30%
PERS Plan 2/3	407.7	408.6	383.1	369.7	363.3	331.3	94%	80%	85%	119%	88%	73%
SERS Plan 2/3	85.2	88.6	82.3	71.5	75.8	71.5	88%	70%	75%	89%	69%	64%
PSERS Plan 2	14.7	14.7	14.8	14.3	12.4	7.1	104%	106%	103%	101%	94%	93%
TRS Plan 1	254.0	205.9	406.1	391.0	294.7	249.8	44%	47%	28%	46%	38%	24%
TRS Plan 2/3	232.2	232.3	221.1	186.9	208.9	167.7	92%	72%	75%	86%	52%	61%
LEOFF Plan 1	0.0	0.0	0.0	0.0	0.0	0.1	n/a	n/a	n/a	n/a	n/a	n/a
LEOFF Plan 2	97.3	84.0	112.2	105.3	102.1	94.9	137%	157%	114%	122%	117%	101%
WSPRS Plan 1/2	2.9	2.3	6.6	5.0	6.8	5.3	224%	228%	80%	127%	89%	62%
JRS	22.6	18.6	20.4	21.2	26.6	37.3	36%	59%	57%	49%	36%	26%
Judges	0.3	0.1	0.0	0.0	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a

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

Source: Washington State Office of the State Actuary

Supporting Schedules

Schedule of Administrative Expenses

For the Year Ended June 30, 2012

(expressed in thousands)

	Retirement Pension Trust Funds	Deferred Compensation Pension Trust Fund	Totals	
			June 30, 2012	June 30, 2011
Current				
Personnel:				
Salaries and Wages	\$ 11,201	\$ 919	\$ 12,120	\$ 12,246
Employee Benefits	3,803	327	4,130	4,192
Personal Service Contracts	1,451	–	1,451	1,528
Total Personnel Expenses	16,455	1,246	17,701	17,966
Goods and Services:				
Supplies and Materials	50	8	58	61
Communications	564	29	593	488
Utilities	131	9	140	144
Rental and Leases	1,484	99	1,583	1,593
Repairs and Alterations	157	10	167	202
Printing and Reproduction	230	26	256	286
Employee Professional Development and Training	123	3	126	84
Subscriptions	31	–	31	9
Facilities and Services	362	17	379	394
Data Processing Services	1,962	29	1,991	1,551
Attorney General Services	45	8	53	70
Personnel Services	35	2	37	38
Medical Consultant Services	93	–	93	66
Insurance	5	–	5	15
Other Contractual Services	680	6	686	471
Vehicle Maintenance	–	–	–	2
Actuary Services	1,579	–	1,579	1,522
LEOFF 2 Board Governance	822	–	822	876
Pension Funding Council Services	–	–	–	84
Audit Services	83	6	89	82
Archives and Records Management	41	3	44	43
Legal Fees	1,955	–	1,955	1,391
Bad Debts Expense	74	–	74	208
Collections	115	–	115	79
Office of Minority and Women's Business Enterprises Services	1	–	1	1
Other Goods and Services	22	1	23	95
Total Goods and Services	10,644	256	10,900	9,855
Miscellaneous Expenses:				
Travel	69	38	107	67
Noncapitalized Equipment	133	41	174	75
Total Miscellaneous Expenses	202	79	281	142
Total Current Expenses	27,301	1,581	28,882	27,963
Capital Outlays:				
Furnishings, Equipment and Software	729	11	740	479
Improvements Other than Buildings	26	2	28	–
Total Capital Outlays	755	13	768	479
Depreciation and Loss – Capital Assets	185	–	185	165
Total Administrative Expenses	\$ 28,241	\$ 1,594	\$ 29,835	\$ 28,607

Schedule of Investment Expenses

Pension Trust Funds

For the Year Ended June 30, 2012

(expressed in thousands)

	Fees Paid	Netted Fees*	Total Fees and Expenses
Equity Securities			
Public Equity - Emerging Markets	\$ 10,912	\$ 7,375	\$ 18,287
Active Equity - Global	25,025	29	25,054
Passive Equity - Global	854	-	854
Alternative Investments			
Private Equity	167,489	16,279	183,768
Real Estate	34,200	4,972	39,172
Tangible Assets	7,921	1,987	9,908
Cash Management			
	3,129	-	3,129
Securities Lending			
	(2,961)	-	(2,961)
Other Fees:			
Consultants and Accounting	1,124	-	1,124
DCP Management Fees	3,690	-	3,690
JRA Management Fees	16	-	16
Legal Fees	350	-	350
PERS Plan 3 - SELF Management Fees	775	-	775
Research Services	1,941	-	1,941
SERS Plan 3 - Management Fees	357	-	357
TRS Plan 3 - Management Fees	2,154	-	2,154
WSIB Operating Costs	9,356	-	9,356
Miscellaneous Fees	380	-	380
Total Investment Expenses	<u>\$ 266,712</u>	<u>\$ 30,642</u>	<u>\$ 297,354</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, 2012

(expressed in thousands)

	Commissions/Fees
Computer/Technology	
Aetea Information Technology	\$ 175
Martin Analysis and Programming, Inc.	290
Milestone Technology	37
S.L. Robinson & Associates, Inc.	<u>10</u>
Total Computer/Technology	<u>512</u>
Legal	
Buell Realtime Reporting, LLC	2
Danielson Harrigan Leyh & Tollefson, LLP	483
Foster Pepper, PLLC	77
Ice Miller, LLP	<u>42</u>
Total Legal	<u>604</u>
Management	
Actuarial Consulting Group, Inc.	46
Cheiron, Inc.	34
CEM Benchmarking, Inc.	35
International Projects Consultancy Services, Inc.	25
Kelly Services, Inc.	91
Mass Ingenuity	28
Peterson Sullivan, LLP	58
Solutions@Work	<u>34</u>
Total Management	<u>351</u>
Recordkeeping	
ICMA Retirement Corporation	<u>1,315</u>
Total Recordkeeping	<u>1,315</u>
Total Payments to Consultants	<u>\$ 2,782</u>

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

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Investment Section



Report on Investment Activity

Prepared by the Washington State Investment Board

Overview

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

The Retirement Funds, collectively called the Commingled Trust Fund (CTF), decreased in value by \$501 million during fiscal 2012 to \$61.8 billion. The CTF return was 1.4% for the fiscal year.

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

- **Participant Concentration** – The DRS Retirement Funds make up 99.8% of the CTF. Their respective concentrations are:
 - PERS 1 (11.9%)
 - PERS 2/3 DB and DC plans (35.0%)
 - SERS 2/3 DB and DC plans (6.1%)
 - PSERS 2 (0.3%)
 - TRS 1 (10.0%)
 - TRS 2/3 DB and DC plans (16.4%)
 - WSPRS 1/2 (1.5%)
 - LEOFF 1 (7.9%)
 - LEOFF 2 (10.7%)
 - 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, 2012 was 0.5337%.
- **Yield** – The CTF's fixed income portfolio has a yield of 3.23%.
- **Weighted Average Maturity** – The CTF fixed income portfolio has a weighted average maturity of 6.49 years. Additional maturity information is available in Note 1 of the Financial Section of this report.

Basis of Presentation of Investment Data

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

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

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

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

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

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

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

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

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

Performance

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

	Periods Ending 6/30/2012		
	1 Year	3 Year	5 Year
TOTAL FUND	1.40%	11.62%	1.17%
<i>Passive benchmark</i>	<i>(2.11)%</i>	<i>10.78%</i>	<i>0.84%</i>
Fixed Income	5.51%	8.45%	7.94%
<i>Barclays Capital Universal Index</i>	<i>7.36%</i>	<i>7.55%</i>	<i>6.76%</i>
Tangible	2.11%	6.22%	1.77%
<i>CPI (Lagged One Quarter) + 400 bp</i>	<i>6.64%</i>	<i>6.53%</i>	<i>6.22%</i>
Real Estate	8.57%	6.10%	(0.46)%
<i>8% Return Over Rolling 10 Years NCREIF Lagged One Quarter (for comparison purposes)</i>	<i>13.41%</i>	<i>5.96%</i>	<i>2.88%</i>
Public Equity	(5.78)%	11.89%	(2.55)%
<i>Dow Jones Wilshire Global Index</i>	<i>(6.64)%</i>	<i>11.59%</i>	<i>(2.16)%</i>
Private Equity	5.26%	17.50%	2.91%
<i>Russell 3000 (Lagged One Quarter) + 300 bp</i>	<i>10.18%</i>	<i>27.26%</i>	<i>5.18%</i>
Innovation	(9.79)%	n/a	n/a
<i>Custom Benchmark</i>	<i>(9.48)%</i>	<i>n/a</i>	<i>n/a</i>
Cash	0.14%	0.16%	1.21%
<i>90 Day T-bills</i>	<i>0.06%</i>	<i>0.12%</i>	<i>0.98%</i>

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, 2012, as well as the long-term target allocations.

Current Asset Allocation and Long-Term Target Allocations

Asset Type	Target Allocation	Actual Allocation
Fixed Income	20.54%	22.16%
Tangible Assets	1.35%	1.35%
Real Estate	13.69%	13.69%
Public Equity	36.27%	36.02%
Private Equity	26.02%	26.02%
Innovation	0.57%	0.57%
Cash	1.56%	0.19%

Public Equity

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

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

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

**Retirement Funds' Ten Largest Public Equity Holdings
As of 6/30/2012**

Apple Inc.	1.55%	Pfizer Inc.	0.64%
Exxon Mobil Corp.	1.10%	IBM Corp.	0.63%
Philip Morris International Inc.	0.69%	Wells Fargo	0.61%
Johnson & Johnson.	0.68%	Novartis AG	0.61%
Nestle SA	0.65%	Microsoft Corp.	0.58%

**Retirement Funds' Ten Largest Public Equity Exposures by Country
As of 6/30/2012**

United States	47.91%	Switzerland	3.19%
United Kingdom	9.09%	Germany	2.95%
Japan	7.15%	Brazil	2.37%
Canada	3.76%	Australia	2.32%
France	3.67%	China	1.97%

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 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 6/30/2012

Investment Type	WSIB Fixed Income	Barclays Capital Universal Index
Treasury Inflation Protected Securities (TIPS)	0.00%	0.00%
U.S. Treasury	25.95%	31.15%
U.S. Credit	57.74%	35.79%
U.S. Agency	0.00%	4.51%
Pass Through Mortgages	6.77%	26.54%
Commercial Mtge. Backed Securities (CMBS)	1.85%	1.79%
Collateralized Mortgage Obligations (CMO)	5.40%	0.00%
Asset Backed Securities (ABS)	0.16%	0.22%
Cash	2.14%	0.00%

Private Equity

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

Real Estate

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

Tangible Assets

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

Portfolio Holdings

A complete list of portfolio holdings is available by contacting:

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

Summary of Investment Policies

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

Retirement Fund Asset Allocation

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

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

Public Markets Equity

The Public Markets equity program seeks to:

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

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

Fixed Income

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

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

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

Private Equity Investing

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

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

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

Real Estate Program

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

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

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

Tangible Assets

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

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

Investment Professionals

For the Year Ended June 30, 2012 (page 1 of 2)

The following investment professionals provided service to the Retirement Funds during Fiscal Year 2012:

PRIVATE EQUITY PARTNERS

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

Investment Professionals

For the Year Ended June 30, 2012 (page 2 of 2)

PRIVATE EQUITY PARTNERS (CONT.)

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

REAL ESTATE PARTNERS

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

TANGIBLE PARTNERS

ALINDA
CAMPBELL GROUP
HIGHSTAR
SHERIDAN

PUBLIC EQUITY FUND MANAGERS

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

OVERLAY MANAGER

STATE STREET GLOBAL ADVISORS

OTHER

FCS FINANCIAL CONTROL SYSTEMS (CONSULTING AND ACCOUNTING)
HAMILTON LANE ADVISORS (CONSULTING)
J.P. MORGAN (CUSTODIAN, CASH MANAGEMENT, SECURITIES LENDING)

Schedule of Investment Management Fees and Commissions

For the Year Ended June 30, 2012

(expressed in thousands)

	Fees Paid	Netted Fees*	Total Fees	Assets Under Management
Equity Securities:				
Public Equity - Emerging Markets	\$ 10,912	\$ 7,375	\$ 18,287	\$ 2,428,768
Active Equity - Global	25,025	29	25,054	5,970,747
Passive Equity - Global	854	-	854	13,934,337
Alternative Investments:				
Private Equity	167,489	16,279	183,768	16,047,231
Real Estate	34,200	4,972	39,172	8,573,286
Tangible Assets	7,921	1,987	9,908	830,723
Cash Management	3,129	-	3,129	1,405,578
Securities Lending	(2,961)	-	(2,961)	N/A
Other Fees:				
Consultants and Accounting	1,124	-	1,124	N/A
DCP Management Fees	3,690	-	3,690	N/A
JRA Management Fees	16	-	16	N/A
Legal Fees	350	-	350	N/A
PERS Plan 3 - SELF Management Fees	775	-	775	N/A
Research Services	1,941	-	1,941	N/A
SERS Plan 3 - SELF Management Fees	357	-	357	N/A
TRS Plan 3 - SELF Management Fees	2,154	-	2,154	N/A
WSIB Operating Costs	9,356	-	9,356	N/A
Miscellaneous Fees	380	-	380	N/A
Total Investment Expenses	<u>\$ 266,712</u>	<u>\$ 30,642</u>	<u>\$ 297,354</u>	<u>\$ 49,190,670</u>

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

Schedule of Broker Volume and Equity Commissions Paid
For the Year Ended June 30, 2012 (page 1 of 4)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
ABG SECURITIES	\$ 750,781	\$ 7,259,599	\$ –	\$ 10,873	\$ 0.01	\$ –	\$ –
ABN AMRO BANK NV	566,874	1,895,064	3,273,229	6,033	0.01	–	–
ADP CLEARING & OUTSOURCING	319,725	4,527,216	–	6,395	0.02	–	–
AUERBACH GRAYSON	341,223	9,480,688	2,535,073	10,237	0.03	–	–
BANCO ITUA SA	893,036	7,608,250	2,435,633	18,612	0.02	9,975,826	–
BANCO PACT	119,710	–	1,493,737	3,744	0.03	–	–
BANCO SANTANDER	826,141	9,151,179	6,848,883	23,844	0.03	–	–
BANK OF AMERICA	–	–	–	–	–	897,707,646	–
BANK OF NEW YORK SECURITIES	1,271,684	20,686,546	7,751,194	16,852	0.01	–	–
BANQUE NATIONALE DE PARIS	990,300	–	3,965,039	19,965	0.02	–	–
BARCLAYS CAPITAL, INC	31,284,806	303,888,795	384,629,222	138,458	0.00	3,665,784,953	–
BARCLAYS TRUST & BANKING CO	–	–	–	–	–	662,394,864	–
BATUCHA SECURITIES	107,516	27,867	702,675	1,089	0.01	–	–
BAYPOINT TRADING LLC	219,123	1,496,223	4,575,333	6,574	0.03	588,605,240	–
BEAR, STEARNS & COMPANY	25,186,817	201,996,225	206,249,276	297,025	0.01	–	–
BELTONE SECURITIES	1,222,832	5,814,826	–	11,441	0.01	–	–
BMO CAPITAL MARKETS	37,908	881,762	–	1,137	0.03	–	–
BNP SECURITIES	23,760,494	57,954,574	75,255,064	61,087	0.00	89,002,327	–
BROCKHOUSE & COOPER	2,423,900	2,605,638	9,905,525	9,442	0.00	–	–
BTIG, LLC	24,940	–	272,097	748	0.03	–	–
BUNTING WARBURG, INC	3,301,673	82,417,235	3,749,654	36,994	0.01	–	–
C.S.F.B. RESEARCH	1,315,967	11,749,266	14,775,204	41,355	0.03	–	–
CA CHEUVREUX NORTH AMERICA	200	–	2,438	–	0.00	–	–
CALYON SECURITIES	1,552,111	4,255,407	–	2,116	0.00	–	–
CANACCORD CAPITAL CORP	18,609	82,468	–	375	0.02	–	–
CANTOR FITZGERALD & COMPANY	2,358,737	14,846,429	30,427,566	57,875	0.02	–	–
CAPP SECURITIES	75,702,183	61,971	262,941,619	–	0.00	1,995,165	–
CARNEGIE CORPORATION	168,010	4,615,769	10,347,615	21,776	0.13	–	–
CHASE MANHATTAN BANK	750,442	–	20,469,676	18,761	0.03	–	–
CHEVREUX DE VIRIEU	402,377	9,235,856	4,224,673	7,010	0.02	–	–
CHINA INTERNATIONAL	15,559,296	17,007,583	6,361,182	24,401	0.00	–	–
CIBC WORLD MARKETS CORP	4,904,640	5,925,412	1,893,936	33,093	0.01	6,983,078	–
CITATION GROUP	1,386,674	32,716,361	59,729,466	13,867	0.01	–	–
CITIBANK	1,574,886	1,645,660	587,096	2,954	0.00	–	–
CITIGROUP	78,618,774	329,761,988	364,705,157	402,006	0.01	1,735,607,221	–
CLSA SINGAPORE	13,284,721	46,222,675	24,991,852	92,059	0.01	–	–
COMPAGNIE ITALIANO	199,517	987,607	–	1,995	0.01	–	–
CONCORDIA SA	45,590	621,094	111,373	659	0.01	–	–
CREDIT AGRIGOLE	382,580	28,501,442	5,170,949	62,230	0.16	6,983,078	–
CREDIT LYONNAIS	15,145,134	24,386,190	43,546,382	94,038	0.01	–	–

Schedule of Broker Volume and Equity Commissions Paid
For the Year Ended June 30, 2012 (page 2 of 4)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
CREDIT SUISSE FIRST BOSTON, LTD	\$ 164,799,467	\$ 702,424,919	\$ 640,608,947	\$ 590,978	\$ 0.00	\$ 2,982,207,420	\$ -
CSI US INTERNATIONAL	1,684,316	14,750,971	30,713,518	53,379	0.03	-	-
DAI ICHI SECURITIES	28,616	-	214,502	-	0.00	-	-
DAIWA SECURITIES GROUP	7,973,830	42,420,889	54,666,583	62,196	0.01	-	-
DEUTSCHE BANK SECURITIES	29,048,202	118,261,247	191,778,969	190,100	0.01	12,216,759,459	-
ENSKILDA SECURITIES	121,456	4,770,059	7,631,859	18,609	0.15	-	-
EXANE BNP PARIBAS	792,463	19,660,223	6,048,441	35,458	0.04	-	-
EXECUTION SERVICES, INC	96,192	507,478	-	178	0.00	-	-
FATOR-DORIA & ATHERINO	827,994	8,711,109	121,626	7,940	0.01	-	-
FINANCIAL BROKERAGE GROUP (FBG)	3,087,452	9,193,430	-	36,342	0.01	-	-
FRANK RUSSELL	-	-	-	-	-	329	-
G-TRADE SERVICES	10,494,743	50,057,078	42,940,091	19,008	0.00	-	-
GOLDMAN SACHS & COMPANY	169,212,416	701,881,467	592,068,427	720,244	0.00	3,132,985,051	-
GRIFFITHS MCBURNEY	1,562,913	-	9,055,681	47,316	0.03	-	-
GUGGENHEIM CAPITAL MARKETS LLC	174,128	-	3,140,270	5,224	0.03	-	-
HANOVER NOMINEES LTD	1,570,968	13,358,226	8,297,486	8,588	0.01	-	-
HANWA SECURITIES CO	4,832	-	2,708,073	2,175	0.45	-	-
HSBC INVESTMENT BANK, PLC	424,654	4,846,767	127,617	10,171	0.02	-	-
HSBC SECURITIES, INC	953,201	20,192,146	58,534	28,564	0.03	444,894,917	-
INDIA INFOLINE LTD	7,745	-	49,573	124	0.02	-	-
INSTINET CORPORATION	96,595,250	449,565,276	455,480,912	410,810	0.00	-	-
INTERACCIONES CASA DE BOLSA, S.A.	1,252,535	3,148,292	132,853	3,278	0.00	-	-
INTERSTATE SECURITIES	47,348	547,194	-	203	0.00	-	-
INVESTEC SECURITIES	2,326,961	2,805,467	3,396,549	6,189	0.00	-	-
INVESTMENT TECHNOLOGY GROUP INC	49,606,772	330,984,631	261,409,217	250,690	0.01	-	-
ISI GROUP	322,062	4,198,085	5,953,559	11,215	0.03	-	-
ITG INC	14,625,252	64,172,280	63,861,983	69,804	0.00	-	-
J.P. MORGAN SECURITIES, INC	86,395,563	367,525,838	217,317,222	350,178	0.00	16,468,536,943	7,370,634,797
JANNEY MONTGOMERY SCOTT	84,968	-	3,763,241	3,399	0.04	-	-
JEFFERIES & COMPANY	1,413,825	20,863,871	22,313,116	50,764	0.04	8,978,244	-
JESUP & LAMONT	-	-	-	-	-	4,987,913	-
JONES & ASSOCIATES	2,415,597	1,499,726	45,966,208	84,925	0.04	-	231,751
JONES TRADING INSTITUTIONAL	18,954	-	728,095	569	0.03	-	-
KALB VOORHIS & COMPANY	278	-	-	-	0.00	-	-
KB SECURITIES, NV	18,707	-	225,251	451	0.02	-	-
KEPLER EQUITIES	57,179	-	1,213,312	1,823	0.03	-	-
KM PARTNERS, LLC	2,494	121,816	-	50	0.02	-	-
KNIGHT EQUITY MRKTS INTERNATIONAL	2,178,203	60,919,991	39,001,558	56,398	0.03	-	-
KNIGHT SECURITIES	815,054	-	20,198,905	30,122	0.04	-	-
KOTAK SECURITIES	62,535	749,149	-	-	0.02	-	-

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2012 (page 3 of 4)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
LIQUIDNET	\$ 5,671,262	\$ 78,255,841	\$ 43,911,395	\$ 69,007	\$ 0.01	\$ –	\$ –
LOOP CAPITAL	14,791,405	220,526,573	169,855,893	156,386	0.01	–	–
LYNCH JONES & RYAN	2,511,572	25,798,673	51,342,351	79,151	0.03	–	–
MACQUARIE EQUITIES	15,905,260	28,524,409	72,162,800	118,569	0.01	–	–
MAIN FIRST BANK	407	–	13,798	14	0.03	–	–
MELLON BANK	149,308	27,098	–	–	0.00	–	–
MERRILL LYNCH INTERNATIONAL	26,143,528	234,106,150	212,376,912	303,721	0.01	–	–
MITSUBISHI BANK	38,806	337,523	–	505	0.01	–	–
MITSUBISHI UJF SECURITIES	2,853	–	12,584,464	25,219	8.84	–	–
MIZUHO SECURITIES	274,517	3,360,217	2,991,888	6,534	0.02	29,927,479	–
MORGAN STANLEY & COMPANY	4,859,523	10,285,898	87,614,150	131,227	0.03	899,477,358	611,892
MS & COMPANY INC	40,593,416	92,728,335	79,949,417	197,989	0.00	–	–
MURPHY & DURIEM	197,807	3,431,964	7,575,102	1,209	0.01	–	–
NBC LEVESQUE	308,745	–	11,645,883	6,052	0.02	–	–
NESBITT BURNS	169,169	12,934,844	–	6,828	0.04	–	–
NIKKO SECURITIES	19,952	60,694	–	30	0.00	–	–
NOMURA AGENCY PLC	80,027	446,112	278,354	1,390	0.02	–	–
NOMURA INTERNATIONAL TRUST CO	21,710,734	39,164,436	121,921,767	75,240	0.00	–	–
NOMURA SECURITIES INTL	1,020,981	12,099,861	18,978,439	45,973	0.05	–	–
NORTHERN TRUST COMPANY	274,552	3,342,016	–	–	0.00	–	–
NUMIS SECURITIES	1,744,811	–	6,906,381	10,375	0.01	–	–
PARETO FUNDS & SECURITIES, LTD	11,473,476	10,580,096	–	8,457	0.00	–	–
PATRIA FINANCE	14,864	–	298,163	598	0.04	–	–
PENSERRA SECURITIES, LLC	13,566,835	161,078,282	157,817,709	127,559	0.01	–	–
PENSON FINANCIAL SERVICES, INC	100,884	2,236,779	503,318	6,068	0.06	–	–
PERSHING & COMPANY	2,296,029	7,490,603	30,071,014	40,371	0.02	–	–
PETERS & COMPANY	2,748,215	14,305,815	24,438,956	15,500	0.01	–	–
PICKERING ENERGY PARTNERS, INC	423,785	2,934,396	10,815,437	15,868	0.04	–	–
PRINCETON SECURITIES	78,824	1,613,023	724,589	552	0.01	–	–
RAYMOND JAMES & ASSOCIATES	5,972,292	3,355,789	4,023,016	32,042	0.01	–	–
REDBURN PARTNERS	200,255	2,518,808	6,164,963	11,814	0.06	–	–
RENAISSANCE LLC	12,363	–	472,037	1,183	0.10	–	–
RENCAP SECURITIES, INC	2,461,800	12,179,980	–	19,545	0.01	–	–
ROBERT W. BAIRD & CO	33,930	–	944,599	679	0.02	–	–
ROYAL BANK OF CANADA	2,462,162	26,769,750	4,424,500	46,011	0.02	–	–
ROYAL BANK OF SCOTLAND	428,509	871,580	2,085,726	3,437	0.01	10,242,180,821	–
SALE OF STOCK FRACTIONS	1	–	10	–	0.00	–	–
SALOMON BROTHERS	1,411,797	7,894,554	10,847,165	16,212	0.01	–	–
SALOMON, SMITH BARNEY	1,737,789	–	3,814,458	5,266	0.00	–	–
SAMSUNG SECURITIES CO LTD	19,533	17,374,712	–	34,680	1.78	–	–

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2012 (page 4 of 4)

Dealer	Equity					Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commissions	Commissions Per Share	Long-Term Volume Transacted	Short-Term Volume Transacted
SANDHURST TRUSTEES LTD	\$ 28,741	\$ 188,757	\$ –	\$ 75	\$0.00	\$ –	\$ –
SANFORD BERNSTEIN	65,684,330	441,789,876	391,111,113	365,042	0.01	–	–
SANTANDER INVESTMENT SECURITIES	–	–	–	–	–	9,975,826	–
SCOTIA CAPITAL MARKET	192,378	1,444,833	4,654,702	6,140	0.03	–	–
SG ASIA PTE	56,370	156,534	401,415	838	0.01	–	–
SG COWEN SECURITIES CORP	32,374,263	101,851,653	100,848,328	102,843	0.00	–	–
SG SECURITIES	1,636,019	5,132,038	1,376,220	3,169	0.00	–	–
SOCIETE GENERALE SECURITIES	28,292,583	91,530,836	126,603,582	99,926	0.00	–	–
SPEAR, LEEDS & KELLOG	6,528	248,418	–	65	0.01	–	–
SPROTT SECURITIES LTD	1,533,200	1,838,651	6,028,485	42,408	0.03	–	–
STATE STREET BANK & TRUST	4,314,253	6,128,522	28,885,562	6,668	0.00	–	–
STEPHEN M. FERRETTI, INC.	103,150	2,315,903	1,062,717	722	0.01	–	–
STIFEL NICOLAUS & COMPANY	694,377	3,334,894	15,869,478	20,972	0.03	–	–
TAYLOR, D.W. & COMPANY	15,082,268	160,385,247	168,303,424	131,478	0.01	–	–
THINK EQUITY	74,819	–	301,087	2,245	0.03	–	–
TORONTO DOMINION	1,352,194	6,088,628	41,592	20,483	0.02	–	–
TRAVELERS INSURANCE	72,624	134,062	–	–	0.00	–	–
UBS SECURITIES	33,808,626	139,600,708	110,831,134	251,691	0.01	1,361,735,240	–
UNPUBLISHED EUROCLEAR	326,663	3,964,398	–	6,533	0.02	–	–
VALCOURT	141,762	2,015,437	–	5,671	0.04	–	–
VALEURS MOBILIERES DESJARDINES	869,393	–	372,854	4,384	0.01	–	–
VONTOBEL	11,236	2,068,684	–	3,098	0.28	–	–
WARBURG DILLON READ, LLC	829,934	2,162,192	31,050,256	31,169	0.04	–	–
WEEDEN & COMPANY	22,831,127	255,834,207	262,963,042	207,522	0.01	–	–
XP INVESTIMENTOS SA	739,508	7,275,290	587,315	7,069	0.01	–	–
Total	\$1,351,093,380	\$6,540,577,069	\$6,703,966,956	\$ 7,667,175	\$0.01	\$54,879,081,158	\$7,371,478,440

Summary of Investments Owned As of June 30, 2012
Pension Trust Funds (page 1 of 7)
(expressed in thousands)

<u>Description</u>	<u>Rate</u>	<u>Maturity</u>	<u>Market Value</u>	<u>% of Total Market Value</u>
ASSET BACKED SECURITIES				
NISSAN MASTER OWNER TRUST RECEIVABLES	1.391%	1/15/2015	\$ 20,063	0.03%
FNMA 95-W1 A7	8.200%	4/25/2025	20	—
TOTAL ASSET BACKED SECURITIES			<u>20,083</u>	<u>0.03%</u>
RESIDENTIAL MORTGAGE BACKED SECURITIES				
FNMA	4.000%	7/25/2042	80,494	0.12%
FNMA	6.000%	6/25/2035	77,355	0.12%
FNMA	4.000%	7/25/2027	62,262	0.09%
GNMA I	4.500%	7/15/2042	61,118	0.09%
FREDDIE MAC	4.000%	12/1/2040	56,212	0.08%
FHLMC	5.500%	7/15/2042	47,596	0.07%
FREDDIE MAC	6.000%	7/15/2035	41,465	0.06%
FNMA	5.000%	12/1/2099	39,401	0.06%
FHLMC 2006 3164 NE	6.000%	6/15/2035	36,891	0.06%
FHLMC 2006 3177 KD	6.000%	6/15/2035	35,656	0.05%
Other			1,285,234	1.89%
TOTAL RESIDENTIAL MORTGAGE BACKED SECURITIES			<u>1,823,684</u>	<u>2.69%</u>
COMMERCIAL MORTGAGE-BACKED SECURITIES				
CITIGROUP/DEUTSCHE BANK COMMERCIAL MORTGAGE	5.481%	1/15/2046	55,498	0.08%
MORGAN STANLEY CAPITAL I	5.419%	3/12/2016	44,414	0.07%
GS MORTGAGE SECURITIES CORP	5.553%	4/10/2038	44,100	0.06%
BEAR STEARNS COMMERCIAL MORTGAGE	5.540%	9/11/2041	39,165	0.06%
CITIGROUP COMMERCIAL MORTGAGE	5.431%	10/15/2049	34,050	0.05%
GSMS 2010-C1 A1	3.679%	8/10/2043	9,591	0.01%
WELLS FARGO COMMERCIAL MORTGAGE	3.349%	10/15/2057	4,765	0.01%
MISSION TOWERS	7.500%	6/1/2018	819	—
SUTTER VILLAGE	7.500%	2/2/2018	375	—
BURIEN HAUS	7.500%	12/1/2017	214	—
TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES			<u>232,991</u>	<u>0.34%</u>
CORPORATE BONDS - DOMESTIC DOLLAR DENOMINATED				
ANHEUSER-BUSCH INBEV WORLDWIDE	6.875%	11/15/2019	63,859	0.09%
JPMORGAN CHASE & CO	1.217%	5/2/2014	49,835	0.07%
CHESAPEAKE ENERGY CORP	6.500%	8/15/2017	44,664	0.07%
TTX CO	4.900%	3/1/2015	42,183	0.06%
UNION PACIFIC RR CO	5.866%	7/2/2030	39,320	0.06%
NEWFIELD EXPLORATION CO	7.125%	5/15/2018	36,964	0.06%
NORFOLK SOUTHERN CORP	6.000%	3/15/2105	35,089	0.05%
PUGET SOUND ENERGY INC	6.500%	12/15/2020	32,600	0.05%
ENTERPRISE PRODUCTS	6.650%	4/15/2018	30,139	0.04%
CRH AMERICA INC	8.125%	7/15/2018	29,556	0.04%
Other			573,902	0.85%
TOTAL CORPORATE BONDS - DOMESTIC DOLLAR DENOMINATED			<u>978,111</u>	<u>1.44%</u>

Summary of Investments Owned As of June 30, 2012

Pension Trust Funds (page 2 of 7)

(expressed in thousands)

Description	Rate	Maturity	Market Value	% of Total Market Value
CORPORATE BONDS - DOMESTIC NON DOLLAR DENOMINATED				
JP MORGAN CHASE BANK NA	10.000%	1/3/2014	\$ 40,169	0.06%
ANHEUSER-BUSCH INBEV WORLDWIDE	9.750%	11/17/2015	21,848	0.03%
TOTAL CORPORATE BONDS - DOMESTIC NON DOLLAR DENOMINATED			<u>62,017</u>	<u>0.09%</u>
CORPORATE BONDS - FOREIGN NON DOLLAR DENOMINATED				
AMBEV INTERNATIONAL FINANCE CO	9.500%	7/24/2017	32,321	0.05%
AMERICA MOVIL SA DE CV	8.460%	12/18/2036	31,077	0.05%
CIA DE ELE DO E DA BAHIA	11.750%	4/27/2016	21,251	0.03%
ITAU UNIBANCO HLDG SA/KY	10.500%	11/23/2015	21,167	0.03%
BRASIL TELECOM S/A	9.750%	9/15/2016	20,707	0.03%
EMGESA SA ESP	8.750%	1/25/2021	17,305	0.02%
HKCG FINANCE LTD	1.400%	4/11/2016	10,248	0.02%
EMPRESAS PUBLIC MEDELLIN	8.375%	2/1/2021	6,049	0.01%
TOTAL CORPORATE BONDS - FOREIGN NON DOLLAR DENOMINATED			<u>160,125</u>	<u>0.24%</u>
CORPORATE BONDS - FOREIGN DOLLAR DENOMINATED				
ODEBRECHT FINANCE LTD	6.000%	4/5/2023	73,549	0.11%
INVERSIONES CMPC	6.125%	11/5/2019	71,738	0.11%
CANADIAN OIL SANDS	7.750%	5/15/2019	62,356	0.09%
BFF INTERNATIONAL LTD	7.250%	1/28/2020	57,360	0.08%
FIBRIA OVERSEAS FINANCE	7.500%	5/4/2020	56,784	0.08%
GTL TRADE FINANCE INC	7.250%	10/20/2017	55,612	0.08%
ENCANA CORP	5.900%	12/1/2017	54,492	0.08%
BANK OF CHINA HONG KONG	5.550%	2/11/2020	53,871	0.08%
MEGA ADVANCE INVESTMENTS	5.000%	5/12/2021	52,950	0.08%
WOODSIDE FINANCE LTD	8.750%	3/1/2019	51,662	0.08%
Other			3,281,404	4.84%
TOTAL CORPORATE BONDS - FOREIGN DOLLAR DENOMINATED			<u>3,871,778</u>	<u>5.71%</u>
US GOVERNMENT TREASURIES				
US TREASURY N/B	1.125%	5/31/2019	449,584	0.66%
US TREASURY N/B	1.250%	8/31/2015	347,608	0.51%
US TREASURY N/B	0.875%	1/31/2017	301,806	0.45%
US TREASURY N/B	1.000%	7/15/2013	286,471	0.42%
US TREASURY N/B	1.000%	9/30/2016	258,320	0.38%
US TREASURY N/B	0.250%	2/28/2014	249,135	0.37%
US TREASURY N/B	2.625%	8/15/2020	219,534	0.32%
US TREASURY N/B	0.625%	5/31/2017	158,866	0.24%
US TREASURY N/B	0.875%	4/30/2017	140,720	0.21%
US TREASURY N/B	1.500%	12/31/2013	126,917	0.19%
Other			735,446	1.08%
TOTAL US GOVERNMENT TREASURIES			<u>3,274,407</u>	<u>4.83%</u>

Summary of Investments Owned As of June 30, 2012

Pension Trust Funds (page 3 of 7)

(expressed in thousands)

Description	Rate	Maturity	Market Value	% of Total Market Value
FOREIGN GOVERNMENT AND AGENCIES - DOLLAR DENOMINATED				
ECOPETROL SA 7.625% NTS	7.625%	7/23/2019	\$ 62,595	0.09%
PETROBRAS INTERNATIONAL FINANCE CO	5.875%	3/1/2018	55,470	0.08%
CENT ELET BRASILEIRAS SA	5.750%	10/27/2021	54,515	0.08%
DUBAI PORTS WORLD	6.850%	7/2/2037	49,004	0.07%
PETROBRAS INTERNATIONAL FINANCE CO	6.125%	10/6/2016	44,831	0.07%
PERTAMINA PT	5.250%	5/23/2021	41,497	0.06%
BANCO DO BRASIL (CAYMAN)	6.000%	1/22/2020	40,580	0.06%
RAS LAFFAN LNG III	6.332%	9/30/2027	39,992	0.06%
CNPC HK OVERSEAS CAPITAL	4.500%	4/28/2021	37,336	0.06%
CODELCO INC	3.750%	11/4/2020	36,411	0.05%
Other			657,848	0.97%
TOTAL FOREIGN GOVERNMENT AND AGENCIES - DOLLAR DENOMINATED			1,120,079	1.65%
FOREIGN GOVERNMENT AND AGENCIES - NON DOLLAR DENOMINATED				
NEW S WALES TREASURY CORP	5.500%	3/1/2017	111,825	0.16%
MALAYSIAN GOVERNMENT	4.012%	9/15/2017	68,348	0.10%
FEDERATIVE REPUBLIC OF BRAZIL	10.250%	1/10/2028	67,546	0.10%
QUEENSLAND TREASURY CORP	6.000%	9/14/2017	56,869	0.08%
BRAZIL FEDERATIVE REPUBLIC	8.500%	1/5/2024	38,055	0.06%
REPUBLIC OF PHILIPPINES	6.250%	1/14/2036	30,469	0.04%
INDONESIA GOVERNMENT	11.000%	11/15/2020	28,005	0.04%
PETROLEOS MEXICANOS	7.650%	11/24/2021	25,794	0.04%
URUGUAY	4.375%	12/15/2028	24,919	0.04%
REPUBLIC OF CHILE	5.500%	8/5/2020	24,449	0.04%
Other			141,234	0.21%
TOTAL FOREIGN GOVERNMENT AND AGENCIES - NON DOLLAR DENOMINATED			617,513	0.91%
SUPRANATIONAL - NON DOLLAR DENOMINATED				
INTERNATIONAL AMERICAN DEVELOPMENT BANK	4.750%	1/10/2014	60,692	0.09%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	5.750%	10/21/2019	56,921	0.08%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	13.625%	5/9/2017	46,112	0.07%
INTERNATIONAL AMERICAN DEVELOPMENT BANK	6.500%	8/20/2019	35,496	0.05%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	6.000%	2/15/2017	28,155	0.04%
ASIAN DEVELOPMENT BANK	6.000%	1/20/2015	27,220	0.04%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	5.750%	2/17/2015	27,145	0.04%
INTERNATIONAL FINANCE CORP	5.750%	6/24/2014	21,420	0.03%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	4.250%	12/18/2013	19,759	0.03%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	7.500%	5/16/2014	16,714	0.03%
Other			39,420	0.06%
TOTAL SUPRANATIONAL - NON DOLLAR DENOMINATED			379,054	0.56%

Summary of Investments Owned As of June 30, 2012

Pension Trust Funds (page 4 of 7)

(expressed in thousands)

Description	Market Value	% of Total Market Value
CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED		
PHILIP MORRIS INTERNATIONAL IN	\$ 71,186	0.10%
JOHNSON & JOHNSON	50,821	0.07%
YUM BRANDS INC	50,159	0.07%
ORACLE SYSTEMS CORP	48,912	0.07%
PFIZER INC	47,775	0.07%
APPLE COMPUTER INC	45,633	0.07%
WELLS FARGO & CO NEW	45,079	0.07%
QUEST DIAGNOSTICS INC	41,665	0.06%
FIDELITY NATIONAL INFO SERVICE	39,245	0.06%
FISERV INC COM	38,125	0.06%
Other	1,606,694	2.37%
TOTAL CORPORATE STOCK - DOMESTIC DOLLAR DENOMINATED	2,085,294	3.07%
CORPORATE STOCK - DOMESTIC NON DOLLAR DENOMINATED		
NEWS CORPORATION CDI NPV CLS 'A'	3	-
TOTAL CORPORATE STOCK - DOMESTIC NON DOLLAR DENOMINATED	3	-
CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED		
NESTLE SA	143,198	0.21%
NOVARTIS AG	132,949	0.20%
VODAFONE GROUP	127,521	0.19%
SANOFI SYNTHELABO	115,377	0.17%
ROCHE HOLDINGS AG	104,879	0.15%
BRITISH AMERICAN TOBACCO	96,761	0.14%
GLAXOSMITHKLINE	93,278	0.14%
HSBC HOLDINGS	91,943	0.14%
COMPASS GROUP	89,185	0.13%
BP AMOCO	83,510	0.12%
Other	8,454,825	12.46%
TOTAL CORPORATE STOCK - FOREIGN NON DOLLAR DENOMINATED	9,533,426	14.05%
CORPORATE STOCK - FOREIGN DOLLAR DENOMINATED		
VALE SA ADR	44,116	0.07%
TENARIS S.A. ADR	43,457	0.06%
BANCO BRADESCO SA	36,531	0.05%
FOMENTO ECONOMICO MEXICANO	35,483	0.05%
TAIWAN SEMICONDUCTOR MFG CO LTD	34,949	0.05%
COVIDIEN PLC	34,059	0.05%
ACCENTURE PLC CLS 'A'	33,975	0.05%
AON PLC	32,576	0.05%
TE CONNECTIVITY LT COM	30,794	0.05%
COMPANHIA DE BEBIDAS DAS AMERICAS	30,357	0.05%
Other	468,647	0.69%
TOTAL CORPORATE STOCK - FOREIGN DOLLAR DENOMINATED	824,944	1.22%

Summary of Investments Owned As of June 30, 2012

Pension Trust Funds (page 5 of 7)

(expressed in thousands)

Description	Market Value	% of Total Market Value
COMMINGLED INDEX FUNDS - DOMESTIC		
BTC US IMI FUND A4	\$ 8,258,009	12.17%
WSIB A US EQUITY MAY 12 R/S	2,708	—
BTC US EQUITY MARKET FUND	—	—
TOTAL COMMINGLED INDEX FUNDS - DOMESTIC	<u>8,260,717</u>	<u>12.17%</u>
COMMINGLED INDEX FUNDS - FOREIGN		
GMO TRUST	492,725	0.73%
EMERGING MARKETS GROWTH FUND I	407,277	0.60%
LAZARD FRERES CAPITAL MANAGEMENT	385,511	0.57%
EMERGING MARKETS EQUITY FOCUSE	342,846	0.50%
GMO EMERGING MARKET ILLIQUID	1,107	—
EUROPE ALPHA TILTS FD	2	—
TOTAL COMMINGLED INDEX FUNDS - FOREIGN	<u>1,629,468</u>	<u>2.40%</u>
CASH AND MONEY MARKET		
BLACKROCK TEMPORARY CASH FUND (21)	1,111,575	1.64%
BLACKROCK FED FUND (30)	272,167	0.40%
EOD STIF	14,932	0.02%
US DOLLAR CASH	5,432	0.01%
ECU COLLATERAL	2,507	0.01%
BRITISH POUND CASH COLLATERAL	2,104	—
JPY CASH COLLATERAL	1,552	—
CAD CASH COLLATERAL	1,302	—
UNITED STATES DOLLAR	1,111	—
AUSTRALIAN DOLLAR COLLATERAL	1,053	—
Other	362	—
TOTAL CASH AND MONEY MARKET	<u>1,414,097</u>	<u>2.08%</u>
PRIVATE EQUITY		
KKR 2006 FUND	1,337,760	1.97%
KKR MILLENNIUM FUND	1,100,720	1.62%
WARBURG PINCUS PRIVATE EQUITY IX	722,948	1.06%
WARBURG PINCUS X, LP	716,349	1.06%
TPG PARTNERS V	452,784	0.67%
KKR ASIA FUND, LP	413,239	0.61%
TPG PARTNERS VI	413,202	0.61%
KKR EUROPEAN FUND II, LP	362,412	0.53%
BLACKSTONE CAPITAL PARTNERS V	354,020	0.52%
KKR EUROPEAN FUND III	302,192	0.45%
Other	9,871,603	14.55%
TOTAL PRIVATE EQUITY	<u>16,047,229</u>	<u>23.65%</u>

Summary of Investments Owned As of June 30, 2012
Pension Trust Funds (page 6 of 7)
(expressed in thousands)

Description	Market Value	% of Total Market Value
REAL ESTATE		
PRINCIPAL ENTERPRISE CAPITAL HOLDINGS	\$ 1,525,188	2.25%
FILLMORE STRATEGIC INVESTORS LLC	1,059,761	1.56%
EVERGREEN REAL ESTATE PARTNERS	1,034,322	1.52%
CORPORATE PROPERTIES OF AMERICAS LLC	716,899	1.06%
HOMETOWN AMERICA LLC	454,796	0.67%
TERRAMAR RETAIL CENTER	414,657	0.61%
LONE STAR FUND VI, LP	412,005	0.61%
UNION SQUARE LP	305,834	0.45%
WASHINGTON HOLDINGS STRATEGIC FINANCE	301,948	0.44%
MS RE SPECIAL SIT FD III	282,832	0.42%
Other	2,065,046	3.04%
TOTAL REAL ESTATE	8,573,288	12.63%
TANGIBLE ASSETS		
ALINDA INFRASTRUCTURE FUND II	250,299	0.37%
HAWTHORNE TIMBER LLC	235,215	0.34%
ALINDA INFRASTRUCTURE FUND 1	140,701	0.21%
HIGHSTAR CAPITAL III	100,922	0.15%
SHERIDAN PRODUCTION PARTNERS I, LP	91,555	0.13%
SHERIDAN PRODUCTION PARTNERS II-B	12,030	0.02%
TOTAL TANGIBLE ASSETS	830,722	1.22%
FOREIGN CURRENCY		
BRITAIN-POUND	22,978	0.04%
JAPAN-YEN	19,493	0.03%
E.M.U.-EURO	19,379	0.03%
CANADA-DOLLAR	2,929	0.01%
HONG KONG-DOLLAR	2,596	-
MALAYSIA-RINGGIT	2,373	-
SWITZERLAND-FRANC	2,276	-
SWEDEN-KRONA	2,121	-
DENMARK-KRONE	1,804	-
Other	6,820	0.01%
TOTAL FOREIGN CURRENCY	82,769	0.12%

Summary of Investments Owned As of June 30, 2012

Pension Trust Funds (page 7 of 7)

(expressed in thousands)

Description	Market Value	% of Total Market Value
IN PLAN 3 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS:		
RETIREMENT STRATEGY FUNDS (TARGET DATE FUNDS)		
RETIREMENT STRATEGY 2020	\$ 556,545	0.82%
RETIREMENT STRATEGY 2015	488,237	0.72%
RETIREMENT STRATEGY 2025	450,939	0.67%
RETIREMENT STRATEGY 2030	294,223	0.43%
RETIREMENT STRATEGY 2010	191,926	0.28%
RETIREMENT STRATEGY 2035	188,760	0.28%
RETIREMENT STRATEGY 2040	88,092	0.13%
RETIREMENT STRATEGY 2005	55,687	0.08%
RETIREMENT STRATEGY 2000	39,384	0.06%
Other	55,901	0.08%
TOTAL RETIREMENT STRATEGY FUNDS (TARGET DATE FUNDS)	2,409,694	3.55%
EQUITY INDEX FUNDS		
US LARGE CAP INDEX	698,724	1.03%
US SMALL CAP INDEX	234,453	0.35%
GLOBAL EQUITY INDEX	142,456	0.21%
EMERGING MARKETS EQUITY INDEX	105,780	0.16%
TOTAL EQUITY INDEX FUNDS	1,181,413	1.74%
GUARANTEED INVESTMENT CONTRACTS		
SAVINGS POOL	1,050,527	1.55%
TOTAL GUARANTEED INVESTMENT CONTRACTS	1,050,527	1.55%
BOND FUNDS		
WASHINGTON STATE BOND FUND	728,627	1.07%
US SOCIALLY RESPONSIBLE FUND	171,050	0.25%
TOTAL BOND FUNDS	899,677	1.32%
MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)		
WASHINGTON STATE MONEY MARKET FUND	502,779	0.74%
WSIB SHORT TERM INVESTMENT FUND	239	0.00%
TOTAL MONEY MARKET FUNDS (IN DEFINED CONTRIBUTION PLANS)	503,018	0.74%
LIFE ANNUITY		
GE CAPITAL ASSURANCE	5	0.00%
TOTAL LIFE ANNUITY	5	0.00%
TOTAL INVESTMENTS	\$ 67,866,133	100.00%

Actuarial
Section





Office of the State Actuary

"Securing tomorrow's pensions today."

September 12, 2012

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

RE: ACTUARIAL CERTIFICATION LETTER

Dear Steve:

At your request, we prepared the following information for inclusion in the 2012 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.



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 2012 with a valuation date of June 30, 2011.

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 but not accounting purposes). The 2009 Legislature enacted the current funding method for PERS Plan 1 and TRS Plan 1. The funding method is based upon a variation of the Entry Age Normal cost method. Provided the state and participating employers make the contributions required by the funding method, they will fully amortize the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liability, as provided by law.

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

We relied on participant data provided by your department to perform the latest actuarial valuation. We checked the data for reasonableness as appropriate based on the purpose of the valuation. The Washington State Investment Board, your department, and the Office of



the State Treasurer provided financial and asset information. The financial and asset information was audited. The participant data was not audited. I relied on all the information provided as complete and accurate. In my opinion, this information is adequate and substantially complete for purposes of this valuation. Please see the Actuarial Certification Letter in the [2011 Actuarial Valuation Report](#) for additional information on the certification of the latest actuarial valuation results.

I certify, to the best of my knowledge, that the actuarial submissions in the 2012 CAFR meet the GFOA standards for actuarial reporting.

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

Sincerely,

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

Summary of Plan Provisions (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, 2012 is provided below.

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
PERS Plan 1	State employees, elected officials, employees of local governments, legislative committees, community/technical colleges, classified employees of school districts, district/municipal court judges, and some employees of the Supreme, Appeals and Superior Courts. (By 9/30/77)	After five years of eligible service	After 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service	2% of average final compensation (AFC) per year of service, capped at 60% of AFC JBM Participants: 3.5% of AFC per year of service, capped at 75% of AFC
PERS Plan 2	Same as PERS Plan 1, except classified school district employees. (On or after 10/1/77 and new employees on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers; who chose Plan 2)	After five years of eligible service	At age 65 with five years of service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service JBM Participants: 3.5% of AFC per year of service, capped at 75% of AFC
PERS Plan 3	Same as PERS Plan 2. (On or after 10/1/77 and new employees on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers; who chose Plan 3)	Varies	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion) JBM Participants: 1.6% of AFC per year of service, capped at 37.5% of AFC The defined contribution portion depends on the member's contribution level and on investment performance.
SERS Plan 2	All classified employees of school districts or educational service districts. (By 8/31/00 and employees on or after 7/1/07 with no past PERS Plan 2 service who chose Plan 2)	After five years of eligible service	At age 65 with five years of service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service
SERS Plan 3	All classified employees of school districts or educational service districts. (On or after 9/1/00 and employees on or after 7/1/07 with no past PERS Plan 2 service who chose Plan 3)	Varies	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion) The defined contribution portion depends on the member's contribution level and on investment performance.
PSERS Plan 2	All full-time public safety officers at select state agencies, counties and cities except Seattle, Spokane and Tacoma. (On or after 7/1/06)	After five years of eligible service	At age 65 with five years of service, at age 60 with 10 years of PSERS service, or at age 53 with 20 years of service reduced three percent for each year under age 60	2% of AFC per year of service
TRS Plan 1	All certificated public school employees who work in an instructional, administrative or supervisory capacity. (By 9/30/77)	After five years of eligible service	Any age with 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service	2% of 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
TRS Plan 2	Same as TRS Plan 1. (On or after 10/1/77 and by 6/30/96, and employees on or after 7/1/07 who chose Plan 2)	After five years of eligible service	At age 65 with five years of service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service
TRS Plan 3	Same as TRS Plan 1. (On or after 7/1/96, and employees on or after 7/1/07 who chose Plan 3)	Varies	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion) The defined contribution portion depends on the member's contribution level and on investment performance.
LEOFF Plan 1	All full-time, fully compensated law enforcement officers and fire fighters. (By 9/30/77)	After five years of eligible service	At age 50 with five years of service	20+ years of service: 2% of final average salary (FAS) per year of service 10-19 years of service: 1.5% of FAS per year of service 5-9 years of service: 1% of FAS per year of service
LEOFF Plan 2	All full-time, fully compensated law enforcement officers, fire fighters and emergency medical technicians. (On or after 10/1/77)	After five years of eligible service	At age 53 with five years of service, or a benefit at age 50 with 20 years of service reduced 3% for each year under age 53	2% of FAS per year of service
WSPRS Plan 1	Commissioned employees of the Washington State Patrol. (On or after 8/1/47 and by 12/31/02)	No requirement for active members; after five years of eligible service for inactive members	At age 55 or after 25 years of service	2% of average final salary (AFS) per year of service, capped at 75% of AFS.
WSPRS Plan 2	Same as WSPRS Plan 1. (On or after 1/1/03)	No requirement for active members; after five years of eligible service for inactive members	At age 55 or after 25 years of service	2% of AFS per year of service, capped at 75% of AFS.
JRS	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts. (On or after 8/9/71 and by 6/30/88 – New judges on or after 7/1/88 join PERS)	After 15 years of service	At age 60	15 years of service: 3.5% of FAS per year of service, capped at 75% of FAS. 10-14 years of service: 3% of FAS per year of service, capped at 75% of FAS
Judges	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts. (By 8/8/71)	After 12 years of service	At age 70 with 10 years of service or any age with 18 years of service	1/2 of the monthly salary

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

Summary of Actuarial Assumptions and Methods

1. Actuarial assumptions and methods selection:

Economic Assumptions and Methods:

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

Demographic Assumptions and Methods:

Derived by the Washington State Office of the State Actuary (OSA) and based on the 2001-2006 Experience Studies (adopted July 2008). Additional assumptions for subsequent events and law changes are current as of the 2011 actuarial valuation report.

2. Investment Return:

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

3. Mortality Tables (page 1 of 3):

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

Probabilities of mortality are illustrated in the following tables.

Projected Healthy Mortality

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

3. Mortality Tables (page 2 of 3):

Projected Healthy Mortality

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

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

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

Mortality Tables (page 3 of 3):

Projected Disabled Mortality

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

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

4. Retirement (page 1 of 2):

Probabilities of service retirement are illustrated in the following tables.

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

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

4. Retirement (page 2 of 2):

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

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

5. Disablement:

Probabilities of disablement are illustrated in the following tables.

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

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

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

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

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

6. Termination:

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

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

7. Future Salaries (page 1 of 2):

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

Step Salary Increases

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

7. Future Salaries (page 2 of 2):

Relative Salary Values

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

8. Other specific assumptions that have a material impact on valuation results:

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

9. Change in Assumptions

Assumption Changes:

We changed the long-term economic assumptions for return on investment earnings, general salary growth, inflation rate, and system growth consistent with Pension Funding Council and LEOFF 2 Retirement Board adoptions in 2011, as well as law changes during the 2012 legislative session, as follows:

- The assumed return on investment earnings decreased from 8.00% for all plans to 7.90% (7.50% for LEOFF 2).
- The assumed general salary growth decreased from 4.00% (4.50% for LEOFF 2) to 3.75% for all plans.
- The assumed rate of inflation decreased from 3.50% to 3.00% for all plans.
- The assumed system growth decreased from 1.25% (0.90% for TRS) to 0.95% (0.80% for TRS), while LEOFF remained at 1.25%.

We changed the medical inflation assumption associated with non-pension benefits payable to members and survivors in LEOFF and WSPRS. Please see the 2011 Actuarial Valuation Report for additional details.

Method Changes:

None.

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, 2011.

The following laws, enacted in 2012, had an immediate impact on the latest actuarial valuation contribution rates:

- Civil Marriages (Chapter 3, Laws of 12)
- Pension Reform (Chapter 7, Laws of 12)
- Dept. Fish & Wildlife Service Credit Transfer (Chapter 248, Laws of 12)
- WSP Service Credit Transfer (Chapter 72, Laws of 12)

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
6/30/11	7,733	\$431.8	\$55,842	(0.9)%
6/30/10	9,007	507.3	56,324	0.5%
6/30/09	10,354	580.2	56,034	2.4%
6/30/08	11,663	638.5	54,743	5.0%
6/30/07	12,975	676.4	52,130	2.1%
9/30/06	14,213	725.5	51,042	3.6%

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
6/30/11	117,096	\$6,679.4	\$57,042	1.3%
6/30/10	119,826	6,748.3	56,317	2.0%
6/30/09	121,800	6,723.9	55,204	4.1%
6/30/08	123,285	6,537.5	53,028	6.5%
6/30/07	120,625	6,004.6	49,779	2.9%
9/30/06	118,341	5,726.6	48,391	4.3%

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
6/30/11	27,588	\$1,468.9	\$53,245	1.1%
6/30/10	27,693	1,458.0	52,647	1.2%
6/30/09	27,081	1,408.4	52,006	4.3%
6/30/08	26,720	1,331.7	49,840	5.7%
6/30/07	24,422	1,152.0	47,172	1.5%
9/30/06	22,473	1,043.9	46,452	3.6%

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
6/30/11	20,784	\$591.4	\$28,453	0.6%
6/30/10	20,358	576.0	28,293	0.8%
6/30/09	20,197	567.0	28,072	3.5%
6/30/08	19,264	522.4	27,118	2.2%
6/30/07	17,767	471.4	26,531	4.3%
9/30/06	18,464	469.5	25,426	3.8%

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
6/30/11	31,548	\$898.6	\$28,483	1.3%
6/30/10	31,981	899.0	28,110	0.9%
6/30/09	32,277	899.5	27,869	5.7%
6/30/08	32,510	857.1	26,364	7.4%
6/30/07	33,058	811.4	24,544	2.7%
9/30/06	32,354	773.4	23,905	1.9%

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
6/30/11	4,187	\$232.8	\$55,597	3.0%
6/30/10	4,210	227.4	54,003	4.9%
6/30/09	4,340	223.4	51,476	2.5%
6/30/08	3,981	200.0	50,231	3.1%
6/30/07	2,755	134.2	48,710	(2.0)%
9/30/06	2,073	103.1	49,714	n/a

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

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
6/30/11	3,740	\$284.2	\$75,994	1.4%
6/30/10	4,591	344.0	74,930	0.3%
6/30/09	5,204	388.8	74,707	4.7%
6/30/08	6,061	432.4	71,340	6.0%
6/30/07	6,331	426.1	67,310	3.9%
9/30/06	7,382	478.3	64,796	2.0%

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
6/30/11	10,285	\$648.2	\$63,025	(0.6)%
6/30/10	9,442	598.8	63,423	(1.3)%
6/30/09	9,174	589.3	64,239	1.9%
6/30/08	8,103	510.8	63,043	1.3%
6/30/07	6,752	420.1	62,213	5.2%
9/30/06	6,983	413.1	59,164	3.1%

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
6/30/11	52,178	\$3,436.7	\$65,866	2.3%
6/30/10	52,292	3,366.7	64,382	1.3%
6/30/09	53,010	3,367.9	63,534	6.9%
6/30/08	52,360	3,110.6	59,408	6.3%
6/30/07	51,856	2,897.6	55,879	6.1%
9/30/06	53,371	2,812.0	52,689	2.5%

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
6/30/11	250	\$24.5	\$98,078	1.4%
6/30/10	301	29.1	96,686	3.2%
6/30/09	356	33.3	93,679	6.4%
6/30/08	421	37.1	88,070	5.8%
6/30/07	513	42.7	83,262	3.3%
9/30/06	596	48.1	80,630	4.5%

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
6/30/11	16,805	\$1,534.7	\$91,322	2.8%
6/30/10	16,775	1,490.1	88,828	4.4%
6/30/09	16,951	1,442.5	85,097	5.2%
6/30/08	16,626	1,344.9	80,889	5.6%
6/30/07	16,099	1,233.7	76,632	2.8%
9/30/06	15,718	1,172.0	74,562	3.5%

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
6/30/11	767	\$61.3	\$79,983	(0.3)%
6/30/10	806	64.6	80,197	0.1%
6/30/09	830	66.5	80,115	4.4%
6/30/08	851	65.3	76,751	6.7%
6/30/07	885	63.6	71,907	3.3%
9/30/06	906	63.1	69,606	6.7%

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
6/30/11	315	\$20.2	\$64,103	0.7%
6/30/10	281	17.9	63,660	1.7%
6/30/09	264	16.5	62,583	9.3%
6/30/08	234	13.4	57,233	5.7%
6/30/07	152	8.2	54,162	3.6%
9/30/06	116	6.1	52,278	8.3%

Schedule of Active Member Valuation Data: JRS

Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay
6/30/11	3	\$0.5	\$153,962	1.4%
6/30/10	5	0.8	151,908	0.7%
6/30/09	9	1.4	150,870	6.0%
6/30/08	10	1.4	142,328	5.9%
6/30/07	11	1.5	134,386	2.2%
9/30/06	11	1.4	131,436	3.0%

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

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/11	1,829	\$49,678,585	2,307	\$31,131,283	53,264	\$1,151,599,650	\$21,621	3.6%
6/30/10	1,891	48,714,779	2,296	30,635,880	53,742	1,112,108,596	20,693	3.5%
6/30/09	1,824	47,679,971	2,258	28,065,463	54,147	1,073,997,138	19,835	3.7%
6/30/08	2,138	54,916,521	2,243	27,122,179	54,581	1,035,876,249	18,979	4.6%
6/30/07	1,555	41,444,329	1,703	19,287,556	54,686	989,949,533	18,102	2.5%
9/30/06	2,345	58,991,956	2,306	25,314,598	54,834	966,044,139	17,618	5.3%

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		
6/30/11	3,206	\$59,754,016	538	\$5,248,298	24,711	\$320,615,736	\$12,975	23.2%
6/30/10	2,732	45,416,589	479	4,302,408	22,043	260,152,502	11,802	21.8%
6/30/09	2,461	37,668,755	469	3,848,756	19,790	213,544,944	10,791	22.0%
6/30/08	2,215	27,458,079	376	2,944,525	17,798	175,102,432	9,838	19.4%
6/30/07	1,363	16,027,735	285	2,398,926	15,959	146,703,879	9,193	10.3%
9/30/06	1,753	19,273,543	343	2,418,970	14,881	132,989,872	8,937	17.9%

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		
6/30/11	289	\$2,750,573	15	\$115,610	1,388	\$10,366,918	\$7,469	36.8%
6/30/10	211	1,847,618	17	105,335	1,114	7,575,590	6,800	33.1%
6/30/09	188	1,431,296	11	68,324	920	5,691,504	6,186	34.6%
6/30/08	153	973,585	9	39,824	743	4,227,474	5,690	31.2%
6/30/07	120	767,458	7	36,995	599	3,222,482	5,380	29.4%
9/30/06	149	788,987	6	28,021	486	2,490,907	5,125	48.2%

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		
6/30/11	560	\$5,481,726	48	\$331,627	3,823	\$32,224,861	\$8,429	21.8%
6/30/10	482	4,325,732	41	339,774	3,311	26,455,961	7,990	20.9%
6/30/09	454	3,836,380	32	197,969	2,870	21,890,772	7,627	23.0%
6/30/08	450	3,526,561	28	186,696	2,448	17,799,193	7,271	26.1%
6/30/07	231	1,721,633	20	112,108	2,026	14,110,609	6,965	13.0%
9/30/06	410	2,890,809	21	120,279	1,815	12,492,085	6,883	32.2%

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		
6/30/11	553	\$3,038,825	21	\$73,455	2,605	\$11,667,747	\$4,479	37.2%
6/30/10	332	1,614,718	18	51,140	2,073	8,504,426	4,102	25.6%
6/30/09	346	1,552,969	12	36,518	1,759	6,768,866	3,848	31.9%
6/30/08	325	1,370,967	15	57,309	1,425	5,130,021	3,600	37.5%
6/30/07	178	695,857	6	14,025	1,115	3,730,124	3,345	22.7%
9/30/06	246	830,604	8	24,025	943	3,040,090	3,224	39.5%

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		
6/30/11	8	\$25,844	–	\$–	15	\$39,355	\$2,624	192.3%
6/30/10	5	10,383	–	–	7	13,465	1,924	339.7%
6/30/09	1	2,409	–	–	2	3,062	1,531	368.9%
6/30/08	1	653	–	–	1	653	653	0.0%
6/30/07	–	–	–	–	–	–	–	–
9/30/06	–	–	–	–	–	–	–	–

*PSERS 2 became effective July 1, 2006

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/11	1,161	\$37,444,310	1,058	\$18,622,578	36,118	\$863,605,633	\$23,911	4.0%
6/30/10	947	27,363,548	964	16,376,709	36,015	829,998,363	23,046	3.2%
6/30/09	1,193	33,860,034	1,040	16,463,852	36,032	804,572,786	22,329	3.9%
6/30/08	1,564	43,927,319	1,069	16,443,154	35,879	774,340,924	21,582	5.2%
6/30/07	370	6,636,490	731	11,088,213	35,384	735,750,464	20,793	(0.7)%
9/30/06	1,522	41,976,669	1,041	15,570,734	35,745	740,789,520	20,724	5.1%

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		
6/30/11	362	\$7,470,573	25	\$307,667	2,657	\$46,085,043	\$17,345	21.3%
6/30/10	249	5,208,999	33	383,886	2,320	37,984,977	16,373	17.7%
6/30/09	246	4,939,050	21	265,215	2,104	32,273,082	15,339	20.2%
6/30/08	244	4,076,287	29	323,867	1,879	26,844,925	14,287	19.5%
6/30/07	105	1,426,931	15	141,168	1,664	22,470,949	13,504	6.2%
9/30/06	239	3,646,802	16	140,601	1,574	21,157,013	13,442	23.5%

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		
6/30/11	714	\$8,168,048	15	\$132,216	2,934	\$27,425,422	\$9,347	44.5%
6/30/10	454	4,632,283	10	73,282	2,235	18,983,833	8,494	34.9%
6/30/09	408	4,058,520	9	60,319	1,791	14,073,479	7,858	43.2%
6/30/08	360	3,056,652	11	78,741	1,392	9,828,264	7,061	47.1%
6/30/07	115	826,838	5	17,533	1,043	6,680,207	6,405	13.9%
9/30/06	233	1,707,380	6	34,323	933	5,863,113	6,284	44.0%

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		
6/30/11	136	\$7,331,503	212	\$8,121,870	7,932	\$340,160,704	\$42,885	0.5%
6/30/10	167	9,065,821	246	9,545,410	8,008	338,503,613	42,271	0.3%
6/30/09	156	8,226,656	203	7,267,042	8,087	337,505,287	41,734	4.7%
6/30/08	189	9,377,706	216	7,617,139	8,134	322,365,013	39,632	4.3%
6/30/07	153	7,238,334	164	5,380,231	8,161	309,181,019	37,885	4.2%
9/30/06	229	10,517,551	206	6,565,445	8,172	296,662,837	36,302	4.2%

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		Average Annual Allowance	Percentage Increase in Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
6/30/11	389	\$15,718,562	13	\$333,059	2,015	\$65,459,659	\$32,486	33.8%
6/30/10	285	10,278,954	13	332,332	1,639	48,926,257	29,851	29.2%
6/30/09	243	8,478,268	10	216,179	1,367	37,876,404	27,708	31.0%
6/30/08	227	6,985,801	17	279,908	1,134	28,904,921	25,489	33.7%
6/30/07	153	4,353,299	8	144,930	924	21,611,590	23,389	24.3%
9/30/06	211	5,655,854	6	89,270	779	17,388,315	22,321	51.4%

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		
6/30/11	42	\$1,918,898	18	\$476,475	875	\$38,597,849	\$44,112	5.1%
6/30/10	33	1,549,594	16	489,562	851	36,718,045	43,147	6.0%
6/30/09	15	710,502	12	377,080	834	34,636,899	41,531	4.0%
6/30/08	28	1,152,618	18	541,668	831	33,303,079	40,076	4.8%
6/30/07	22	801,594	9	182,796	821	31,779,147	38,708	2.1%
9/30/06	28	1,101,085	12	321,334	808	31,134,976	38,533	6.3%

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		
6/30/11	4	\$285,689	5	\$400,572	124	\$9,745,840	\$78,595	0.1%
6/30/10	10	700,776	9	626,362	125	9,733,805	77,870	3.5%
6/30/09	4	276,433	7	497,241	124	9,401,392	75,818	0.4%
6/30/08	4	267,383	7	374,274	127	9,359,660	73,698	1.7%
6/30/07	3	160,260	5	392,686	130	9,201,726	70,783	(2.5)%
9/30/06	6	385,845	5	376,793	132	9,434,152	71,471	3.0%

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		
6/30/11	–	\$–	–	\$–	13	\$499,719	\$38,440	0.0%
6/30/10	–	–	–	–	13	499,719	38,440	0.0%
6/30/09	–	–	–	–	13	499,719	38,440	0.0%
6/30/08	–	–	2	–	13	499,719	38,440	(13.6)%
6/30/07	–	–	–	75,233	15	578,135	38,542	0.0%
9/30/06	1	18,033	2	75,234	15	578,135	38,542	(9.0)%

Source: Washington State Office of the State Actuary

Solvency Test: PERS Plan 1
(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$818.7	\$10,677.5	\$852.1	\$12,348.4	\$8,883.4	100%	76%	0%
6/30/10	912.6	10,232.0	1,096.0	12,240.7	9,293.0	100%	82%	0%
6/30/09	989.9	11,269.4	1,703.2	13,962.6	9,775.6	100%	78%	0%
6/30/08	1,055.8	10,963.4	1,881.7	13,901.0	9,852.9	100%	80%	0%
6/30/07	1,120.4	10,575.9	2,044.2	13,740.5	9,715.5	100%	81%	0%
9/30/06	1,186.4	9,473.0	2,470.1	13,129.4	9,591.0	100%	89%	0%

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

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

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$3,605.7	\$5,756.8	\$11,634.2	\$20,996.7	\$20,996.7	100%	100%	100%
6/30/10	3,388.0	4,753.4	11,332.7	19,474.1	19,474.1	100%	100%	100%
6/30/09	3,132.0	4,038.0	11,090.4	18,260.4	18,260.4	100%	100%	100%
6/30/08	2,760.9	3,447.1	10,484.7	16,692.7	16,692.7	100%	100%	100%
6/30/07	2,464.6	2,966.5	9,456.7	14,887.9	14,887.9	100%	100%	100%
9/30/06	2,294.7	2,470.0	8,764.2	13,528.9	13,528.9	100%	100%	100%

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

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

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$279.8	\$862.1	\$1,730.3	\$2,872.1	\$2,872.1	100%	100%	100%
6/30/10	266.2	713.8	1,684.1	2,664.1	2,664.1	100%	100%	100%
6/30/09	251.5	613.7	1,637.9	2,503.2	2,503.2	100%	100%	100%
6/30/08	226.5	523.7	1,552.4	2,302.6	2,302.6	100%	100%	100%
6/30/07	207.1	431.4	1,494.9	2,133.4	2,133.4	100%	100%	100%
9/30/06	188.7	350.1	1,395.5	1,934.3	1,934.3	100%	100%	100%

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

Solvency Test: PSERS Plan 2*
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$62.0	\$6.1	\$72.6	\$140.7	\$140.7	100%	100%	100%
6/30/10	46.9	4.2	51.7	102.9	102.9	100%	100%	100%
6/30/09	32.4	2.0	34.8	69.2	69.2	100%	100%	100%
6/30/08	18.1	0.9	19.7	38.7	38.7	100%	100%	100%
6/30/07	6.7	0.2	6.9	13.7	13.7	100%	100%	100%
9/30/06*	0.6	—	0.5	1.1	1.1	100%	100%	100%

*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
6/30/11	\$598.1	\$7,934.2	\$662.4	\$9,194.7	\$7,485.0	100%	87%	0%
6/30/10	663.6	7,586.5	870.0	9,120.0	7,791.3	100%	94%	0%
6/30/09	725.6	8,821.7	1,264.8	10,812.1	8,146.2	100%	84%	0%
6/30/08	790.2	8,564.6	1,399.1	10,753.9	8,262.3	100%	87%	0%
6/30/07	766.4	8,670.1	1,389.0	10,825.6	8,302.3	100%	87%	0%
9/30/06	839.3	7,831.8	1,687.5	10,358.6	8,275.5	100%	95%	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
6/30/11	\$382.6	\$1,516.3	\$5,241.7	\$7,140.6	\$7,140.6	100%	100%	100%
6/30/10	366.3	1,224.5	5,002.5	6,593.3	6,593.3	100%	100%	100%
6/30/09	349.7	1,032.2	4,778.1	6,160.0	6,160.0	100%	100%	100%
6/30/08	322.2	883.1	4,475.8	5,681.0	5,681.0	100%	100%	100%
6/30/07	302.6	790.8	4,183.7	5,277.0	5,277.0	100%	100%	100%
9/30/06	285.5	653.4	3,896.4	4,835.3	4,835.3	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
6/30/11	\$43.3	\$3,898.6	\$196.2	\$4,138.0	\$5,565.3	100%	100%	100%
6/30/10	49.5	4,090.6	245.9	4,386.0	5,560.9	100%	100%	100%
6/30/09	55.4	4,149.8	281.2	4,486.5	5,612.1	100%	100%	100%
6/30/08	62.3	3,997.4	308.0	4,367.7	5,592.5	100%	100%	100%
6/30/07	72.4	3,916.3	351.5	4,340.2	5,297.7	100%	100%	100%
9/30/06	80.7	3,826.1	402.1	4,309.0	5,017.8	100%	100%	100%

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

Solvency Test: LEOFF Plan 2
(dollars in millions)

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$1,782.2	\$1,166.1	\$3,672.3	\$6,620.7	\$6,620.7	100%	100%	100%
6/30/10	1,615.0	924.7	3,503.0	6,042.7	6,042.7	100%	100%	100%
6/30/09	1,479.5	682.5	3,402.1	5,564.2	5,564.2	100%	100%	100%
6/30/08	1,319.7	547.5	3,185.5	5,052.7	5,052.7	100%	100%	100%
6/30/07	1,178.3	451.7	2,729.6	4,359.6	4,359.6	100%	100%	100%
9/30/06	1,087.8	355.6	2,400.3	3,843.8	3,843.8	100%	100%	100%

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

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

Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$69.0	\$541.2	\$339.3	\$949.5	\$949.5	100%	100%	100%
6/30/10	66.4	496.5	356.7	919.6	919.6	100%	100%	100%
6/30/09	62.4	474.5	363.5	900.4	900.4	100%	100%	100%
6/30/08	56.0	460.5	353.2	869.7	869.7	100%	100%	100%
6/30/07	50.8	444.2	304.9	799.9	799.9	100%	100%	100%
9/30/06	48.7	413.3	281.5	743.5	743.5	100%	100%	100%

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

Solvency Test: JRS

(dollars in millions)

Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets			
Valuation Date	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Members Contributions	(2) Inactive Members Liability	(3) Excess Accrued Liability
6/30/11	\$1.5	\$104.3	\$3.6	\$109.3	\$5.1	100%	3%	0%
6/30/10	2.2	78.5	3.1	83.8	3.8	100%	2%	0%
6/30/09	3.7	76.1	9.5	89.3	1.8	50%	0%	0%
6/30/08	3.7	78.2	9.7	91.5	1.0	26%	0%	0%
6/30/07	3.7	75.3	6.0	85.0	0.5	15%	0%	0%
9/30/06	3.5	78.7	5.8	88.0	0.3	7%	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
6/30/11	\$-	\$3.9	\$-	\$3.9	\$2.3	n/a	61%	n/a
6/30/10	-	3.2	-	3.2	2.8	n/a	87%	n/a
6/30/09	-	3.4	-	3.4	3.3	n/a	97%	n/a
6/30/08	-	3.5	-	3.5	3.6	n/a	100%	n/a
6/30/07	-	3.9	-	3.9	4.0	n/a	100%	n/a
9/30/06	-	4.0	-	4.0	4.1	n/a	100%	n/a

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

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

Analysis of Selected Experience: PERS Plan 1
 Selected Gains and Losses During Years Ended 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (397.7)	\$ (668.0)	\$ (298.2)	\$ 151.6	\$ 186.0	\$ 5.6
Salary Gains	59.9	54.2	10.9	(59.2)	30.7	(7.6)
Termination of Employment	0.1	1.2	(0.2)	(0.4)	7.2	6.1
Return to Work from Terminated Status	(6.4)	(8.0)	(9.7)	(49.1)	(14.4)	(25.1)
Gain (or Loss) During Year from Selected Experience	\$ (344.1)	\$ (620.6)	\$ (297.2)	\$ 42.9	\$ 209.5	\$ (21.0)

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (404.3)	\$ (619.2)	\$ (134.3)	\$ 273.4	\$ 327.6	\$ 97.0
Salary Gains	731.7	577.8	185.9	(326.1)	124.2	12.1
Termination of Employment	118.3	18.0	21.1	47.8	131.1	155.5
Return to Work from Terminated Status	(44.1)	(50.2)	(47.8)	(97.1)	(86.8)	(92.6)
Gain (or Loss) During Year from Selected Experience	\$ 401.6	\$ (73.6)	\$ 24.9	\$ (102.0)	\$ 496.1	\$ 172.0

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (80.5)	\$ (115.1)	\$ (33.2)	\$ 39.1	\$ 46.3	\$ 11.3
Salary Gains	75.1	84.5	(27.4)	(27.5)	9.6	23.8
Termination of Employment	8.3	3.1	5.8	11.0	16.1	11.7
Return to Work from Terminated Status	(5.2)	(5.5)	(6.2)	(8.4)	(74.3)	(27.1)
Gain (or Loss) During Year from Selected Experience	\$ (2.3)	\$ (33.0)	\$ (61.0)	\$ 14.2	\$ (2.3)	\$ 19.7

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ 0.4	\$ (1.2)	\$ 0.4	\$ (0.3)	\$ –	n/a
Salary Gains	14.9	10.3	8.5	(5.1)	1.3	n/a
Termination of Employment	4.2	4.7	(7.4)	0.4	(1.0)	n/a
Return to Work from Terminated Status	–	–	–	(0.9)	–	n/a
Gain (or Loss) During Year from Selected Experience	<u>\$ 19.5</u>	<u>\$ 13.8</u>	<u>\$ 1.5</u>	<u>\$ (5.9)</u>	<u>\$ 0.3</u>	<u>n/a</u>

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (247.3)	\$ (502.1)	\$ (287.8)	\$ 26.1	\$ 24.9	\$ (111.7)
Salary Gains	36.5	60.7	(17.4)	(28.9)	4.3	45.6
Termination of Employment	0.2	0.9	1.5	0.7	(7.5)	0.8
Return to Work from Terminated Status	(4.4)	(7.3)	(6.0)	(23.6)	(6.8)	(22.9)
Gain (or Loss) During Year from Selected Experience	<u>\$ (215.0)</u>	<u>\$ (447.8)</u>	<u>\$ (309.7)</u>	<u>\$ (25.7)</u>	<u>\$ 14.9</u>	<u>\$ (88.2)</u>

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (180.6)	\$ (266.8)	\$ (120.1)	\$ 66.8	\$ 88.5	\$ (1.7)
Salary Gains	252.6	341.3	(67.3)	(52.7)	20.6	70.1
Termination of Employment	85.5	92.9	71.7	54.8	56.5	33.6
Return to Work from Terminated Status	(43.7)	(37.5)	(63.0)	(85.4)	(139.7)	(43.1)
Gain (or Loss) During Year from Selected Experience	<u>\$ 113.8</u>	<u>\$ 129.9</u>	<u>\$ (178.7)</u>	<u>\$ (16.5)</u>	<u>\$ 25.9</u>	<u>\$ 58.9</u>

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (84.2)	\$ (144.8)	\$ (88.1)	\$ 196.4	\$ 217.8	\$ 134.2
Salary Gains	6.2	1.9	(4.5)	(2.2)	4.8	2.3
Termination of Employment	(0.1)	(0.1)	0.1	(0.1)	(0.1)	(0.7)
Return to Work from Terminated Status	(0.2)	0.5	(4.3)	(2.7)	(1.0)	–
Gain (or Loss) During Year from Selected Experience	\$ (78.3)	\$ (142.5)	\$ (96.8)	\$ 191.4	\$ 221.5	\$ 135.8

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (1.9)	\$ (68.7)	\$ 19.4	\$ 135.8	\$ 159.7	\$ 95.2
Salary Gains	164.7	91.1	6.5	(29.7)	61.2	48.3
Termination of Employment	2.5	25.8	11.8	2.9	4.4	5.2
Return to Work from Terminated Status	(16.8)	(12.6)	(7.9)	(22.6)	(43.9)	(25.8)
Gain (or Loss) During Year from Selected Experience	\$ 148.5	\$ 35.6	\$ 29.8	\$ 86.4	\$ 181.4	\$ 122.9

*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 2006 to 2011
 Resulting from Differences Between Assumed Experience and Actual Experience
 (dollars in millions)

Type of Activity	\$ Gain (or Loss) For Year					
	2011	2010	2009	2008	2007	2006
Investment Gains*	\$ (8.5)	\$ (20.5)	\$ (6.2)	\$ 28.4	\$ 32.0	\$ 19.6
Salary Gains	18.8	19.0	(0.7)	(5.9)	5.5	(1.9)
Termination of Employment	0.1	(1.0)	1.2	1.1	0.1	1.2
Return to Work from Terminated Status	(0.2)	(0.5)	(0.5)	–	(49.7)	(0.7)
Gain (or Loss) During Year from Selected Experience	\$ 10.2	\$ (3.0)	\$ (6.2)	\$ 23.6	\$ (12.1)	\$ 18.2

*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.

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

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

Schedule of Changes in Fiduciary Net Position: PERS Plan I

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 257,197	\$ 145,585	\$ 154,023	\$ 325,248	\$ 221,787	\$ 118,660	\$ 29,601	\$ 22,360	\$ 22,789	\$ 56,618
Employee Contributions	24,317	28,767	33,152	37,791	41,925	44,775	48,457	52,246	57,196	62,065
Investment Income (Loss) ¹	86,377	1,523,415	980,360	(2,373,373)	(114,595)	2,086,563	1,534,382	1,163,797	1,319,155	320,787
Transfers	97	90	1	1	343	519	68	242	310	487
Miscellaneous ²	10,269	12,705	11,566	10,700	13,262	9,513	7,719	10,048	10,147	10,268
<i>Total Additions</i>	378,257	1,710,562	1,179,102	(1,999,633)	162,722	2,260,030	1,620,227	1,248,693	1,409,597	450,225
Deductions by Type:										
Benefits	1,173,683	1,149,522	1,111,386	1,070,929	1,027,934	978,995	929,423	880,874	828,765	776,683
Refunds	4,554	3,470	4,946	5,071	5,573	6,215	6,553	5,143	5,628	5,678
Transfers	265	362	140	2,021	159	31	369	966	4	358
Administrative Expenses	3,522	3,213	3,885	4,401	4,739	4,763	4,754	4,903	4,917	5,596
<i>Total Deductions</i>	1,182,024	1,156,567	1,120,357	1,082,422	1,038,405	990,004	941,099	891,886	839,314	788,315
Total Changes in Fiduciary Net Position	\$ (803,767)	\$ 553,995	\$ 58,745	\$(3,082,055)	\$ (875,683)	\$ 1,270,026	\$ 679,128	\$ 356,807	\$ 570,283	\$ (338,090)

Fiduciary Net Position:

Beginning of Year	8,180,481	7,626,486	7,567,741	10,649,796	11,525,479	10,255,453	9,576,325	9,219,518	8,649,235	8,987,325
End of Year	\$ 7,376,714	\$ 8,180,481	\$ 7,626,486	\$ 7,567,741	\$10,649,796	\$11,525,479	\$10,255,453	\$ 9,576,325	\$ 9,219,518	\$ 8,649,235
<i>Employer Contributions: Percent of Covered Payroll</i>	64.4%	29.5%	26.9%	49.7%	31.1%	15.6%	3.6%	2.5%	2.3%	5.4%

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

²Miscellaneous additions include restorations of employee contributions.

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

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 385,253	\$ 328,258	\$ 327,460	\$ 439,744	\$ 318,740	\$ 242,544	\$ 149,579	\$ 74,720	\$ 69,377	\$ 36,287
Employee Contributions	310,160	263,885	264,231	368,127	268,573	207,144	127,800	63,806	60,953	34,498
Investment Income (Loss) ¹	284,681	3,468,458	1,868,154	(4,058,631)	(224,724)	3,054,707	2,020,702	1,415,136	1,453,909	365,915
Transfers	270	4,036	11,611	722	316	292	239	254	251	602
Miscellaneous ²	24,765	26,818	15,749	14,157	17,245	11,825	10,655	9,609	9,749	8,400
<i>Total Additions</i>	1,005,129	4,091,455	2,487,205	(3,235,881)	380,150	3,516,512	2,308,975	1,563,525	1,594,239	447,702

Deductions by Type:										
Benefits	376,999	310,943	251,765	207,319	170,317	143,802	121,096	102,742	86,174	72,460
Refunds	35,716	33,686	31,425	26,442	26,574	26,465	26,476	24,086	27,082	30,835
Transfers	2,180	8,528	5,407	8,903	70,935	3,904	4,296	4,718	22,918	611,867
Administrative Expenses	9,082	8,325	8,643	8,277	9,889	7,344	6,599	5,960	5,779	6,054
<i>Total Deductions</i>	423,977	361,482	297,240	250,941	277,715	181,515	158,467	137,506	141,953	721,216
Total Changes in Fiduciary Net Position	\$ 581,152	\$ 3,729,973	\$ 2,189,965	\$ (3,486,822)	\$ 102,435	\$ 3,334,997	\$ 2,150,508	\$ 1,426,019	\$ 1,452,286	\$ (273,514)

Fiduciary Net Position:										
Beginning of Year	20,098,636	16,368,663	14,178,698	17,665,520	17,563,085	14,228,088	12,077,580	10,651,561	9,199,275	9,472,789
End of Year	\$ 20,679,788	\$ 20,098,636	\$ 16,368,663	\$ 14,178,698	\$ 17,665,520	\$ 17,563,085	\$ 14,228,088	\$ 12,077,580	\$ 10,651,561	\$ 9,199,275

Employer Contributions: Percent of Covered Payroll 5.8% 4.0% 4.0% 5.4% 4.1% 3.5% 2.2% 1.2% 1.2% 0.7%

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

²Miscellaneous additions include restorations of employee contributions.

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

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 95,172	\$ 94,129	\$ 92,665	\$ 90,808	\$ 82,707	\$ 71,712	\$ 64,776	\$ 59,029	\$ 53,208	\$ 32,290
Employee Contributions	5,375	279,224	135,026	(277,949)	(46,281)	208,475	127,023	82,859	96,185	18,779
Investment Income (Loss) ¹	1,432	1,546	4,926	2,095	68,408	1,572	1,213	1,337	21,143	609,243
Transfers	259	246	197	199	201	231	219	500	696	2,027
Miscellaneous	102,238	375,145	232,814	(184,847)	105,035	281,990	193,231	143,725	171,232	662,339
<i>Total Additions</i>										

Deductions by Type:

Benefits	322	164	80	51	23	-	-	-	-	-
Refunds	66,245	59,143	41,723	40,202	38,291	35,254	35,539	25,533	26,581	5,737
Transfers	338	612	4,926	429	261	439	239	162	251	207
Administrative Expenses	258	246	197	199	201	231	220	500	523	1,967
<i>Total Deductions</i>	67,163	60,165	46,926	40,881	38,776	35,924	35,998	26,195	27,355	7,911
Total Changes in Fiduciary Net Position	\$ 35,075	\$ 314,980	\$ 185,888	\$ (225,728)	\$ 66,259	\$ 246,066	\$ 157,233	\$ 117,530	\$ 143,877	\$ 654,428

Fiduciary Net Position:

Beginning of Year	1,689,352	1,374,372	1,188,484	1,414,212	1,347,953	1,101,887	944,654	827,124	683,247	28,819
End of Year	\$ 1,724,427	\$ 1,689,352	\$ 1,374,372	\$ 1,188,484	\$ 1,414,212	\$ 1,347,953	\$ 1,101,887	\$ 944,654	\$ 827,124	\$ 683,247

Employer Contributions: Percent of Covered Payroll²

n/a

n/a

n/a

n/a

n/a

n/a

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

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

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

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 74,640	\$ 62,316	\$ 62,090	\$ 63,526	\$ 52,139	\$ 45,950	\$ 30,419	\$ 10,160	\$ 9,076	\$ 6,154
Employee Contributions	24,095	19,247	20,105	26,062	20,726	17,371	11,818	4,166	3,501	1,828
Investment Income (Loss) ¹	38,452	473,113	255,525	(560,165)	(29,922)	435,696	287,224	201,723	203,668	55,417
Transfers	11	413	431	2,050	2,118	1,998	2,589	1,959	1,631	1,970
Miscellaneous ²	1,635	1,719	1,521	1,517	1,398	1,301	1,313	1,316	1,562	1,234
<i>Total Additions</i>	138,833	556,808	339,672	(467,010)	46,459	502,316	333,363	219,324	219,438	66,603
Deductions by Type:										
Benefits	53,630	43,338	34,449	28,307	22,627	17,641	13,500	10,114	6,692	4,305
Refunds	2,516	2,492	2,125	2,125	2,045	2,516	2,477	2,191	2,025	2,220
Transfers	454	423	8,141	956	89,481	275	434	568	545	355
Administrative Expenses	1,403	1,484	1,384	1,327	1,267	1,124	1,069	990	1,080	1,113
<i>Total Deductions</i>	58,003	47,737	46,099	32,715	115,420	21,556	17,480	13,863	10,342	7,993
Total Changes in Fiduciary Net Position	\$ 80,830	\$ 509,071	\$ 293,573	\$ (499,725)	\$ (68,961)	\$ 480,760	\$ 315,883	\$ 205,461	\$ 209,096	\$ 58,610
Fiduciary Net Position:										
Beginning of Year*	2,746,456	2,237,385	1,943,812	2,443,537	2,512,498	2,031,738	1,715,855	1,510,394	1,301,298	1,242,688
End of Year	\$ 2,827,286	\$ 2,746,456	\$ 2,237,385	\$ 1,943,812	\$ 2,443,537	\$ 2,512,498	\$ 2,031,738	\$ 1,715,855	\$ 1,510,394	\$ 1,301,298
<i>Employer Contributions: Percent of Covered Payroll</i>	12.2%	3.8%	3.8%	4.0%	3.4%	3.3%	2.3%	0.8%	0.8%	0.5%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes Fiduciary Net Position: SERS Plan 3

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 59,021	\$ 60,313	\$ 60,328	\$ 59,422	\$ 58,381	\$ 54,175	\$ 49,767	\$ 46,738	\$ 43,833	\$ 40,947
Employee Contributions	10,372	209,367	108,480	(230,415)	(27,970)	169,969	105,308	69,954	78,458	14,139
Investment Income (Loss) ¹	407	500	445	455	89,449	239	334	290	484	273
Transfers	245	238	193	196	202	225	213	175	270	174
Miscellaneous	70,045	270,418	169,446	(170,342)	120,062	224,608	155,622	117,157	123,045	55,533
<i>Total Additions</i>										
Deductions by Type:										
Benefits	302	182	91	62	8	-	-	-	-	-
Refunds	60,929	53,242	33,916	42,041	39,815	32,077	24,946	21,478	12,364	11,328
Transfers	163	597	416	520	183	289	121	148	290	66
Administrative Expenses	245	237	193	195	202	225	212	175	226	173
<i>Total Deductions</i>	61,639	54,258	34,616	42,818	40,208	32,591	25,279	21,801	12,880	11,567
Total Changes in Fiduciary Net Position	\$ 8,406	\$ 216,160	\$ 134,830	\$(213,160)	\$ 79,854	\$ 192,017	\$ 130,343	\$ 95,356	\$ 110,165	\$ 43,966

Fiduciary Net Position:

Beginning of Year*	1,269,442	1,053,282	918,452	1,131,612	1,051,758	859,741	729,398	634,042	523,877	479,911
End of Year	\$ 1,277,848	\$ 1,269,442	\$ 1,053,282	\$ 918,452	\$ 1,131,612	\$ 1,051,758	\$ 859,741	\$ 729,398	\$ 634,042	\$ 523,877

Employer Contributions: Percent of Covered Payroll²

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

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

Schedule of Changes in Fiduciary Net Position: PSERS Plan 2

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 15,285	\$ 15,591	\$ 15,238	\$ 14,510	\$ 11,700	\$ 6,612	**	**	**	**
Employee Contributions	15,228	15,353	15,213	14,557	11,740	6,664	**	**	**	**
Investment Income (Loss) ¹	2,778	21,255	7,358	(9,383)	(765)	813	**	**	**	**
Transfers	8	5	32	-	3	-	**	**	**	**
Miscellaneous ²	141	124	45	30	14	6	**	**	**	**
<i>Total Additions</i>	33,440	52,328	37,886	19,714	22,692	14,095	**	**	**	**

Deductions by Type:

Benefits	70	35	17	5	-	-	**	**	**	**
Refunds	1,921	1,780	928	466	152	23	**	**	**	**
Transfers	6	3	2	3	2	-	**	**	**	**
Administrative Expenses	70	82	50	40	26	27	**	**	**	**
<i>Total Deductions</i>	2,067	1,900	997	514	180	50	**	**	**	**
Total Changes in Fiduciary Net Position	\$ 31,373	\$ 50,428	\$ 36,889	\$ 19,200	\$ 22,512	\$ 14,045	**	**	**	**

Fiduciary Net Position:

<i>Beginning of Year</i>	143,074	92,646	55,757	36,557	14,045	-	**	**	**	**
End of Year	\$ 174,447	\$ 143,074	\$ 92,646	\$ 55,757	\$ 36,557	\$ 14,045	**	**	**	**
<i>Employer Contributions: Percent of Covered Payroll</i>	6.5%	6.7%	6.5%	6.5%	6.5%	6.5%	**	**	**	**

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

²Miscellaneous additions include restorations of employee contributions.

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

Schedule of Changes in Fiduciary Net Position: TRS Plan I

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 111,937	\$ 96,803	\$ 112,731	\$ 178,850	\$ 113,089	\$ 60,462	\$ 15,077	\$ 8,793	\$ 11,385	\$ 20,352
Employee Contributions	14,098	17,631	20,930	23,810	26,480	29,995	33,790	38,087	42,706	46,790
Investment Income (Loss) ¹	73,203	1,279,513	813,504	(1,979,081)	(93,982)	1,762,480	1,292,574	981,556	1,112,120	275,057
Transfers	38	1	5	27	5	84	78	168	147	333
Miscellaneous ²	6,228	10,792	6,827	7,011	7,870	8,546	8,941	8,607	7,338	6,433
<i>Total Additions</i>	<u>205,504</u>	<u>1,404,740</u>	<u>953,997</u>	<u>(1,769,383)</u>	<u>53,462</u>	<u>1,861,567</u>	<u>1,350,460</u>	<u>1,037,211</u>	<u>1,173,696</u>	<u>348,965</u>
Deductions by Type:										
Benefits	913,864	899,819	859,250	850,262	844,986	802,344	763,613	741,118	692,243	689,254
Refunds	1,552	1,820	1,504	1,260	1,000	1,878	1,042	1,180	1,792	1,521
Transfers	223	159	118	1,449	82	3	314	817	—	283
Administrative Expenses	2,699	2,686	3,125	3,266	3,646	3,752	3,790	3,894	3,926	4,555
<i>Total Deductions</i>	<u>918,338</u>	<u>904,484</u>	<u>863,997</u>	<u>856,237</u>	<u>849,714</u>	<u>807,977</u>	<u>768,759</u>	<u>747,009</u>	<u>697,961</u>	<u>695,613</u>
Total Changes in Fiduciary Net Position	\$ (712,834)	\$ 500,256	\$ 90,000	\$ (2,625,620)	\$ (796,252)	\$ 1,053,590	\$ 581,701	\$ 290,202	\$ 475,735	\$ (346,648)
Fiduciary Net Position:										
Beginning of Year	6,904,317	6,404,061	6,314,061	8,939,681	9,735,933	8,682,343	8,100,642	7,810,440	7,334,705	7,681,352
End of Year	<u>\$ 6,191,483</u>	<u>\$ 6,904,317</u>	<u>\$ 6,404,061</u>	<u>\$ 6,314,061</u>	<u>\$ 8,939,681</u>	<u>\$ 9,735,933</u>	<u>\$ 8,682,343</u>	<u>\$ 8,100,642</u>	<u>\$ 7,810,440</u>	<u>\$ 7,334,704</u>
<i>Employer Contributions: Percent of Covered Payroll</i>	47.7%	27.7%	26.9%	37.3%	21.5%	10.3%	2.3%	1.2%	1.4%	2.4%

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

²Miscellaneous additions include restorations of employee contributions.

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

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 213,852	\$ 168,264	\$ 164,959	\$ 160,793	\$ 109,523	\$ 102,180	\$ 75,353	\$ 33,767	\$ 29,921	\$ 18,225
Employee Contributions	29,829	21,881	21,126	23,277	14,739	12,227	8,990	3,549	3,108	633
Investment Income (Loss) ¹	96,411	1,175,293	629,396	(1,383,054)	(73,457)	1,078,134	712,495	500,432	503,551	136,127
Transfers	16	850	724	547	339	201	261	500	439	429
Miscellaneous ²	5,476	5,416	4,551	4,429	4,432	3,951	3,385	3,827	4,154	3,461
<i>Total Additions</i>	345,584	1,371,704	820,756	(1,194,008)	55,576	1,196,693	800,484	542,075	541,173	158,875
Deductions by Type:										
Benefits	91,400	72,138	55,654	44,795	36,016	28,534	22,351	17,118	13,416	10,862
Refunds	2,169	2,281	2,868	2,189	2,190	2,726	2,399	3,110	2,858	3,537
Transfers	652	390	369	2,670	168,866	440	963	1,278	1,003	956
Administrative Expenses	4,020	4,273	3,932	3,824	3,629	3,067	2,781	3,027	2,940	3,093
<i>Total Deductions</i>	98,241	79,082	62,823	53,478	210,701	34,767	28,494	24,533	20,217	18,448
Total Changes in Fiduciary Net Position	\$ 247,343	\$ 1,292,622	\$ 757,933	\$(1,247,486)	\$ (155,125)	\$ 1,161,926	\$ 771,990	\$ 517,542	\$ 520,956	\$ 140,427
Fiduciary Net Position:										
Beginning of Year	6,839,903	5,547,281	4,789,348	6,036,834	6,191,959	5,030,033	4,258,043	3,740,501	3,219,545	3,079,118
End of Year	\$ 7,087,246	\$ 6,839,903	\$ 5,547,281	\$ 4,789,348	\$ 6,036,834	\$ 6,191,959	\$ 5,030,033	\$ 4,258,043	\$ 3,740,501	\$ 3,219,545
<i>Employer Contributions: Percent of Covered Payroll</i>	32.0%	4.0%	4.1%	4.1%	3.0%	3.0%	2.4%	1.1%	1.1%	0.7%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: TRS Plan 3

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 255,867	\$ 257,718	\$ 254,197	\$ 247,891	\$ 234,661	\$ 213,878	\$ 195,910	\$ 183,645	\$ 173,052	\$ 155,538
Employee Contributions	34,065	866,178	424,811	(864,630)	(177,645)	630,495	371,615	241,093	307,012	42,026
Investment Income (Loss) ¹	618	650	598	971	168,817	581	619	604	892	731
Transfers	811	767	610	605	597	712	639	175	292	174
Miscellaneous										
<i>Total Additions</i>	291,361	1,125,313	680,216	(615,163)	226,430	845,666	568,783	425,517	481,248	198,469
Deductions by Type:										
Benefits	1,149	542	257	128	45	18	-	-	-	-
Refunds	150,404	115,571	71,665	76,166	84,776	62,810	41,908	35,582	25,932	19,331
Transfers	520	1,368	1,084	550	512	254	296	634	380	238
Administrative Expenses	811	767	610	605	597	712	639	175	250	173
<i>Total Deductions</i>	152,884	118,248	73,616	77,449	85,930	63,794	42,843	36,391	26,562	19,742
Total Changes in Fiduciary Net Position	\$ 138,477	\$ 1,007,065	\$ 606,600	\$ (692,612)	\$ 140,500	\$ 781,872	\$ 525,940	\$ 389,126	\$ 454,686	\$ 178,727

Fiduciary Net Position:

Beginning of Year	5,032,372	4,025,307	3,418,707	4,111,319	3,970,819	3,188,947	2,663,007	2,273,881	1,819,195	1,640,468
End of Year	\$ 5,170,849	\$ 5,032,372	\$ 4,025,307	\$ 3,418,707	\$ 4,111,319	\$ 3,970,819	\$ 3,188,947	\$ 2,663,007	\$ 2,273,881	\$ 1,819,195

Employer Contributions: Percent of Covered Payroll²

n/a

n/a

n/a

n/a

n/a

n/a

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

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

Schedule of Changes in Fiduciary Net Position: LEOFF Plan I

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 2	\$ 3	\$ 49	\$ 216	\$ 8	\$ 56	\$ 70	\$ 9	\$ 1	\$ 62
Employee Contributions	-	-	1	154	-	50	61	(2)	-	40
State Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (Loss) ¹	61,152	937,507	566,844	(1,353,904)	(68,055)	1,152,792	818,343	604,304	665,380	162,220
Transfers	-	-	112	173	-	-	102	-	-	167
Miscellaneous ²	3,393	3,130	3,913	2,658	3,185	3,109	2,736	2,651	2,896	2,762
<i>Total Additions</i>	64,547	940,640	570,919	(1,350,703)	(64,862)	1,156,007	821,312	606,962	668,277	165,251
Deductions by Type:										
Benefits	343,438	338,775	338,231	327,033	313,530	300,452	288,209	279,957	272,118	264,618
Refunds	435	48	14	193	150	11	3	5	133	158
Transfers	176	331	83	998	56	2	201	526	27	166
Administrative Expenses	2,064	1,891	2,146	2,339	2,417	2,544	2,405	2,455	2,450	2,789
<i>Total Deductions</i>	346,113	341,045	340,474	330,563	316,153	303,009	290,818	282,943	274,728	267,731
Total Changes in Fiduciary Net Position	\$ (281,566)	\$ 599,595	\$ 230,445	\$(1,681,266)	\$ (381,015)	\$ 852,998	\$ 530,494	\$ 324,019	\$ 393,549	\$ (102,480)
Fiduciary Net Position:										
Beginning of Year	5,185,953	4,586,358	4,355,913	6,037,179	6,418,194	5,565,196	5,034,702	4,710,683	4,317,134	4,419,614
End of Year	\$ 4,904,387	\$ 5,185,953	\$ 4,586,358	\$ 4,355,913	\$ 6,037,179	\$ 6,418,194	\$ 5,565,196	\$ 5,034,702	\$ 4,710,683	\$ 4,317,134
<i>Employer Contributions: Percent of Covered Payroll</i>	0.0%	0.0%	0.2%	0.5%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: LEOFF Plan 2

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 80,480	\$ 79,733	\$ 76,998	\$ 77,849	\$ 73,364	\$ 58,191	\$ 48,472	\$ 32,780	\$ 30,773	\$ 25,583
Employee Contributions	132,584	131,252	128,154	128,206	115,567	95,552	79,780	53,913	50,698	41,372
State Contributions	52,770	52,024	51,376	51,137	45,926	37,928	31,666	21,266	20,193	16,404
Investment Income (Loss) ¹	92,867	1,084,240	568,518	(1,223,154)	(70,257)	892,480	576,139	393,129	391,911	98,627
Transfers	10	2,936	1,010	1,218	117	—	1	17	—	234
Miscellaneous ²	9,220	7,754	7,447	4,466	2,987	3,905	4,273	2,440	2,371	1,759
<i>Total Additions</i>	<u>367,931</u>	<u>1,357,939</u>	<u>833,503</u>	<u>(960,278)</u>	<u>167,704</u>	<u>1,088,056</u>	<u>740,331</u>	<u>503,545</u>	<u>495,946</u>	<u>183,979</u>

Deductions by Type:

Benefits	78,153	61,876	46,158	36,615	27,505	20,813	14,433	8,978	6,043	4,059
Refunds	11,214	8,181	10,947	7,223	7,639	7,995	7,115	7,765	5,720	5,124
Transfers	282	147	205	1,146	49	32	250	331	—	94
Administrative Expenses	3,672	3,309	3,416	2,288	2,298	2,073	1,842	1,659	1,490	1,528
<i>Total Deductions</i>	<u>93,321</u>	<u>73,513</u>	<u>60,726</u>	<u>47,272</u>	<u>37,491</u>	<u>30,913</u>	<u>23,640</u>	<u>18,733</u>	<u>13,253</u>	<u>10,805</u>
Total Changes in Fiduciary Net Position	\$ 274,610	\$ 1,284,426	\$ 772,777	\$(1,007,550)	\$ 130,213	\$ 1,057,143	\$ 716,691	\$ 484,812	\$ 482,693	\$ 173,174

Fiduciary Net Position:

Beginning of Year	6,366,083	5,081,657	4,308,880	5,316,430	5,186,217	4,129,074	3,412,383	2,927,571	2,444,878	2,271,704
End of Year	<u>\$ 6,640,693</u>	<u>\$ 6,366,083</u>	<u>\$ 5,081,657</u>	<u>\$ 4,308,880</u>	<u>\$ 5,316,430</u>	<u>\$ 5,186,217</u>	<u>\$ 4,129,074</u>	<u>\$ 3,412,383</u>	<u>\$ 2,927,571</u>	<u>\$ 2,444,878</u>

<i>Employer Contributions: Percent of Covered Payroll</i>	5.1%	5.2%	5.1%	5.3%	5.5%	4.8%	4.2%	3.1%	3.1%	2.7%
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¹ Investment income reflects dividends, interest, realized capital gains and unrealized gains and losses.

² Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: WSPRS Plan 1/2
(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 6,454	\$ 5,251	\$ 5,271	\$ 6,371	\$ 6,064	\$ 3,278	\$ 3,133	\$ -	\$ 1	\$ -
Employee Contributions	5,376	4,166	4,173	5,501	5,239	3,278	3,134	1,316	1,322	1,314
Investment Income (Loss) ¹	11,481	158,571	91,335	(210,676)	(10,992)	171,393	118,855	86,150	92,736	22,783
Transfers	54	415	10	331	89	163	8	98	121	144
Miscellaneous ²	2,010	1,385	1,399	500	478	385	409	381	452	377
<i>Total Additions</i>	<u>25,375</u>	<u>169,788</u>	<u>102,188</u>	<u>(197,973)</u>	<u>878</u>	<u>178,497</u>	<u>125,539</u>	<u>87,945</u>	<u>94,632</u>	<u>24,618</u>
Deductions by Type:										
Benefits	40,368	38,387	36,116	34,522	32,963	31,393	30,666	27,606	25,724	24,047
Refunds	262	315	127	211	269	291	125	173	303	220
Transfers	32	22	14	160	8	-	29	70	-	23
Administrative Expenses	392	356	364	354	391	381	408	358	347	378
<i>Total Deductions</i>	<u>41,054</u>	<u>39,080</u>	<u>36,621</u>	<u>35,247</u>	<u>33,631</u>	<u>32,065</u>	<u>31,228</u>	<u>28,207</u>	<u>26,374</u>	<u>24,668</u>
Total Changes in Fiduciary Net Position	\$ (15,679)	\$ 130,708	\$ 65,567	\$(233,220)	\$ (32,753)	\$ 146,432	\$ 94,311	\$ 59,738	\$ 68,258	\$ (50)

Fiduciary Net Position:

Beginning of Year	894,899	764,191	698,624	931,844	964,597	818,165	723,854	664,116	595,858	595,908
End of Year	<u>\$ 879,220</u>	<u>\$ 894,899</u>	<u>\$ 764,191</u>	<u>\$ 698,624</u>	<u>\$ 931,844</u>	<u>\$ 964,597</u>	<u>\$ 818,165</u>	<u>\$ 723,854</u>	<u>\$ 664,116</u>	<u>\$ 595,858</u>

Employer Contributions: Percent of Covered Payroll 7.9% 6.4% 6.4% 7.7% 7.7% 4.5% 4.5% 0.0% 0.0% 0.0%

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

²Miscellaneous additions include restorations of employee contributions.

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

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 31	\$ 46	\$ 79	\$ 105	\$ 112	\$ 111	\$ 115	\$ 155	\$ 197	\$ 215
Employee Contributions	31	46	79	104	112	111	115	155	196	215
State Contributions	8,100	10,860	11,570	10,200	9,600	9,539	6,601	5,995	5,995	6,000
Investment Income ¹	13	8	11	48	98	139	61	73	54	116
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous ²	1	2	2	1	1	-	-	1	3	4
<i>Total Additions</i>	8,176	10,962	11,741	10,458	9,923	9,900	6,892	6,379	6,445	6,550
Deductions by Type:										
Benefits	9,764	9,738	9,723	9,583	9,514	9,356	9,247	8,761	8,404	8,279
Refunds	-	-	-	7	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	2	2	2	1	-	-	-	1	2	4
<i>Total Deductions</i>	9,766	9,740	9,725	9,591	9,514	9,356	9,247	8,762	8,406	8,283
Total Changes in Fiduciary Net Position	\$ (1,590)	\$ 1,222	\$ 2,016	\$ 867	\$ 409	\$ 544	\$ (2,355)	\$ (2,383)	\$ (1,961)	\$ (1,733)
Fiduciary Net Position:										
Beginning of Year	5,061	3,839	1,823	956	547	3	2,358	4,741	6,702	8,435
End of Year	\$ 3,471	\$ 5,061	\$ 3,839	\$ 1,823	\$ 956	\$ 547	\$ 3	\$ 2,358	\$ 4,741	\$ 6,702
<i>Employer Contributions: Percent of Covered Payroll</i>	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

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

²Miscellaneous additions include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position: JUDGES

(dollars in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
Employee Contributions	-	-	-	-	-	-	-	-	-	6
State Contributions	-	-	-	-	-	300	300	500	500	250
Investment Income ¹	19	11	48	141	179	184	139	86	20	109
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous ²	1	1	1	2	1	2	2	2	3	3
<i>Total Additions</i>	20	12	49	143	180	486	441	588	523	374

Deductions by Type:

Benefits	482	499	500	501	545	581	624	641	685	639
Refunds	-	-	-	-	-	-	-	13	-	-
Transfers	-	-	-	1	-	-	-	1	-	-
Administrative Expenses	1	1	1	1	2	1	2	2	2	3
<i>Total Deductions</i>	483	500	501	503	547	582	626	657	687	642
Total Changes in Fiduciary Net Position	\$ (463)	\$ (488)	\$ (452)	\$ (360)	\$ (367)	\$ (96)	\$ (185)	\$ (69)	\$ (164)	\$ (268)

Fiduciary Net Position:

Beginning of Year	2,335	2,823	3,275	3,635	4,002	4,098	4,283	4,352	4,516	4,784
End of Year	\$ 1,872	\$ 2,335	\$ 2,823	\$ 3,275	\$ 3,635	\$ 4,002	\$ 4,098	\$ 4,283	\$ 4,352	\$ 4,516

Employer Contributions: Percent of Covered Payroll

n/a n/a n/a n/a n/a n/a n/a n/a n/a n/a

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

²Miscellaneous additions include restorations of employee contributions.

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

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Employer Contributions	\$ 38	\$ 43	\$ 43	\$ 42	\$ 70	\$ 427	\$ 635	\$ 602	\$ 570	\$ 556
Employee Contributions	38	43	43	42	71	430	635	601	570	556
Investment Income (Loss) ¹	(29)	1,940	985	(1,910)	(906)	2,452	1,532	760	1,438	376
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5	5	3	12	6	5	11	15	18	8
<i>Total Additions</i>	52	2,031	1,074	(1,814)	(759)	3,314	2,813	1,978	2,596	1,496
Deductions by Type:										
Benefits	810	445	389	461	6,540	110	207	411	282	168
Refunds	-	-	1	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
<i>Total Deductions</i>	810	445	390	461	6,540	110	207	411	282	168
Total Changes in Fiduciary Net Position	\$ (758)	\$ 1,586	\$ 684	\$ (2,275)	\$ (7,299)	\$ 3,204	\$ 2,606	\$ 1,567	\$ 2,314	\$ 1,328

Fiduciary Net Position:

Beginning of Year	13,027	11,441	10,757	13,032	20,331	17,127	14,521	12,954	10,640	9,312
End of Year	\$ 12,269	\$ 13,027	\$ 11,441	\$ 10,757	\$ 13,032	\$ 20,331	\$ 17,127	\$ 14,521	\$ 12,954	\$ 10,640

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

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

²Covered payroll figures are not available for this plan.

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

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Additions by Source:										
Participant Contributions	\$ 178,449	\$ 186,734	\$ 185,120	\$ 184,544	\$ 188,735	\$ 175,055	\$ 168,000	\$ 160,029	\$ 147,660	\$ 135,901
Investment Income (Loss) ¹	(12,292)	451,033	203,075	(344,592)	(169,322)	314,273	204,021	100,727	204,100	41,536
Charges for Services	1,677	1,610	1,780	1,405	838	689	1,079	335	206	287
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous	794	1,461	1,145	690	833	854	1,536	2,302	2,578	1,188
<i>Total Additions</i>	168,628	640,838	391,120	(157,953)	21,084	490,871	374,636	263,393	354,544	178,912
Deductions by Type:										
Refunds	171,741	149,010	108,578	106,645	135,877	127,198	109,318	83,741	73,485	68,469
Transfers	—	—	—	2	—	3	—	—	—	—
Administrative Expenses	1,594	1,735	1,512	1,468	1,488	1,445	1,256	1,344	1,373	1,354
<i>Total Deductions</i>	173,335	150,745	110,090	108,115	137,365	128,646	110,574	85,085	74,858	69,823
Total Changes in Fiduciary Net Position	\$ (4,707)	\$ 490,093	\$ 281,030	\$ (266,068)	\$ (116,281)	\$ 362,225	\$ 264,062	\$ 178,308	\$ 279,686	\$ 109,089

Fiduciary Net Position:

Beginning of Year	2,940,439	2,450,346	2,169,316	2,435,384	2,551,665	2,189,440	1,925,378	1,747,070	1,467,384	1,358,295
End of Year	\$ 2,935,732	\$ 2,940,439	\$ 2,450,346	\$ 2,169,316	\$ 2,435,384	\$ 2,551,665	\$ 2,189,440	\$ 1,925,378	\$ 1,747,070	\$ 1,467,384

Employer Contributions: Percent of Covered Payroll²

n/a

n/a

n/a

n/a

n/a

n/a

n/a

n/a

n/a

n/a

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

²All DCP contributions are made by the participants.

Distribution of Membership

For the Years Ended June 30, 2008-2011 and September 30, 2002-2007

Active Members by System and Plan:

Plan		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
PERS 1	Percent	2.64%	3.03%	3.43%	3.86%	4.41%	4.85%	5.50%	6.16%	6.89%	7.59%
	Individuals	7,733	9,007	10,354	11,663	12,975	14,213	15,962	17,829	19,740	21,737
	Avg. Age	61	60	59	59	58	57	57	56	55	55
PERS 2	Percent	39.92%	40.27%	40.35%	40.81%	41.00%	40.39%	40.81%	40.97%	40.93%	40.85%
	Individuals	117,096	119,826	121,800	123,285	120,625	118,341	118,400	118,572	117,262	116,939
	Avg. Age	48	48	47	47	46	46	46	45	45	44
PERS 3	Percent	9.41%	9.31%	8.97%	8.85%	8.30%	7.67%	7.31%	6.86%	6.12%	5.42%
	Individuals	27,588	27,693	27,081	26,720	24,422	22,473	21,216	19,855	17,548	15,509
	Avg. Age	43	43	42	42	42	42	42	42	42	43
SERS 2	Percent	7.09%	6.84%	6.69%	6.38%	6.04%	6.30%	6.68%	7.06%	7.51%	7.99%
	Individuals	20,784	20,358	20,197	19,264	17,767	18,464	19,387	20,424	21,504	22,870
	Avg. Age	51	51	51	51	51	51	50	49	48	47
SERS 3	Percent	10.76%	10.75%	10.69%	10.76%	11.24%	11.04%	10.67%	10.17%	9.67%	9.40%
	Individuals	31,548	31,981	32,277	32,510	33,058	32,354	30,963	29,430	27,710	26,921
	Avg. Age	50	49	49	48	47	47	46	46	46	45
PSERS 2	Percent	1.43%	1.42%	1.44%	1.32%	0.94%	0.71%	–	–	–	–
	Individuals	4,187	4,210	4,340	3,981	2,755	2,073	–	–	–	–
	Avg. Age	40	39	38	37	38	39	–	–	–	–
TRS 1	Percent	1.27%	1.54%	1.72%	2.01%	2.15%	2.52%	2.96%	3.41%	3.90%	4.35%
	Individuals	3,740	4,591	5,204	6,061	6,331	7,382	8,592	9,862	11,175	12,456
	Avg. Age	62	61	60	59	58	58	57	56	55	55
TRS 2	Percent	3.51%	3.17%	3.04%	2.68%	2.30%	2.38%	2.48%	2.58%	2.67%	2.73%
	Individuals	10,285	9,442	9,174	8,103	6,752	6,983	7,205	7,470	7,637	7,809
	Avg. Age	46	48	48	49	52	51	51	50	49	49
TRS 3	Percent	17.79%	17.57%	17.56%	17.33%	17.63%	18.22%	17.74%	17.03%	16.50%	16.00%
	Individuals	52,178	52,292	53,010	52,360	51,856	53,371	51,473	49,302	47,263	45,798
	Avg. Age	45	45	44	43	43	42	42	42	41	41
LEOFF 1	Percent	0.08%	0.10%	0.12%	0.14%	0.17%	0.20%	0.25%	0.29%	0.35%	0.40%
	Individuals	250	301	356	421	513	596	723	848	991	1,147
	Avg. Age	60	60	59	58	57	56	56	55	54	53
LEOFF 2	Percent	5.73%	5.64%	5.62%	5.50%	5.47%	5.37%	5.23%	5.10%	5.08%	4.90%
	Individuals	16,805	16,775	16,951	16,626	16,099	15,718	15,168	14,754	14,560	14,011
	Avg. Age	43	42	42	41	41	41	41	40	40	39
WSPRS 1	Percent	0.26%	0.27%	0.28%	0.28%	0.30%	0.31%	0.33%	0.34%	0.36%	0.36%
	Individuals	767	806	830	851	885	906	941	997	1,045	1,035
	Avg. Age	45	44	43	42	41	41	40	39	39	38
WSPRS 2	Percent	0.11%	0.09%	0.09%	0.08%	0.05%	0.04%	0.03%	0.02%	0.01%	–
	Individuals	315	281	264	234	152	116	81	60	34	–
	Avg. Age	32	32	31	30	31	30	30	29	29	–
JRS	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%
	Individuals	3	5	9	10	11	11	13	19	21	24
	Avg. Age	69	69	69	67	66	66	65	63	63	61
Judges	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	–	–	–	–	–	–	–	–	–	1
	Avg. Age	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	76
Totals	Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	293,279	297,568	301,847	302,089	294,201	293,001	290,124	289,422	286,490	286,257

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

Distribution of Membership

For the Years Ended June 30, 2008-2011 and September 30, 2002-2007

Inactive and Retired Members by System and Plan:

Plan		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
PERS 1	Percent	29.18%	30.63%	31.87%	33.11%	34.34%	35.47%	37.53%	39.14%	40.64%	42.00%
	Individuals	55,053	55,721	56,272	56,852	57,342	57,509	57,628	57,561	57,514	57,286
	Avg. Age	74	74	73	73	73	73	72	72	72	72
PERS 2	Percent	26.06%	25.04%	24.14%	23.23%	22.34%	21.88%	20.46%	19.62%	19.08%	18.64%
	Individuals	49,167	45,556	42,614	39,890	37,302	35,485	31,412	28,860	26,993	25,415
	Avg. Age	62	61	60	60	59	59	59	59	58	57
PERS 3	Percent	2.69%	2.46%	2.29%	2.12%	1.91%	1.74%	1.39%	1.02%	0.61%	0.15%
	Individuals	5,068	4,482	4,045	3,647	3,183	2,817	2,136	1,506	856	207
	Avg. Age	56	55	54	53	52	51	50	49	48	46
SERS 2	Percent	4.61%	4.44%	4.26%	3.99%	3.61%	3.36%	2.93%	2.40%	1.86%	1.35%
	Individuals	8,697	8,069	7,514	6,845	6,019	5,442	4,499	3,525	2,638	1,834
	Avg. Age	61	60	58	58	57	56	56	55	54	53
SERS 3	Percent	4.24%	3.86%	3.57%	3.28%	2.87%	2.60%	2.08%	1.71%	1.38%	0.98%
	Individuals	7,993	7,015	6,308	5,628	4,796	4,210	3,196	2,516	1,954	1,333
	Avg. Age	60	59	58	57	56	56	55	54	53	52
PSERS 2	Percent	0.01%	0.01%	0.00%	0.00%	-	-	-	-	-	-
	Individuals	16	7	2	1	-	-	-	-	-	-
	Avg. Age	59	58	63	66	-	-	-	-	-	-
TRS 1	Percent	19.45%	20.18%	20.88%	21.45%	22.41%	22.80%	23.83%	24.54%	25.09%	25.64%
	Individuals	36,699	36,716	36,875	36,839	37,420	36,969	36,592	36,099	35,504	34,970
	Avg. Age	73	72	72	71	71	71	70	70	70	70
TRS 2	Percent	2.69%	2.63%	2.59%	2.57%	2.57%	2.54%	2.53%	2.47%	2.44%	2.43%
	Individuals	5,080	4,787	4,576	4,418	4,288	4,116	3,887	3,637	3,450	3,310
	Avg. Age	63	62	61	60	59	58	57	56	54	53
TRS 3	Percent	4.84%	4.41%	4.04%	3.84%	3.48%	3.07%	2.52%	2.24%	1.98%	1.78%
	Individuals	9,134	8,017	7,136	6,592	5,811	4,978	3,864	3,302	2,803	2,434
	Avg. Age	58	58	57	56	55	54	53	52	50	49
LEOFF 1	Percent	4.20%	4.40%	4.58%	4.74%	4.89%	5.04%	5.31%	5.52%	5.70%	5.87%
	Individuals	7,933	8,009	8,089	8,135	8,165	8,177	8,156	8,117	8,068	8,009
	Avg. Age	70	70	69	68	68	67	67	66	65	65
LEOFF 2	Percent	1.42%	1.33%	1.16%	1.04%	0.93%	0.85%	0.74%	0.65%	0.53%	0.45%
	Individuals	2,670	2,420	2,039	1,783	1,553	1,376	1,144	953	755	620
	Avg. Age	56	55	54	54	53	52	52	51	51	50
WSPRS 1	Percent	0.53%	0.53%	0.54%	0.55%	0.56%	0.56%	0.58%	0.59%	0.59%	0.60%
	Individuals	992	970	956	947	933	918	894	862	828	813
	Avg. Age	65	65	65	64	64	64	63	63	63	63
WSPRS 2	Percent	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
	Individuals	6	6	4	2	1	-	-	-	-	-
	Avg. Age	37	35	33	32	29	-	-	-	-	-
JRS	Percent	0.07%	0.07%	0.07%	0.07%	0.08%	0.08%	0.09%	0.09%	0.09%	0.10%
	Individuals	124	125	124	128	131	133	133	129	132	134
	Avg. Age	80	79	79	79	78	77	77	76	76	76
Judges	Percent	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	13	13	13	13	15	15	16	16	17	18
	Avg. Age	83	82	81	80	79	79	78	78	78	80
Totals	Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	188,645	181,913	176,567	171,720	166,959	162,145	153,557	147,083	141,512	136,383

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	491	1	7.3%	Dept. of Social & Health Services	1,624	1	8.4%
Dept. of Social & Health Services	441	2	6.6%	University of Washington	1,262	2	6.5%
King County	417	3	6.2%	Dept. of Transportation	652	3	3.4%
Dept. of Transportation	175	4	2.6%	King County	586	4	3.0%
Dept. of Employment Security	144	5	2.1%	KC Metro	522	5	2.7%
Seattle SD 001	132	6	2.0%	Dept. of Employment Security	510	6	2.6%
Dept. of Labor & Industries	122	7	1.8%	Dept. of Labor & Industries	361	7	1.9%
Washington State Ferries	77	8	1.1%	Seattle SD 001	297	8	1.5%
Pierce County	76	9	1.1%	Washington State University	278	9	1.4%
Corrections Southwest Region	69	10	1.0%	Dept. of Fish & Wildlife	255	10	1.3%
All other*	4,590		68.2%	All other	13,037		67.3%
Total (678 employers)	<u>6,734</u>		<u>100.0%</u>	Total (866 employers)	<u>19,384</u>		<u>100.0%</u>

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	122	1,567
School Districts	219	1,474
Counties/Municipalities	153	995
Other Political Subdivisions	174	554
Total	<u>668</u>	<u>4,590</u>

**2003 calendar year statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	11,118	1	9.4%	University of Washington	11,342	1	9.6%
King County	10,170	2	8.6%	Dept. of Social & Health Services	8,077	2	6.9%
Dept. of Social & Health Services	7,693	3	6.5%	King County	4,893	3	4.2%
Dept. of Transportation	4,312	4	3.7%	KC Metro	4,070	4	3.5%
Dept. of Labor & Industries	2,179	5	1.8%	Dept. of Transportation	3,893	5	3.3%
Pierce County	2,119	6	1.8%	Pierce County	2,473	6	2.1%
Snohomish County	1,836	7	1.6%	Snohomish County	2,082	7	1.8%
Corrections Southwest Region	1,708	8	1.5%	Dept. of Labor & Industries	1,995	8	1.7%
Washington State University	1,567	9	1.3%	Corrections Southwest Region	1,890	9	1.6%
Dept. of Employment Security	1,546	10	1.3%	Washington State University	1,826	10	1.5%
All Other	73,656		62.5%	All other	75,133		63.8%
Total (937 employers)	<u>117,904</u>		<u>100.0%</u>	Total (962 employers)	<u>117,674</u>		<u>100.0%</u>

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	162	30,869
School Districts	-	-
Counties/Municipalities	271	23,911
Other Political Subdivisions	494	18,876
Total	<u>927</u>	<u>73,656</u>

**2003 calendar year statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
University of Washington	4,644	1	16.7%	University of Washington	2,109	1	12.0%
King County	1,794	2	6.5%	Dept. of Social & Health Services	1,149	2	6.5%
Dept. of Social & Health Services	1,566	3	5.6%	Dept. of Transportation	815	3	4.6%
Dept. of Transportation	1,000	4	3.6%	King County	578	4	3.3%
Washington State University	790	5	2.9%	Washington State University	478	5	2.7%
Dept. of Ecology	445	6	1.6%	KC Metro	435	6	2.5%
Dept. of Fish & Wildlife	423	7	1.5%	Dept. of Ecology	356	7	2.0%
Dept. of Employment Security	417	8	1.5%	Dept. of Natural Resources	309	8	1.7%
Pierce County	410	9	1.5%	Energy Northwest	294	9	1.7%
Dept. of Labor & Industries	373	10	1.3%	Dept. of Employment Security	279	10	1.6%
All other*	15,922		57.3%	All other	10,802		61.4%
Total (663 employers)	27,784		100.0%	Total (524 employers)	17,604		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	149	7,775
School Districts	—	—
Counties/Municipalities	204	4,632
Other Political Subdivisions	300	3,515
Total	653	15,922

**2003 calendar year statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	992	1	4.5%	Seattle SD 001	1,116	1	5.1%
Tacoma SD 010	681	2	3.1%	Tacoma SD 010	821	2	3.7%
Spokane Public Schools	490	3	2.2%	Kent SD 415	608	3	2.8%
Highline SD 401	476	4	2.2%	Spokane Public Schools	600	4	2.7%
Kent SD 415	466	5	2.1%	Vancouver SD 037	573	5	2.6%
Vancouver SD 037	461	6	2.1%	Highline SD 401	526	6	2.4%
Evergreen SD 114	407	7	1.8%	Federal Way SD 210	435	7	2.0%
Bellevue SD 405	394	8	1.8%	Edmonds SD 015	431	8	1.9%
Federal Way SD 210	386	9	1.8%	Lake Washington SD 414	396	9	1.8%
Puyallup SD 003	365	10	1.7%	Northshore SD 417	395	10	1.8%
All other*	16,865		76.7%	All other	16,092		73.2%
Total (299 employers)	21,983		100.0%	Total (427 employers)	21,993		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	—	—
School Districts	289	16,865
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	289	16,865

**August 31, 2003 statistics.

Principal Participating Employers by Plan: SERS 3

Current Year and Nine Years Prior

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	1,040	1	3.3%	Seattle SD 001	850	1	3.1%
Kent SD 415	933	2	2.9%	Kent SD 415	820	2	3.0%
Spokane Public Schools	807	3	2.5%	Spokane Public Schools	742	3	2.7%
Evergreen SD 114	743	4	2.3%	Evergreen SD 114	678	4	2.5%
Lake Washington SD 414	698	5	2.2%	Lake Washington SD 414	589	5	2.2%
Tacoma SD 010	680	6	2.1%	Tacoma SD 010	572	6	2.1%
Vancouver SD 037	657	7	2.0%	Federal Way SD 210	563	7	2.1%
Puyallup SD 003	632	8	2.0%	Edmonds SD 015	560	8	2.1%
Edmonds SD 015	623	9	2.0%	Vancouver SD 037	555	9	2.1%
Bethel SD 403	620	10	2.0%	Northshore SD 417	528	10	2.0%
All other*	24,406		76.7%	All other	20,606		76.1%
Total (301 employers)	<u>31,839</u>		<u>100.0%</u>	Total (297 employers)	<u>27,063</u>		<u>100.0%</u>

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	-	-
School Districts	291	24,406
Counties/Municipalities	-	-
Other Political Subdivisions	-	-
Total	<u>291</u>	<u>24,406</u>

**August 31, 2003 statistics

Principal Participating Employers by Plan: PSERS 2

Current Year and Nine Years Prior

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Corrections Northwest Region	776	1	18.1%				
Corrections Southeast Region	630	2	14.7%				
Corrections Southwest Region	460	3	10.8%				
King County	331	4	7.7%				
Pierce County	199	5	4.7%				
Snohomish County	177	6	4.1%				
Corrections Northeast Region	135	7	3.2%				
Parks & Recreation Commission	126	8	2.9%				
Spokane County	112	9	2.6%				
Thurston County	103	10	2.4%				
All other*	1,233		28.8%				
Total (76 employers)	<u>4,282</u>		<u>100.0%</u>				

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	5	176
School Districts	-	-
Counties/Municipalities	60	975
Other Political Subdivisions	1	82
Total	<u>66</u>	<u>1,233</u>

**PSERS 2 was not available in 2003.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	176	1	5.8%	Seattle SD 001	637	1	5.6%
Tacoma SD 010	139	2	4.5%	Tacoma SD 010	467	2	4.1%
Northshore SD 417	93	3	3.0%	Spokane Public Schools	378	3	3.3%
Lake Washington SD 414	78	4	2.5%	Northshore SD 417	285	4	2.5%
Spokane Public Schools	64	5	2.1%	Lake Washington SD 414	253	5	2.2%
Evergreen SD 114	63	6	2.1%	Kent SD 415	248	6	2.2%
Everett SD 002	58	7	1.9%	Vancouver SD 037	239	7	2.1%
Puyallup SD 003	57	8	1.9%	Evergreen SD 114	238	8	2.1%
Kent SD 415	52	9	1.7%	Yakima SD 007	210	9	1.9%
Yakima SD 007	51	10	1.7%	Central Valley SD 356	192	10	1.7%
All other*	2,227		72.8%	All other	8,185		72.3%
Total (304 employers)	3,058		100.0%	Total (371 employers)	11,332		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	47	142
School Districts	247	2,085
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	294	2,227

**August 31, 2003 statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	823	1	7.2%	Seattle SD 001	608	1	7.7%
Tacoma SD 010	469	2	4.1%	Tacoma SD 010	406	2	5.2%
Spokane Public Schools	311	3	2.7%	Spokane Public Schools	309	3	3.9%
Evergreen SD 114	304	4	2.6%	Kent SD 415	179	4	2.3%
Kent SD 415	295	5	2.6%	Highline SD 401	161	5	2.1%
Federal Way SD 210	244	6	2.1%	Edmonds SD 015	156	6	2.0%
Lake Washington SD 414	243	7	2.1%	Lake Washington SD 414	155	7	2.0%
Vancouver SD 037	233	8	2.0%	Federal Way SD 210	150	8	1.9%
Highline SD 401	231	9	2.0%	Vancouver SD 037	142	9	1.8%
Pasco SD 001	210	10	1.8%	Bethel SD 403	140	10	1.8%
All other*	8,147		70.8%	All other	5,439		69.3%
Total (319 employers)	11,510		100.0%	Total (307 employers)	7,845		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	24	66
School Districts	285	8,081
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	309	8,147

**August 31, 2003 statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Seattle SD 001	2,601	1	4.8%	Seattle SD 001	2,233	1	4.7%
Spokane Public Schools	1,722	2	3.2%	Spokane Public Schools	1,569	2	3.3%
Tacoma SD 010	1,518	3	2.8%	Kent SD 415	1,449	3	3.0%
Evergreen SD 114	1,484	4	2.8%	Tacoma SD 010	1,367	4	2.9%
Kent SD 415	1,407	5	2.6%	Evergreen SD 114	1,243	5	2.6%
Lake Washington SD 414	1,354	6	2.5%	Federal Way SD 210	1,120	6	2.4%
Federal Way SD 210	1,226	7	2.3%	Lake Washington SD 414	1,119	7	2.4%
Vancouver SD 037	1,106	8	2.1%	Edmonds SD 015	1,029	8	2.2%
Bellevue SD 405	1,085	9	2.0%	Vancouver SD 037	1,024	9	2.1%
Edmonds SD 015	1,081	10	2.0%	Bellevue SD 405	939	10	2.0%
All other*	39,199		72.9%	All other	34,419		72.4%
Total (337 employers)	53,783		100.0%	Total (331 employers)	47,511		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	35	208
School Districts	292	38,991
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	327	39,199

**August 31, 2003 statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	65	1	34.2%	City of Seattle	190	1	20.2%
City of Bellevue	9	2	4.7%	City of Spokane	77	2	8.2%
City of Spokane	9	3	4.7%	City of Tacoma	71	3	7.6%
City of Tacoma	9	4	4.7%	City of Bellingham	42	4	4.5%
City of Everett	7	5	3.7%	City of Bellevue	33	5	3.5%
Pierce County FPD 03	6	6	3.2%	King County	33	6	3.5%
City of Bellingham	5	7	2.6%	City of Everett	25	7	2.7%
City of Pasco	4	8	2.1%	Spokane County	22	8	2.3%
Snohomish County FPD 01	4	9	2.1%	City of Renton	18	9	1.9%
City of Bremerton	3	10	1.6%	City of Kent	16	10	1.7%
All other*	69		36.4%	All other	412		43.9%
Total (54 employers)	190		100.0%	Total (123 employers)	939		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	—	—
School Districts	—	—
Counties/Municipalities	34	55
Other Political Subdivisions	10	14
Total	44	69

**2003 calendar year statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
City of Seattle	2,234	1	13.3%	City of Seattle	2,038	1	13.9%
City of Tacoma	725	2	4.3%	City of Tacoma	686	2	4.7%
King County	700	3	4.2%	King County	667	3	4.6%
City of Spokane	552	4	3.3%	City of Spokane	537	4	3.7%
City of Bellevue	373	5	2.2%	Pierce County	361	5	2.5%
City of Vancouver	361	6	2.1%	City of Bellevue	339	6	2.3%
City of Everett	351	7	2.1%	City of Vancouver	334	7	2.3%
Pierce County	294	8	1.7%	City of Everett	333	8	2.3%
Snohomish County	271	9	1.6%	City of Kent	243	9	1.6%
City of Renton	260	10	1.5%	Snohomish County	241	10	1.6%
All other	10,728		63.7%	All other	8,853		60.5%
Total (373 employers)	16,849		100.0%	Total (362 employers)	14,632		100.0%

*In 2012, "all other" consisted of:

Type	Number	Employees
State Agencies	8	237
School Districts	—	—
Counties/Municipalities	202	6,577
Other Political Subdivisions	153	3,914
Total	363	10,728

**2003 calendar year statistics.

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

2012				2003**			
Employer	Covered Employees	Rank	Percentage of Total Plan	Employer	Covered Employees	Rank	Percentage of Total Plan
Administrative Office of the Courts	2	1	100%	Administrative Office of the Courts	14	1	66.7%
				Court of Appeals	5	2	23.8%
				Supreme Court	2	3	9.5%
Total (1 employer)	2		100.0%	Total (3 employers)	21		100.0%

**2003 calendar year statistics.

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2012 (page 1 of 10)

State Agencies

Administrative Office of the Courts
 Archaeology-Historic Preservation
 Board for Volunteer Firefighters
 Board of Industrial Insurance Appeals
 Board of Tax Appeals
 Center for Childhood Deafness & Hearing Loss
 Child Study & Treatment Ctr.
 Civil Legal Aide
 Consolidated Support Services
 Consolidated Technology Services
 Corrections Health Services
 County Road Administration Board
 Court of Appeals
 Dept. of Agriculture
 Dept. of Commerce
 Dept. of Corrections
Corrections Northeast Region
Corrections Northwest Region
Corrections Southeast Region
Corrections Southwest Region
 Dept. of Early Learning
 Dept. of Ecology
 Dept. of Employment Security
 Dept. of Enterprise Services
 Dept. of Financial Institutions
 Dept. of Fish & Wildlife
 Dept. of Health
 Dept. of Labor & Industries
 Dept. of Licensing
 Dept. of Natural Resources
 Dept. of Retirement Systems
 Dept. of Revenue
 Dept. of Services for the Blind
 Dept. of Social & Health Services (9)
 Dept. of Transportation
 Dept. of Veterans' Affairs
 Eastern State Hospital
 Eastern WA State Historical Society
 Echo Glen Children's Ctr.
 Economic Development Finance Auth.
 Environmental & Land Use Hearings Office
 Fircrest School

Frances H. Morgan Ctr.
 Governor's Office of Indian Affairs
 Green Hill School
 Health Care Facilities Auth.
 Higher Education Coordinating Board
 House of Representatives
 Innovate Washington
 Joint Legislative Audit & Review Committee
 Joint Legislative Systems Committee
 Joint Transportation Committee
 Lakeland Village
 Law Library
 LEAP Committee
 LEOFF Plan 2 Retirement Board
 Liquor Control Board
 Military Dept.
 Naselle Youth Camp
 Office of Administrative Hearings
 Office of Financial Mgmt.
 Office of Minority & Women's Business Enterprises
 Office of Public Defense
 Office of the Attorney General
 Office of the Forecast Council
 Office of the Governor
 Office of the Insurance Commissioner
 Office of the Lieutenant Governor
 Office of the Secretary of State
 Office of the State Actuary
 Office of the State Auditor
 Office of the State Treasurer
 Puget Sound Partnership
 Rainier School
 Recreation & Conservation Office
 Senate
 Soldiers Home of WA State
 Special Commitment Ctr.
 State Board for Community & Technical Colleges
 State Board of Accountancy
 State of WA Caseload Forecast Council
 Statute Law Committee
 Superintendent of Public Instruction
 Supreme Court
 Transportation Improvement Board
 Veterans Home - Spokane

WA Pollution Liability Insurance Agency
 WA State Bar Assn.
 WA State Ferries
 WA State Health Care Auth.
 WA State Historical Society
 WA State Investment Board
 WA State Patrol
 WA State School Directors' Assn.
 WA State School for the Blind
 WA Veterans' Home
 Western State Hospital
 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
 Parks & Recreation
 Potato
 Public Disclosure
 Public Employment Relations
 Puget Sound Pilotage
 Redistricting
 Salaries for Elected Officials
 Traffic Safety
 Tree Fruit Research
 Utilities & Transportation
 Wine

Employers Covered by DRS-Administered Retirement Systems As of June 30, 2012 (page 2 of 10)

School Districts

Aberdeen	Coupeville	Hood Canal
Adna	Crescent	Hoquiam
Almira	Creston	Inchelium
Anacortes	Curlew	Index
Arlington	Cusick	Issaquah
Asofin Anatone	Damman	Kahlotus
Auburn	Darrington	Kalama
Bainbridge Island	Davenport	Keller
Battle Ground	Dayton	Kelso
Bellevue	Deer Park	Kennewick
Bellingham	Dieringer	Kent
Benge	Dixie	Kettle Falls
Bethel	East Valley (Spokane Co.)	Kiona-Benton City
Bickelton	East Valley (Yakima Co.)	Kittitas
Blaine	Eastmont	Klickitat
Boistfort	Easton	La Center
Bremerton	Eatonville	La Conner
Brewster	Edmonds	LaCrosse
Bridgeport	Ellensburg	Lake Chelan
Brinnon	Elma	Lake Stevens
Burlington-Edison	Endicott	Lake Washington
Camas	Entiat	Lakewood
Cape Flattery	Enumclaw	Lamont
Carbonado Historical	Ephrata	Liberty
Cascade	Evaline	Lind
Cashmere	Everett	Longview
Castle Rock	Evergreen (Clark Co.)	Loon Lake
Centerville	Evergreen (Stevens Co.)	Lopez
Central Kitsap	Federal Way	Lyle
Central Valley	Ferndale	Lynden
Centralia	Fife	Mabton
Chehalis	Finley	Mansfield
Cheney	Franklin Pierce	Manson
Chewelah	Freeman	Mary M. Knight
Chimacum	Garfield	Mary Walker
Clarkston	Glenwood	Marysville
Cle Elum-Roslyn	Goldendale	McCleary
Clover Park	Grand Coulee Dam	Mead
Colfax	Grandview	Medical Lake
College Place	Granger	Mercer Island
Colton	Granite Falls	Meridian
Columbia (Stevens Co.)	Grapeview	Methow Valley
Columbia (Walla Walla Co.)	Great Northern	Mill A
Colville	Green Mountain	Monroe
Concrete	Griffin	Montesano
Conway	Harrington	Morton
Cosmopolis	Highland	Moses Lake
Coulee Hartline	Highline	Mossyrock
	Hockinson	Mount Adams

Employers Covered by DRS-Administered Retirement Systems
 As of June 30, 2012 (page 3 of 10)

School Districts (continued)

Mount Baker	Prescott	Steilacoom Historical
Mount Pleasant	Prosser	Steptoe
Mount Vernon	Pullman	Stevenson-Carson
Mukilteo	Puyallup	Sultan
Naches Valley	Queets-Clearwater	Summit
Napavine	Quilcene	Sumner
Naselle-Grays River Valley	Quillayute	Sunnyside
Nespelem	Quinault Lake	Tacoma
Newport	Quincy	Taholah
Nine Mile Falls	Rainier	Tahoma
Nooksack Valley	Raymond	Tekoa
North Beach	Reardan-Edwall	Tenino
North Franklin	Renton	Thorp
North Kitsap	Republic	Toledo
North Mason	Richland	Tonasket
North River	Ridgefield	Toppenish
North Thurston	Ritzville	Touchet
Northport	Riverside	Toutle Lake
Northshore	Riverview	Trout Lake
Oak Harbor	Rochester	Tukwila
Oakesdale	Roosevelt	Tumwater
Oakville	Rosalia	Union Gap
Ocean Beach	Royal	University Place
Ocosta	Saint John	Valley
Odessa	San Juan Island	Vancouver
Okanogan	Satsop	Vashon Island
Olympia	Seattle	Wahkiakum
Omak	Sedro Woolley	Wahluke
Onalaska	Selah	Waitsburg
Onion Creek	Selkirk	Walla Walla
Orcas Island	Sequim	Wapato
Orchard Prairie	Shaw Island	Warden Jr. Consolidated
Orient	Shelton	Washougal
Orondo	Shoreline	Washtucna
Oroville	Skamania	Waterville
Orting	Skykomish	Wellpinit
Othello	Snohomish	Wenatchee
Palisades	Snoqualmie Valley	West Valley (Spokane Co.)
Palouse	Soap Lake	West Valley (Yakima Co.)
Pasco	South Bend	White Pass
Pateros	South Kitsap	White River
Paterson	South Whidbey	White Salmon
Pe Ell	Southside	Wilbur
Peninsula	Spokane Public Schools	Willapa Valley
Pioneer	Sprague	Wilson Creek
Pomeroy	Stanwood-Camano	Winlock
Port Angeles	Star	Wishkah Valley
Port Townsend	Starbuck	Wishram
	Stehekin	Woodland

Employers Covered by DRS-Administered Retirement Systems
As of June 30, 2012 (page 4 of 10)

School Districts (continued)

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. Northwest
 North Central WA E.S.D.
 Northeast 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
 Lake Washington Technical College
 Lower Columbia Community College
 Olympic College
 Peninsula College
 Pierce College
 Renton Technical College
 Seattle Community College
 Shoreline Community College
 Skagit Valley College
 South Puget Sound Community
 College
 Spokane Community College
 Tacoma Community College
 Walla Walla Community College
 Wenatchee Valley College

Whatcom Community College
 Yakima Valley College

Universities

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

Cities & Towns

Aberdeen
 Airway Heights
 Algona
 Anacortes
 Arlington
 Asotin
 Auburn
 Bainbridge Island
 Battle Ground
 Beaux Arts Village
 Bellevue
 Bellingham
 Benton City
 Bingen
 Black Diamond
 Blaine
 Bonney Lake
 Bothell
 Bremerton
 Brewster
 Bridgeport (Town of)
 Brier
 Buckley
 Burien
 Burlington
 Camas
 Carbonado (Town of)
 Carnation
 Cashmere
 Castle Rock
 Cathlamet (Town of)
 Centralia
 Chehalis
 Chelan
 Cheney
 Chewelah

Clarkston
 Cle Elum
 Clyde Hill
 Colfax
 College Place
 Colton (Town of)
 Colville
 Conconully (Town of)
 Concrete (Town of)
 Connell
 Cosmopolis
 Coulee City (Town of)
 Coulee Dam (Town of)
 Coupeville (Town of)
 Creston (Town of)
 Cusick (Town of)
 Darrington (Town of)
 Davenport
 Dayton
 Deer Park
 Des Moines
 Dupont
 Duvall
 East Wenatchee
 Eatonville (Town of)
 Edgewood
 Edmonds
 Electric City (Town of)
 Ellensburg
 Elma
 Elmer City (Town of)
 Entiat
 Enumclaw
 Ephrata
 Everett
 Everson
 Federal Way
 Ferndale
 Fife
 Fircrest
 Forks
 Friday Harbor (Town of)
 Garfield (Town of)
 George
 Gig Harbor
 Gold Bar
 Goldendale
 Grand Coulee
 Grandview

Employers Covered by DRS-Administered Retirement Systems As of June 30, 2012 (page 5 of 10)

Cities & Towns (continued)

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

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2012 (page 6 of 10)

Cities & Towns (continued)

Wenatchee
 West Richland
 Westport
 White Salmon (Town of)
 Wilbur (Town of)
 Winlock
 Winthrop (Town of)
 Woodinville
 Woodland
 Woodway (Town of)
 Yacolt (Town of)
 Yakima
 Yarrow Point (Town of)
 Yelm
 Zillah

Counties

Adams
 Asotin
 Benton
 Chelan
 Clallam
 Clark
 Columbia
 Cowlitz
 Douglas
 Ferry
 Franklin
 Garfield
 Grant
 Grays Harbor
 Island
 Jefferson
 King
 Kitsap
 Kittitas
 Klickitat
 Lewis
 Lincoln
 Mason
 Okanogan
 Pacific
 Pend Oreille
 Pierce
 San Juan
 Skagit

Skamania
 Snohomish
 Spokane
 Stevens
 Thurston
 Wahkiakum
 Walla Walla
 Whatcom
 Whitman
 Yakima

Air Quality Authorities

Benton Clean Air Auth.
 NW Clean Air Auth.
 Olympic Region Clean Air Agency
 Puget Sound Clean Air Agency
 Spokane Regional Clean Air Auth.
 SW Clean Air Agency
 Yakima Regional Clean Air Auth.

Area Agencies on Aging

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

Conservation Districts

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

Fire Protection Districts

Adams Co. FPD 5
 Asotin Co. FPD 1
 Bainbridge Island Fire Dept.
 Benton Co. FPDs 1, 2, 4 & 6

Central Kitsap Fire & Rescue
 Central Whidbey Island Fire & Rescue
 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
 Douglas-Okanogan Co. FPD 15
 East County Fire & Rescue
 Franklin Co. FPD 3
 Garfield Co. FPD 1
 Grant Co. FPDs 3, 5, 8 & 10
 Grays Harbor Co. FPDs 2 & 5
 Island Co. FPDs 1 & 3
 Jefferson Co. FPDs 1, 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 1 & 2
 Klickitat Co. FPD 3 & 7
 Lake Stevens Fire
 Lewis Co. FPDs 2, 3, 5, 6, 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 Whidbey Fire & Rescue
 Okanogan Co. FPD 6
 Pacific Co. FPD 1
 Pend Oreille FPDs 2 & 4
 Pierce Co. FPDs 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 2, 6 & 8
 Snohomish Co. FPDs 1, 3-5, 7, 15, 17, 19, 22, 26 & 28
 South East Thurston Fire Auth.
 South King Fire & Rescue

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2012 (page 7 of 10)

Fire Protection Districts (continued)

South Kitsap Fire & Rescue
 South Pend Oreille Fire & Rescue
 South Whatcom Fire Auth.
 Snoqualmie Pass Fire & Rescue
 Spokane Co., FPDs 3, 4, 8-10 & 13
 Spokane Valley Fire Dept.
 Stevens Co. FPD 1
 Thurston Co. FPDs 3, 5-9, 12, 13 & 17
 Valley Regional Fire Auth.
 Vashon Island Fire & Rescue
 Walla Walla Co. FPDs 4 & 5
 West Thurston Regional Fire Auth.
 Whatcom Co. FPDs 1, 7, 8, 14, 17 & 21
 Woodinville Fire 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
 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
 Mason Co. Emergency
 Communications
 Multi Agency Communications Ctr.
 NE King County Public Safety
 Communication Agency
 North Country Emergency Medical
 Service
 RIVERCOM
 San Juan Is. Emergency Medical
 Services
 Skagit 911 (SECOM)
 Skagit Co. EMS Commission
 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
 Everett
 Grant Co.
 Grays Harbor Co.
 Island Co.
 Joint Republic Ferry Co.
 Kelso
 Kennewick
 King Co.
 Kitsap Co. Consolidated
 Kittitas Co.
 Longview
 Othello
 Pasco/Franklin Co.
 Peninsula
 Pierce Co.
 Renton
 Seattle
 Skagit Co.
 Snohomish Co.
 Spokane
 Tacoma
 Thurston Co.
 Vancouver
 Walla Walla

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.

Employers Covered by DRS-Administered Retirement Systems As of June 30, 2012 (page 8 of 10)

Irrigation, Sewer & Water Districts (continued)

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 Clean Water Alliance
Malaga Water Dist.
Manchester Water Dist.
Midway Sewer Dist.
Moab Irrigation Dist. 20
Model Irrigation Dist. 18
Moses Lake Irrigation &
Rehabilitation Dist.
Mukilteo Water & Wastewater Dist.
Naches Selah Irrigation Dist.
NE Sammamish Sewer & Water Dist.
North Beach Water Dist.
North Perry Ave. Water Dist.
North Spokane Irrigation Dist. 8
Northshore Utility Dist.
Okanogan Irrigation Dist.
Olympic View Water Dist.
Orchard Ave. Irrigation Dist.
Oroville-Tonasket Irrigation Dist.
Pasadena Park Irrigation Dist. 17
Point Roberts Water Dist. 4
Quincy Columbia Basin Irrigation
Dist.
Ronald Wastewater Dist.
Roza Irrigation Dist.
Samish Water Dist.

Sammamish Plateau Water & Sewer
Dist.
Selah-Moxee Irrigation Dist.
Shoreline Water Dist.
Silverdale Water Dist. 16
Silverlake Water Dist.
Skyway Water & Sewer Dist.
Snoqualmie Pass Utility Dist.
Soos Creek Water & Sewer Dist.
South Columbia Basin Irrigation Dist.
South King Co. Regional Water
Assn.
Spokane Co. Water Dist. 3
Stemilt Irrigation Dist.
Stevens Pass Sewer Dist.
Sunland Water Dist.
Sunnyside Valley Irrigation Dist.
SW Suburban Sewer Dist.
Terrace Heights Sewer Dist.
Three Rivers Reg. Wastewater Plant
Trentwood Irrigation Dist. 3
Valley View Sewer Dist.
Valley Water Dist.
Vera Irrigation Dist. 15
Walla Walla Watershed
Management
Wenatchee Reclamation Dist.
Whitstone 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

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2012 (page 9 of 10)

Ports (continued)

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

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. PUDs 1 & 3
 Okanogan Co. PUD 1
 Pacific Co. PUD 2
 Pend Oreille Co. PUD 1
 Skagit Co. PUD 1
 Skamania Co. PUD 1
 Snohomish Co. PUD 1
 Stevens Co. PUD
 Thurston Co. PUD 1
 Wahkiakum Co. PUD 1
 West Sound Utility Dist.

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 Government on
 Aging and Disability
 Thurston Regional Planning Council
 Wenatchee Valley Transportation
 Council
 Whatcom Council of Governments

Employers Covered by DRS-Administered Retirement Systems As of June 30, 2012 (page 10 of 10)

Parks & Recreation Districts

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

Development Authorities/ Districts

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

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
Public Stadium Authority
Spokane Public Facility Dist.

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, 2011

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**	202	176	15	4	7	164	32	4	2
101-200	387	277	–	34	76	269	80	36	2
201-300	1,327	976	2	87	262	926	269	122	10
301-400	1,622	1,153	18	109	342	1,086	367	162	7
401-500	1,704	1,203	2	86	413	1,109	383	203	9
501-600	1,892	1,339	1	117	435	1,236	386	252	18
601-700	2,017	1,487	–	97	433	1,334	383	275	25
701-800	2,025	1,447	1	86	491	1,293	410	299	23
801-900	1,989	1,440	1	102	446	1,257	391	315	26
901-1,000	1,943	1,433	2	93	415	1,254	374	291	24
Over 1,000	<u>38,156</u>	<u>35,075</u>	<u>3</u>	<u>458</u>	<u>2,620</u>	<u>25,082</u>	<u>6,293</u>	<u>5,148</u>	<u>1,633</u>
Totals	<u>53,264</u>	<u>46,006</u>	<u>45</u>	<u>1,273</u>	<u>5,940</u>	<u>35,010</u>	<u>9,368</u>	<u>7,107</u>	<u>1,779</u>

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

Schedule of Benefit Recipients by Type of Benefit: PERS Plan 2
For the Twelve Months Ended June 30, 2011

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	405	225	–	133	47	255	126	16	8
101-200	1,398	884	–	344	170	959	361	57	21
201-300	1,693	1,228	–	261	204	1,143	408	111	31
301-400	1,709	1,268	–	222	219	1,141	430	99	39
401-500	1,662	1,281	–	186	195	1,093	407	113	49
501-600	1,552	1,228	–	154	170	966	420	112	54
601-700	1,473	1,239	–	101	133	957	380	98	38
701-800	1,483	1,269	–	93	121	983	333	104	63
801-900	1,367	1,208	–	73	86	918	298	96	55
901-1,000	1,320	1,188	–	59	73	872	273	118	57
Over 1,000	<u>10,649</u>	<u>10,238</u>	<u>–</u>	<u>115</u>	<u>296</u>	<u>7,131</u>	<u>1,636</u>	<u>1,303</u>	<u>579</u>
Totals	<u>24,711</u>	<u>21,256</u>	<u>–</u>	<u>1,741</u>	<u>1,714</u>	<u>16,418</u>	<u>5,072</u>	<u>2,227</u>	<u>994</u>

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

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

For the Twelve Months Ended June 30, 2011

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	20	9	–	7	4	9	10	1	–
101-200	122	77	–	23	22	71	45	5	1
201-300	215	182	–	14	19	143	49	15	8
301-400	195	172	–	9	14	120	49	17	9
401-500	194	175	–	7	12	133	38	17	6
501-600	120	110	–	6	4	80	25	11	4
601-700	113	108	–	2	3	82	14	11	6
701-800	70	66	–	–	4	45	13	9	3
801-900	66	65	–	–	1	44	15	5	2
901-1,000	46	43	–	–	3	26	11	3	6
Over 1,000	227	226	–	–	1	150	31	31	15
Totals	1,388	1,233	–	68	87	903	300	125	60

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

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

For the Twelve Months Ended June 30, 2011

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	49	16	–	25	8	23	22	3	1
101-200	334	248	–	61	25	229	84	12	9
201-300	425	358	–	37	30	306	91	17	11
301-400	460	397	–	37	26	327	97	24	12
401-500	401	361	–	22	18	298	68	24	11
501-600	385	355	–	18	12	275	76	22	12
601-700	310	287	–	10	13	230	50	23	7
701-800	230	223	–	4	3	174	37	15	4
801-900	229	226	–	1	2	177	26	22	4
901-1,000	188	182	–	1	5	142	26	16	4
Over 1,000	812	792	–	4	16	600	98	81	33
Totals	3,823	3,445	–	220	158	2,781	675	259	108

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

Schedule of Benefit Recipients by Type of Benefit: SERS Plan 3
For the Twelve Months Ended June 30, 2011

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	110	89	–	14	7	72	29	6	3
101-200	583	522	–	23	38	409	140	26	8
201-300	623	582	–	14	27	451	123	31	18
301-400	449	428	–	10	11	361	67	14	7
401-500	272	265	–	1	6	194	45	23	10
501-600	163	161	–	1	1	118	26	12	7
601-700	127	125	–	1	1	95	9	16	7
701-800	95	91	–	4	–	69	12	9	5
801-900	56	56	–	–	–	41	6	5	4
901-1,000	38	37	–	–	1	29	3	4	2
Over 1,000	89	89	–	–	–	62	8	14	5
Totals	2,605	2,445	–	68	92	1,901	468	160	76

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

Schedule of Benefit Recipients by Type of Benefit: PSERS Plan 2
For the Twelve Months Ended June 30, 2011

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	5	2	–	2	1	3	2	–	–
101-200	4	3	–	–	1	2	1	–	1
201-300	2	1	–	1	–	2	–	–	–
301-400	2	2	–	–	–	2	–	–	–
401-500	1	1	–	–	–	–	–	–	1
501-600	–	–	–	–	–	–	–	–	–
601-700	–	–	–	–	–	–	–	–	–
701-800	–	–	–	–	–	–	–	–	–
801-900	1	1	–	–	–	1	–	–	–
901-1,000	–	–	–	–	–	–	–	–	–
Over 1,000	–	–	–	–	–	–	–	–	–
Totals	15	10	–	3	2	10	3	–	2

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

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 1
For the Twelve Months Ended June 30, 2011

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	45	–	–	1	39	6	1	–
101-200	165	154	–	1	10	105	42	15	3
201-300	502	434	–	16	52	371	101	27	3
301-400	492	409	–	16	67	329	125	33	5
401-500	497	388	–	25	84	325	118	47	7
501-600	505	369	–	34	102	318	127	54	6
601-700	504	340	–	27	137	290	120	89	5
701-800	624	450	–	31	143	382	115	118	9
801-900	684	422	–	36	226	350	160	164	10
901-1,000	720	457	–	27	236	346	157	212	5
Over 1,000	<u>31,379</u>	<u>29,266</u>	<u>–</u>	<u>450</u>	<u>1,663</u>	<u>20,098</u>	<u>6,037</u>	<u>3,979</u>	<u>1,265</u>
Totals	<u>36,118</u>	<u>32,734</u>	<u>–</u>	<u>663</u>	<u>2,721</u>	<u>22,953</u>	<u>7,108</u>	<u>4,739</u>	<u>1,318</u>

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

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 2
For the Twelve Months Ended June 30, 2011

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	33	27	–	3	3	23	9	1	–
101-200	40	29	–	8	3	27	11	1	1
201-300	66	55	–	8	3	51	12	3	–
301-400	97	75	–	10	12	68	23	5	1
401-500	109	92	–	7	10	73	27	6	3
501-600	115	99	–	5	11	76	23	8	8
601-700	115	94	–	7	14	76	31	5	3
701-800	123	106	–	7	10	72	34	13	4
801-900	128	100	–	12	16	76	38	11	3
901-1,000	104	91	–	6	7	74	22	4	4
Over 1,000	<u>1,727</u>	<u>1,683</u>	<u>–</u>	<u>13</u>	<u>31</u>	<u>1,222</u>	<u>252</u>	<u>159</u>	<u>94</u>
Totals	<u>2,657</u>	<u>2,451</u>	<u>–</u>	<u>86</u>	<u>120</u>	<u>1,838</u>	<u>482</u>	<u>216</u>	<u>121</u>

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

Schedule of Benefit Recipients by Type of Benefit: TRS Plan 3
For the Twelve Months Ended June 30, 2011

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	37	18	–	11	8	23	13	1	–
101-200	153	103	–	20	30	86	59	5	3
201-300	281	230	–	17	34	172	87	16	6
301-400	302	266	–	6	30	217	66	12	7
401-500	288	260	–	8	20	213	57	9	9
501-600	256	239	–	5	12	181	47	17	11
601-700	221	213	–	1	7	165	35	11	10
701-800	194	181	–	1	12	130	39	19	6
801-900	168	163	–	–	5	111	29	21	7
901-1,000	158	154	–	1	3	103	32	15	8
Over 1,000	876	860	–	2	14	623	129	78	46
Totals	2,934	2,687	–	72	175	2,024	593	204	113

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

Schedule of Benefit Recipients by Type of Benefit: LEOFF Plan 1
For the Twelve Months Ended June 30, 2011

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*				
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)	A (Standard)
\$0-100	4	4	–	–	–	–	–	–	–	4
101-200	7	7	–	–	–	–	–	1	–	6
201-300	3	2	–	–	1	–	–	–	–	3
301-400	7	5	–	–	2	–	1	–	–	6
401-500	8	6	–	–	2	–	–	–	–	8
501-600	13	10	–	–	3	–	–	–	–	13
601-700	11	8	–	–	3	–	2	–	–	9
701-800	12	10	–	–	2	–	–	–	–	12
801-900	16	12	–	–	4	1	1	1	–	13
901-1,000	11	8	–	–	3	–	–	–	–	11
Over 1,000	7,840	2,630	3,269	482	1,459	37	465	53	57	7,228
Totals	7,932	2,702	3,269	482	1,479	38	469	55	57	7,313

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life. "A" is the standard option, 100% joint and survivor, with additional benefits to eligible children.
** Joint and survivor options are available for post-retirement marriages.

Schedule of Benefit Recipients by Type of Benefit: LEOFF Plan 2
For the Twelve Months Ended June 30, 2011

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)
\$0-100	9	9	–	–	–	5	3	1	–
101-200	13	4	1	1	7	4	8	1	–
201-300	20	10	3	1	6	8	11	1	–
301-400	28	12	4	1	11	13	13	2	–
401-500	22	17	3	–	2	7	12	3	–
501-600	33	22	3	1	7	15	16	2	–
601-700	34	24	4	–	6	13	16	2	3
701-800	32	21	4	1	6	15	15	2	–
801-900	43	32	8	1	2	21	18	2	2
901-1,000	35	28	2	1	4	17	13	3	2
Over 1,000	<u>1,746</u>	<u>1,477</u>	<u>159</u>	<u>30</u>	<u>80</u>	<u>812</u>	<u>549</u>	<u>218</u>	<u>167</u>
Totals	<u>2,015</u>	<u>1,656</u>	<u>191</u>	<u>37</u>	<u>131</u>	<u>930</u>	<u>674</u>	<u>237</u>	<u>174</u>

*1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life.
**Joint and survivor options are available for post retirement marriages.

Schedule of Benefit Recipients by Type of Benefit: WSPRS Plan 1
For the Twelve Months Ended June 30, 2011

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*	
		Service	Duty Disability	Nonduty Disability	Survivor Payment	A	B**
\$0-100	–	–	–	–	–	–	–
101-200	2	2	–	–	–	2	–
201-300	–	–	–	–	–	–	–
301-400	–	–	–	–	–	–	–
401-500	1	1	–	–	–	1	–
501-600	–	–	–	–	–	–	–
601-700	4	1	–	–	3	3	1
701-800	6	1	–	–	5	5	1
801-900	6	1	–	–	5	6	–
901-1,000	7	1	–	–	6	7	–
Over 1,000	<u>849</u>	<u>737</u>	<u>–</u>	<u>–</u>	<u>112</u>	<u>449</u>	<u>400</u>
Totals	<u>875</u>	<u>744</u>	<u>–</u>	<u>–</u>	<u>131</u>	<u>473</u>	<u>402</u>

*A - Standard option "A", 100% joint and survivor, with initial pension equal to the lesser of 50% AFC and 100% member's accrued benefit, B - Option "B", 100% joint and survivor, with initial pension being the actuarial equivalent of the single life annuity.
**This option is available for post retirement marriages.

Schedule of Benefit Recipients by Type of Benefit: JRS
For the Twelve Months Ended June 30, 2011

Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected*				
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 (Life)	2** (100%)	3** (50%)	4** (66%)	A Standard
\$0-100	-	-	-	-	-	-	-	-	-	-
101-200	-	-	-	-	-	-	-	-	-	-
201-300	-	-	-	-	-	-	-	-	-	-
301-400	-	-	-	-	-	-	-	-	-	-
401-500	-	-	-	-	-	-	-	-	-	-
501-600	-	-	-	-	-	-	-	-	-	-
601-700	-	-	-	-	-	-	-	-	-	-
701-800	-	-	-	-	-	-	-	-	-	-
801-900	-	-	-	-	-	-	-	-	-	-
901-1,000	-	-	-	-	-	-	-	-	-	-
Over 1,000	124	81	-	-	43	-	8	-	1	115
Totals	<u>124</u>	<u>81</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>1</u>	<u>115</u>

* 1 – Retiree's lifetime, 2 – Beneficiary receives same monthly benefit for life, 3 – Beneficiary receives half of the monthly benefit for life, 4 – Beneficiary receives two-thirds of the monthly benefit for life. "A" is the standard option, 50% joint and survivor, for eligible spouses.
** Joint and survivor options are available for post-retirement marriages.

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$437.37	\$1,018.91	\$1,636.44	\$2,316.51	\$3,120.62	\$3,438.97
Average Final Salary (Monthly)*	\$3,781.19	\$3,960.69	\$4,554.22	\$5,012.80	\$5,735.43	\$5,673.74
Number of Active Retirees	162	111	143	188	261	585
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$456.42	\$1,100.41	\$1,426.42	\$2,003.96	\$2,931.01	\$3,388.27
Average Final Salary (Monthly)*	\$3,755.10	\$4,211.26	\$4,053.07	\$4,439.81	\$5,328.15	\$5,679.56
Number of Active Retirees	158	126	169	215	228	596
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$496.59	\$943.47	\$1,430.86	\$2,171.94	\$2,965.90	\$3,381.04
Average Final Salary (Monthly)*	\$3,983.17	\$3,711.90	\$4,081.31	\$4,766.33	\$5,372.21	\$5,660.85
Number of Active Retirees	143	122	160	182	263	590
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$429.94	\$909.29	\$1,433.77	\$1,964.39	\$2,841.80	\$3,106.71
Average Final Salary (Monthly)*	\$3,765.12	\$3,592.11	\$4,037.55	\$4,346.86	\$5,062.40	\$5,346.47
Number of Active Retirees	153	123	169	200	459	653
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$440.05	\$826.24	\$1,377.09	\$2,026.97	\$2,968.26	\$3,044.75
Average Final Salary (Monthly)*	\$3,734.14	\$3,282.95	\$3,951.49	\$4,478.61	\$5,257.35	\$5,270.50
Number of Active Retirees	73	78	105	122	456	420
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$393.64	\$855.83	\$1,297.98	\$1,792.25	\$2,753.99	\$2,916.86
Average Final Salary (Monthly)*	\$3,495.56	\$3,576.91	\$3,776.29	\$4,016.80	\$4,933.84	\$5,003.15
Number of Active Retirees	150	104	171	173	770	587
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$409.58	\$855.17	\$1,203.75	\$1,726.20	\$2,692.95	\$2,810.89
Average Final Salary (Monthly)*	\$3,688.81	\$3,350.51	\$3,557.55	\$3,814.38	\$4,836.00	\$4,832.86
Number of Active Retirees	142	122	144	193	834	586
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$347.11	\$793.25	\$1,190.84	\$1,893.20	\$2,638.10	\$2,890.47
Average Final Salary (Monthly)*	\$3,282.37	\$3,212.42	\$3,449.66	\$4,190.20	\$4,724.51	\$5,001.17
Number of Active Retirees	136	108	166	215	891	543
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$352.67	\$745.84	\$1,216.41	\$1,696.38	\$2,672.02	\$2,902.88
Average Final Salary (Monthly)*	\$3,143.11	\$3,052.16	\$3,572.79	\$3,686.95	\$4,815.61	\$4,995.48
Number of Active Retirees	138	118	157	243	988	504
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$307.42	\$725.55	\$1,095.01	\$1,718.64	\$2,489.82	\$2,707.39
Average Final Salary (Monthly)*	\$3,341.89	\$2,928.81	\$3,286.45	\$3,704.50	\$4,498.05	\$4,728.35
Number of Active Retirees	117	110	155	361	1,010	511

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: PERS Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$462.97	\$957.39	\$1,570.18	\$1,779.72	\$2,645.09	\$3,149.46
Average Final Salary (Monthly)*	\$3,651.50	\$3,916.39	\$4,754.82	\$4,662.49	\$5,270.42	\$5,560.87
Number of Active Retirees	606	420	478	545	523	305
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$476.80	\$891.24	\$1,407.69	\$1,646.55	\$2,529.93	\$3,002.36
Average Final Salary (Monthly)*	\$3,592.08	\$3,644.54	\$4,246.31	\$4,405.77	\$5,011.27	\$5,291.83
Number of Active Retirees	461	403	489	430	435	157
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$424.97	\$952.70	\$1,323.26	\$1,620.48	\$2,440.27	\$2,885.16
Average Final Salary (Monthly)*	\$3,322.80	\$3,831.80	\$4,055.40	\$4,246.60	\$4,820.87	\$5,267.21
Number of Active Retirees	510	331	408	414	409	73
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$428.50	\$867.23	\$1,264.67	\$1,531.82	\$2,071.13	\$2,835.47
Average Final Salary (Monthly)*	\$3,337.39	\$3,555.64	\$3,875.64	\$4,225.02	\$4,490.65	\$6,197.09
Number of Active Retirees	538	347	432	362	235	1
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$429.68	\$817.10	\$1,261.88	\$1,561.89	\$1,850.45	\$-
Average Final Salary (Monthly)*	\$3,251.50	\$3,407.38	\$3,902.20	\$4,152.54	\$4,176.21	\$-
Number of Active Retirees	303	225	239	223	131	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$381.31	\$840.64	\$1,153.19	\$1,443.59	\$1,861.25	\$-
Average Final Salary (Monthly)*	\$3,096.35	\$3,495.45	\$3,599.48	\$4,014.82	\$4,159.12	\$-
Number of Active Retirees	397	289	318	308	130	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$371.37	\$815.79	\$1,182.15	\$1,441.42	\$1,778.30	\$2,157.26
Average Final Salary (Monthly)*	\$3,005.28	\$3,321.68	\$3,659.92	\$3,939.40	\$4,158.20	\$5,347.53
Number of Active Retirees	352	346	317	262	81	1
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$357.19	\$796.20	\$1,105.47	\$1,413.09	\$1,641.65	\$3,148.28
Average Final Salary (Monthly)*	\$2,790.65	\$3,311.56	\$3,463.09	\$3,809.36	\$3,766.28	\$5,874.68
Number of Active Retirees	309	316	289	243	32	2
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$339.47	\$743.37	\$1,081.58	\$1,281.20	\$1,301.54	\$2,733.22
Average Final Salary (Monthly)*	\$2,553.67	\$3,028.09	\$3,360.33	\$3,497.56	\$2,957.96	\$4,853.02
Number of Active Retirees	298	319	297	201	10	1
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$330.72	\$683.82	\$1,029.00	\$1,201.49	\$-	\$-
Average Final Salary (Monthly)*	\$2,394.70	\$2,829.33	\$3,212.41	\$3,521.90	\$-	\$-
Number of Active Retirees	313	300	267	182	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$241.09	\$404.62	\$682.89	\$935.99	\$1,393.48	\$1,664.84
Average Final Salary (Monthly)*	\$4,045.67	\$3,928.43	\$4,681.79	\$4,828.04	\$5,589.99	\$6,199.43
Number of Active Retirees	30	45	64	56	49	18
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$206.96	\$372.48	\$650.80	\$898.92	\$1,237.32	\$1,399.82
Average Final Salary (Monthly)*	\$3,977.34	\$3,840.32	\$4,624.96	\$4,778.36	\$5,284.05	\$5,238.95
Number of Active Retirees	14	41	50	40	30	17
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$203.00	\$370.16	\$590.03	\$868.92	\$1,140.46	\$959.19
Average Final Salary (Monthly)*	\$3,144.81	\$3,813.15	\$4,340.40	\$5,186.33	\$5,312.97	\$3,803.49
Number of Active Retirees	22	39	40	38	32	1
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$221.06	\$345.57	\$542.98	\$800.74	\$1,220.33	\$-
Average Final Salary (Monthly)*	\$3,288.42	\$4,204.58	\$4,249.64	\$4,623.07	\$5,530.27	\$-
Number of Active Retirees	23	32	44	22	15	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$248.25	\$355.02	\$492.07	\$825.20	\$1,066.43	\$-
Average Final Salary (Monthly)*	\$3,227.02	\$4,094.89	\$3,994.40	\$4,749.23	\$5,518.33	\$-
Number of Active Retirees	9	24	34	25	11	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$250.54	\$330.93	\$430.38	\$781.75	\$848.25	\$-
Average Final Salary (Monthly)*	\$4,241.98	\$3,707.32	\$4,000.23	\$4,518.98	\$4,933.97	\$-
Number of Active Retirees	12	34	51	21	10	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$285.06	\$297.72	\$483.21	\$675.71	\$1,070.36	\$-
Average Final Salary (Monthly)*	\$3,613.75	\$3,779.45	\$4,041.78	\$4,262.63	\$5,475.22	\$-
Number of Active Retirees	14	35	36	18	2	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$251.18	\$275.34	\$466.69	\$604.86	\$601.39	\$1,078.98
Average Final Salary (Monthly)*	\$3,795.68	\$3,559.40	\$3,829.15	\$4,127.26	\$3,584.08	\$4,515.84
Number of Active Retirees	4	46	38	24	1	1
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$196.52	\$274.26	\$487.31	\$600.85	\$-	\$-
Average Final Salary (Monthly)*	\$3,629.00	\$3,898.30	\$3,868.59	\$4,409.49	\$-	\$-
Number of Active Retirees	2	24	30	14	-	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$-	\$297.95	\$367.83	\$673.48	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$4,619.45	\$3,071.63	\$3,766.71	\$-	\$-
Number of Active Retirees	-	4	3	2	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: SERS Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$325.48	\$534.80	\$792.65	\$980.32	\$1,455.60	\$2,150.54
Average Final Salary (Monthly)*	\$2,239.23	\$2,126.03	\$2,341.99	\$2,488.89	\$2,963.79	\$3,471.57
Number of Active Retirees	83	105	135	95	75	22
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$329.64	\$499.38	\$697.76	\$959.01	\$1,466.33	\$1,877.92
Average Final Salary (Monthly)*	\$2,325.81	\$2,018.06	\$2,147.60	\$2,636.97	\$2,910.30	\$3,246.34
Number of Active Retirees	76	102	94	86	56	18
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$306.14	\$490.36	\$717.17	\$982.85	\$1,597.73	\$2,427.76
Average Final Salary (Monthly)*	\$1,974.14	\$2,020.86	\$2,133.43	\$2,542.47	\$3,044.62	\$3,936.89
Number of Active Retirees	97	91	86	89	47	1
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$264.20	\$507.62	\$746.45	\$894.39	\$1,357.45	\$-
Average Final Salary (Monthly)*	\$1,758.78	\$2,124.83	\$2,279.37	\$2,301.53	\$2,921.83	\$-
Number of Active Retirees	93	86	98	99	39	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$235.84	\$463.48	\$688.93	\$1,068.36	\$1,199.69	\$-
Average Final Salary (Monthly)*	\$1,673.42	\$1,807.94	\$2,101.47	\$2,811.31	\$2,836.34	\$-
Number of Active Retirees	43	52	43	43	18	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$227.30	\$481.10	\$700.31	\$807.10	\$1,220.00	\$-
Average Final Salary (Monthly)*	\$1,624.78	\$1,907.18	\$2,240.95	\$2,255.18	\$3,008.47	\$-
Number of Active Retirees	84	84	93	81	32	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$231.01	\$446.11	\$677.70	\$808.30	\$1,134.52	\$-
Average Final Salary (Monthly)*	\$1,747.89	\$1,799.64	\$2,082.32	\$2,173.51	\$2,455.74	\$-
Number of Active Retirees	62	67	58	91	23	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$236.39	\$417.64	\$830.21	\$789.63	\$1,092.79	\$-
Average Final Salary (Monthly)*	\$1,576.56	\$1,693.92	\$2,522.60	\$2,095.77	\$2,611.95	\$-
Number of Active Retirees	86	69	60	97	11	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$211.05	\$452.92	\$669.60	\$798.53	\$1,215.34	\$-
Average Final Salary (Monthly)*	\$1,396.53	\$1,818.45	\$2,039.61	\$2,148.25	\$2,652.12	\$-
Number of Active Retirees	63	61	64	81	4	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$240.96	\$415.32	\$730.68	\$829.12	\$-	\$-
Average Final Salary (Monthly)*	\$1,534.65	\$1,697.54	\$2,185.84	\$2,177.96	\$-	\$-
Number of Active Retirees	45	54	60	49	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$199.62	\$265.46	\$347.98	\$527.52	\$801.12	\$970.47
Average Final Salary (Monthly)*	\$2,644.80	\$2,303.44	\$2,351.06	\$2,730.05	\$3,289.12	\$3,223.70
Number of Active Retirees	76	81	133	131	86	28
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$179.29	\$250.79	\$345.57	\$504.72	\$737.83	\$1,141.89
Average Final Salary (Monthly)*	\$2,441.66	\$2,254.72	\$2,330.69	\$2,659.54	\$2,888.18	\$4,035.92
Number of Active Retirees	41	46	77	92	39	5
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$142.97	\$253.20	\$325.52	\$458.37	\$660.37	\$851.43
Average Final Salary (Monthly)*	\$2,070.97	\$2,338.58	\$2,190.72	\$2,412.90	\$2,879.59	\$2,972.85
Number of Active Retirees	43	50	106	88	47	3
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$179.78	\$222.28	\$309.46	\$448.52	\$688.02	\$-
Average Final Salary (Monthly)*	\$2,549.16	\$2,011.46	\$2,321.32	\$2,566.71	\$3,084.89	\$-
Number of Active Retirees	25	62	100	80	35	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$120.59	\$215.61	\$327.88	\$370.12	\$803.06	\$-
Average Final Salary (Monthly)*	\$2,141.06	\$2,086.67	\$2,413.29	\$2,203.55	\$3,744.44	\$-
Number of Active Retirees	12	37	56	42	15	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$158.83	\$209.91	\$294.67	\$345.13	\$533.98	\$-
Average Final Salary (Monthly)*	\$2,050.86	\$2,042.36	\$2,119.57	\$2,091.65	\$2,833.81	\$-
Number of Active Retirees	18	56	74	57	16	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$170.25	\$223.05	\$255.66	\$372.45	\$411.51	\$-
Average Final Salary (Monthly)*	\$2,422.04	\$2,030.62	\$1,944.44	\$2,217.29	\$2,113.99	\$-
Number of Active Retirees	11	52	88	46	10	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$164.16	\$178.43	\$260.42	\$418.11	\$455.03	\$-
Average Final Salary (Monthly)*	\$2,235.27	\$1,796.28	\$1,911.45	\$2,453.85	\$2,722.73	\$-
Number of Active Retirees	12	44	66	40	3	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$163.96	\$203.20	\$280.10	\$363.17	\$586.34	\$-
Average Final Salary (Monthly)*	\$2,396.04	\$2,116.34	\$2,046.41	\$2,213.72	\$2,291.93	\$-
Number of Active Retirees	17	34	40	23	1	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$107.15	\$170.83	\$255.17	\$397.87	\$-	\$-
Average Final Salary (Monthly)*	\$1,460.85	\$1,916.83	\$1,919.31	\$2,326.24	\$-	\$-
Number of Active Retirees	13	41	31	12	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited).

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit**	\$324.12	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)**	\$4,822.01	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	6	-	-	-	-	-
Period 7/1/09 to 6/30/10						
Average Monthly Benefit**	\$271.60	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)**	\$5,230.39	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	3	-	-	-	-	-

Retirees with missing or invalid data elements were excluded.

* PSERS Plan 2 became effective July 1, 2006.

**At retirement (may not be audited)

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$438.41	\$977.55	\$1,754.50	\$2,556.44	\$3,356.41	\$3,665.13
Average Final Salary (Monthly)*	\$2,703.33	\$3,893.89	\$5,064.15	\$5,972.05	\$6,503.81	\$6,557.94
Number of Active Retirees	63	63	82	143	165	475
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$438.54	\$989.00	\$1,631.06	\$2,361.44	\$3,124.49	\$3,493.23
Average Final Salary (Monthly)*	\$3,228.12	\$3,923.42	\$4,939.54	\$5,582.54	\$6,092.38	\$6,401.14
Number of Active Retirees	74	56	72	128	132	330
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$453.06	\$1,006.59	\$1,618.97	\$2,354.28	\$2,904.77	\$3,314.77
Average Final Salary (Monthly)*	\$3,243.52	\$4,073.33	\$5,030.12	\$5,709.31	\$5,870.41	\$6,261.55
Number of Active Retirees	66	69	90	164	176	443
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$418.90	\$1,013.91	\$1,591.61	\$2,227.52	\$2,928.20	\$2,893.41
Average Final Salary (Monthly)*	\$2,808.31	\$4,134.13	\$4,821.23	\$5,317.30	\$5,904.30	\$5,809.84
Number of Active Retirees	66	57	114	192	408	531
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$348.74	\$839.10	\$1,321.85	\$1,820.11	\$2,848.13	\$2,588.78
Average Final Salary (Monthly)*	\$2,641.07	\$3,364.49	\$4,122.54	\$4,444.75	\$5,736.18	\$5,917.60
Number of Active Retirees	39	35	45	40	55	24
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$367.34	\$1,011.54	\$1,519.99	\$2,017.00	\$2,817.52	\$2,880.89
Average Final Salary (Monthly)*	\$2,936.42	\$4,174.56	\$4,765.76	\$5,018.16	\$5,632.88	\$5,640.67
Number of Active Retirees	61	58	100	157	486	465
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$389.23	\$870.30	\$1,416.79	\$2,105.47	\$2,726.57	\$2,727.08
Average Final Salary (Monthly)*	\$3,167.27	\$3,608.64	\$4,393.83	\$4,973.52	\$5,501.61	\$5,466.36
Number of Active Retirees	62	72	117	153	551	484
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$356.95	\$875.67	\$1,363.14	\$1,925.47	\$2,657.77	\$2,777.56
Average Final Salary (Monthly)*	\$2,662.53	\$3,897.99	\$4,303.80	\$4,830.72	\$5,458.75	\$5,633.93
Number of Active Retirees	55	86	127	176	632	441
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$328.49	\$866.35	\$1,289.24	\$1,843.72	\$2,623.39	\$2,662.54
Average Final Salary (Monthly)*	\$2,814.56	\$3,588.64	\$4,100.72	\$4,601.64	\$5,352.38	\$5,360.55
Number of Active Retirees	92	93	95	156	665	358
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$254.31	\$803.93	\$1,157.14	\$1,861.65	\$2,396.72	\$2,473.71
Average Final Salary (Monthly)*	\$2,597.54	\$3,432.41	\$4,037.84	\$4,841.25	\$5,162.29	\$5,246.20
Number of Active Retirees	79	66	83	229	770	483

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: TRS Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$417.71	\$1,147.78	\$1,783.60	\$2,052.93	\$3,094.93	\$3,559.00
Average Final Salary (Monthly)*	\$3,507.78	\$4,578.42	\$5,406.28	\$5,582.93	\$6,034.27	\$6,283.35
Number of Active Retirees	59	66	92	54	52	19
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$511.71	\$1,228.38	\$1,902.99	\$2,012.05	\$3,025.53	\$3,167.60
Average Final Salary (Monthly)*	\$3,830.95	\$4,964.28	\$5,759.54	\$5,413.19	\$5,762.55	\$5,520.72
Number of Active Retirees	42	47	47	42	41	13
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$520.28	\$1,146.03	\$1,602.18	\$2,141.67	\$2,938.41	\$3,665.93
Average Final Salary (Monthly)*	\$3,516.21	\$4,585.47	\$5,136.98	\$5,467.87	\$5,809.95	\$6,295.83
Number of Active Retirees	35	44	62	46	43	2
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$537.82	\$1,086.65	\$1,606.56	\$1,966.69	\$2,706.92	\$-
Average Final Salary (Monthly)*	\$3,638.09	\$4,523.98	\$5,073.16	\$5,226.25	\$5,376.41	\$-
Number of Active Retirees	37	52	67	42	20	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$375.95	\$970.16	\$1,585.44	\$1,911.48	\$2,622.91	\$-
Average Final Salary (Monthly)*	\$3,634.96	\$4,054.58	\$4,891.30	\$5,337.42	\$5,601.05	\$-
Number of Active Retirees	24	28	20	16	5	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$515.76	\$1,042.26	\$1,516.39	\$1,875.65	\$2,282.00	\$-
Average Final Salary (Monthly)*	\$3,562.09	\$4,270.10	\$4,672.24	\$4,924.09	\$4,870.42	\$-
Number of Active Retirees	47	49	48	53	18	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$512.93	\$1,041.49	\$1,465.30	\$1,971.26	\$2,102.62	\$-
Average Final Salary (Monthly)*	\$3,572.31	\$4,406.34	\$4,563.44	\$5,059.40	\$4,870.05	\$-
Number of Active Retirees	51	49	57	47	15	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$415.43	\$952.94	\$1,417.11	\$1,996.13	\$1,917.24	\$-
Average Final Salary (Monthly)*	\$3,309.83	\$3,949.77	\$4,525.46	\$4,927.74	\$4,654.53	\$-
Number of Active Retirees	39	43	37	34	8	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$440.63	\$927.24	\$1,316.90	\$1,744.68	\$-	\$-
Average Final Salary (Monthly)*	\$3,377.29	\$4,076.97	\$4,256.03	\$4,673.16	\$-	\$-
Number of Active Retirees	38	40	33	25	-	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$498.47	\$920.61	\$1,350.13	\$1,710.86	\$-	\$-
Average Final Salary (Monthly)*	\$3,408.04	\$3,873.98	\$4,265.37	\$4,362.12	\$-	\$-
Number of Active Retirees	33	25	21	30	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$336.03	\$545.30	\$831.33	\$1,125.89	\$1,568.81	\$1,686.38
Average Final Salary (Monthly)*	\$4,553.15	\$4,830.15	\$5,435.01	\$5,780.35	\$6,160.69	\$6,065.22
Number of Active Retirees	106	113	122	136	120	68
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$319.39	\$545.45	\$786.31	\$1,078.33	\$1,453.56	\$1,699.32
Average Final Salary (Monthly)*	\$4,468.37	\$4,766.92	\$5,254.99	\$5,634.96	\$5,839.55	\$5,992.94
Number of Active Retirees	79	73	91	75	79	22
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$303.61	\$547.01	\$796.81	\$993.91	\$1,500.99	\$1,419.21
Average Final Salary (Monthly)*	\$4,534.11	\$5,211.68	\$5,389.18	\$5,394.30	\$5,833.52	\$5,397.36
Number of Active Retirees	76	53	84	77	83	5
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$267.19	\$514.88	\$753.87	\$923.79	\$1,207.54	\$-
Average Final Salary (Monthly)*	\$3,949.74	\$4,680.85	\$5,313.06	\$5,444.54	\$5,366.59	\$-
Number of Active Retirees	62	60	89	78	48	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$254.63	\$452.49	\$712.80	\$1,061.00	\$1,243.51	\$-
Average Final Salary (Monthly)*	\$4,146.59	\$4,575.87	\$4,909.18	\$5,447.02	\$5,750.52	\$-
Number of Active Retirees	19	22	24	22	4	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$297.95	\$448.22	\$666.82	\$869.07	\$1,101.94	\$-
Average Final Salary (Monthly)*	\$4,392.04	\$4,659.35	\$4,950.00	\$5,187.16	\$5,239.94	\$-
Number of Active Retirees	32	45	73	41	20	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$234.33	\$447.08	\$690.49	\$959.64	\$985.06	\$-
Average Final Salary (Monthly)*	\$3,873.88	\$4,905.43	\$4,783.98	\$5,249.36	\$4,894.49	\$-
Number of Active Retirees	31	42	31	44	5	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$226.49	\$370.52	\$577.81	\$880.22	\$932.39	\$-
Average Final Salary (Monthly)*	\$3,739.73	\$4,166.11	\$4,685.49	\$4,953.13	\$4,994.64	\$-
Number of Active Retirees	27	34	43	27	7	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$215.81	\$376.46	\$545.68	\$730.52	\$-	\$-
Average Final Salary (Monthly)*	\$3,948.35	\$4,622.77	\$4,386.17	\$4,580.21	\$-	\$-
Number of Active Retirees	17	25	31	21	-	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$220.32	\$343.01	\$485.97	\$558.34	\$-	\$-
Average Final Salary (Monthly)*	\$3,727.15	\$4,114.94	\$4,282.65	\$4,355.04	\$-	\$-
Number of Active Retirees	9	27	16	16	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$-	\$2,608.42	\$-	\$-	\$3,770.38	\$6,799.27
Average Final Salary (Monthly)*	\$-	\$12,347.54	\$-	\$-	\$6,693.02	\$9,117.73
Number of Active Retirees	-	1	-	-	1	49
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$5,846.14	\$6,727.58
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$9,964.96	\$9,156.08
Number of Active Retirees	-	-	-	-	1	56
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$8,876.88	\$5,773.59
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$13,656.74	\$8,293.04
Number of Active Retirees	-	-	-	-	1	67
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$-	\$737.71	\$-	\$4,083.42	\$3,717.62	\$5,275.22
Average Final Salary (Monthly)*	\$-	\$2,147.00	\$-	\$8,695.24	\$6,687.05	\$7,715.25
Number of Active Retirees	-	1	-	2	9	85
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$-	\$1,086.32	\$-	\$-	\$3,785.27	\$5,086.57
Average Final Salary (Monthly)*	\$-	\$5,203.92	\$-	\$-	\$6,727.37	\$7,548.05
Number of Active Retirees	-	1	-	-	20	63
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$3,627.67	\$-	\$-	\$3,307.40	\$3,999.96	\$4,870.88
Average Final Salary (Monthly)*	\$6,595.75	\$-	\$-	\$6,549.30	\$7,140.56	\$7,484.82
Number of Active Retirees	1	-	-	1	47	80
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$-	\$770.99	\$3,204.91	\$2,402.75	\$3,702.10	\$4,478.06
Average Final Salary (Monthly)*	\$-	\$2,796.81	\$6,409.82	\$5,085.81	\$6,565.39	\$6,917.86
Number of Active Retirees	-	1	1	2	45	76
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$2,572.50	\$1,219.55	\$1,648.30	\$2,950.79	\$3,428.97	\$4,325.06
Average Final Salary (Monthly)*	\$5,145.00	\$3,222.11	\$4,381.50	\$5,839.05	\$6,314.70	\$6,624.47
Number of Active Retirees	1	2	2	6	71	66
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$2,025.18	\$2,222.50	\$790.85	\$2,759.90	\$3,608.96	\$3,963.91
Average Final Salary (Monthly)*	\$4,050.36	\$4,445.00	\$2,747.33	\$5,517.10	\$6,558.24	\$6,465.99
Number of Active Retirees	2	1	1	10	89	60
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$-	\$-	\$2,331.10	\$2,988.91	\$3,274.02	\$3,885.10
Average Final Salary (Monthly)*	\$-	\$-	\$5,080.50	\$6,074.97	\$6,046.00	\$6,405.84
Number of Active Retirees	-	-	2	20	95	56

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: LEOFF Plan 2

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$786.80	\$1,346.38	\$2,628.43	\$3,229.83	\$4,442.23	\$5,010.17
Average Final Salary (Monthly)*	\$6,436.60	\$5,505.96	\$7,191.87	\$7,200.29	\$8,131.03	\$8,349.92
Number of Active Retirees	21	17	31	71	104	73
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$802.80	\$1,430.37	\$2,176.26	\$2,935.73	\$4,107.79	\$4,329.19
Average Final Salary (Monthly)*	\$5,885.87	\$5,662.91	\$6,203.07	\$6,911.64	\$7,594.47	\$7,264.63
Number of Active Retirees	24	17	21	43	99	33
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$826.57	\$1,481.13	\$2,064.59	\$2,981.51	\$3,846.34	\$4,459.60
Average Final Salary (Monthly)*	\$6,372.71	\$5,884.19	\$5,940.37	\$6,704.73	\$7,298.28	\$7,742.83
Number of Active Retirees	15	17	29	42	83	13
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$782.60	\$1,146.25	\$2,063.68	\$2,806.54	\$3,455.45	\$-
Average Final Salary (Monthly)*	\$5,913.15	\$5,141.47	\$6,100.96	\$6,573.92	\$6,853.86	\$-
Number of Active Retirees	16	18	26	47	81	-
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$730.74	\$1,419.11	\$2,036.97	\$2,944.90	\$3,301.90	\$3,326.98
Average Final Salary (Monthly)*	\$5,214.92	\$5,723.21	\$6,063.32	\$6,574.48	\$6,490.35	\$6,032.87
Number of Active Retirees	10	15	24	37	37	1
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$603.71	\$1,133.58	\$1,965.38	\$2,733.20	\$3,186.75	\$-
Average Final Salary (Monthly)*	\$4,482.80	\$4,740.11	\$5,532.82	\$6,249.84	\$6,319.38	\$-
Number of Active Retirees	16	19	24	65	41	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$691.80	\$1,256.62	\$1,922.51	\$2,575.48	\$2,965.91	\$-
Average Final Salary (Monthly)*	\$4,885.48	\$5,170.23	\$5,657.35	\$5,805.46	\$6,128.98	\$-
Number of Active Retirees	15	12	18	45	30	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$801.24	\$1,298.02	\$1,819.42	\$2,342.40	\$3,069.32	\$-
Average Final Salary (Monthly)*	\$5,595.05	\$5,158.93	\$5,350.85	\$5,471.12	\$6,524.11	\$-
Number of Active Retirees	18	12	31	36	7	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$669.51	\$988.59	\$1,809.39	\$2,396.28	\$1,704.94	\$-
Average Final Salary (Monthly)*	\$4,892.20	\$4,219.61	\$5,132.09	\$5,531.87	\$3,602.73	\$-
Number of Active Retirees	12	9	18	26	1	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$634.41	\$1,202.59	\$1,637.57	\$2,313.58	\$-	\$-
Average Final Salary (Monthly)*	\$3,952.56	\$4,737.99	\$4,821.85	\$5,533.30	\$-	\$-
Number of Active Retirees	8	9	14	14	-	-

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

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

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$-	\$-	\$1,300.91	\$3,981.43	\$4,307.44	\$3,807.43
Average Final Salary (Monthly)*	\$-	\$-	\$5,279.73	\$7,767.77	\$7,696.70	\$6,534.53
Number of Active Retirees	-	-	1	14	20	1
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,603.10	\$5,653.44	\$5,437.71
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$7,241.18	\$9,302.30	\$8,000.30
Number of Active Retirees	-	-	-	9	10	3
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,205.87	\$3,984.48	\$5,748.34
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$6,495.52	\$7,139.94	\$8,014.31
Number of Active Retirees	-	-	-	2	7	3
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$395.27	\$-	\$-	\$3,166.53	\$4,129.05	\$4,313.40
Average Final Salary (Monthly)*	\$5,784.65	\$-	\$-	\$6,685.85	\$7,573.82	\$6,621.25
Number of Active Retirees	1	-	-	5	6	6
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$-	\$1,385.52	\$2,000.54	\$-	\$3,887.12	\$4,422.67
Average Final Salary (Monthly)*	\$-	\$5,980.57	\$5,755.62	\$-	\$7,254.30	\$6,698.61
Number of Active Retirees	-	1	1	-	5	6
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$3,488.08	\$3,996.14
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$6,559.78	\$6,112.68
Number of Active Retirees	-	-	-	-	15	7
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$-	\$-	\$-	\$3,235.65	\$3,459.02	\$3,777.55
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$6,646.16	\$6,515.54	\$5,821.81
Number of Active Retirees	-	-	-	11	17	9
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$928.66	\$1,025.81	\$1,499.18	\$3,407.73	\$3,868.03	\$4,105.68
Average Final Salary (Monthly)*	\$7,410.04	\$3,907.07	\$3,871.44	\$6,922.32	\$6,944.49	\$6,321.05
Number of Active Retirees	1	2	1	7	9	10
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$-	\$-	\$1,100.95	\$3,502.58	\$3,708.64	\$4,234.55
Average Final Salary (Monthly)*	\$-	\$-	\$2,861.31	\$7,149.96	\$6,584.12	\$6,437.39
Number of Active Retirees	-	-	1	3	10	11
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$-	\$562.42	\$2,534.99	\$3,475.76	\$3,691.11	\$3,722.77
Average Final Salary (Monthly)*	\$-	\$2,502.73	\$6,208.20	\$7,149.99	\$6,784.48	\$5,449.78
Number of Active Retirees	-	1	1	7	9	7

Retirees with missing or invalid data elements were excluded.

*At retirement (may not be audited)

Source: Washington State Office of the State Actuary

Schedule of Average Benefit Payments to Service Retirees in Year of Retirement: JRS

Retirement Effective Dates	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/10 to 6/30/11						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$7,376.49	\$9,302.01
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$12,402.68	\$12,402.68
Number of Active Retirees	-	-	-	-	1	1
Period 7/1/09 to 6/30/10						
Average Monthly Benefit*	\$-	\$-	\$-	\$7,904.34	\$8,292.69	\$9,770.51
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$13,027.34	\$12,402.60	\$13,027.34
Number of Active Retirees	-	-	-	1	2	1
Period 7/1/08 to 6/30/09						
Average Monthly Benefit*	\$-	\$-	\$5,286.59	\$9,301.95	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$10,367.60	\$12,402.60	\$-	\$-
Number of Active Retirees	-	-	1	1	-	-
Period 7/1/07 to 6/30/08						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$9,255.00
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$12,340.00
Number of Active Retirees	-	-	-	-	-	1
Period 10/1/06 to 6/30/07						
Average Monthly Benefit*	\$-	\$-	\$-	\$-	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$-	\$-	\$-
Number of Active Retirees	-	-	-	-	-	-
Period 10/1/05 to 9/30/06						
Average Monthly Benefit*	\$-	\$-	\$6,242.30	\$-	\$8,412.38	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$9,987.16	\$-	\$11,216.50	\$-
Number of Active Retirees	-	-	2	-	1	-
Period 10/1/04 to 9/30/05						
Average Monthly Benefit*	\$-	\$-	\$6,599.62	\$7,561.62	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$9,920.07	\$10,724.95	\$-	\$-
Number of Active Retirees	-	-	3	3	-	-
Period 10/1/03 to 9/30/04						
Average Monthly Benefit*	\$-	\$-	\$-	\$7,696.44	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$-	\$10,334.99	\$-	\$-
Number of Active Retirees	-	-	-	3	-	-
Period 10/1/02 to 9/30/03						
Average Monthly Benefit*	\$-	\$-	\$3,917.72	\$7,623.24	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$6,708.32	\$10,164.32	\$-	\$-
Number of Active Retirees	-	-	1	2	-	-
Period 10/1/01 to 9/30/02						
Average Monthly Benefit*	\$-	\$-	\$6,209.62	\$7,447.71	\$-	\$-
Average Final Salary (Monthly)*	\$-	\$-	\$10,436.34	\$9,935.84	\$-	\$-
Number of Active Retirees	-	-	1	1	-	-

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 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 1,082,344	\$ 1,059,536	\$ 1,024,555	\$ 987,383	\$ 947,353	\$ 901,730	\$ 854,882	\$ 809,658	\$ 760,454	\$ 710,565
Disability	13,810	14,431	14,718	14,871	15,121	14,950	15,171	15,159	14,970	15,210
Survivor	77,529	75,555	72,113	68,675	65,460	62,315	59,370	56,057	53,341	50,908
Refunds										
Separations	3,667	2,930	3,997	3,612	4,011	4,194	4,796	4,093	4,309	4,224
Death	887	540	949	1,459	1,562	2,021	1,757	1,050	1,319	1,453
Total	<u>\$ 1,178,237</u>	<u>\$ 1,152,992</u>	<u>\$ 1,116,332</u>	<u>\$ 1,076,000</u>	<u>\$ 1,033,507</u>	<u>\$ 985,210</u>	<u>\$ 935,976</u>	<u>\$ 886,017</u>	<u>\$ 834,393</u>	<u>\$ 782,360</u>

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

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 350,550	\$ 287,560	\$ 230,776	\$ 188,971	\$ 154,388	\$ 129,890	\$ 109,007	\$ 92,401	\$ 77,193	\$ 64,733
Disability	10,901	10,140	9,795	9,014	8,294	7,669	6,871	5,969	5,456	4,920
Survivor	15,548	13,243	11,194	9,334	7,635	6,243	5,218	4,372	3,525	2,807
Refunds										
Separations	30,148	27,956	25,005	22,798	24,498	21,866	22,378	20,515	23,729	27,645
Death	5,568	5,730	6,420	3,644	2,076	4,599	4,098	3,571	3,353	3,190
Total	<u>\$ 412,715</u>	<u>\$ 344,629</u>	<u>\$ 283,190</u>	<u>\$ 233,761</u>	<u>\$ 196,891</u>	<u>\$ 170,267</u>	<u>\$ 147,572</u>	<u>\$ 126,828</u>	<u>\$ 113,256</u>	<u>\$ 103,295</u>

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

For Years Ended 2003-2012
(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 322	\$ 164	\$ 80	\$ 51	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	66,095	56,974	40,215	38,856	35,702	33,724	34,854	24,563	25,601	5,515
Death	150	2,169	1,508	1,346	2,589	1,530	685	970	980	222
Total	<u>\$ 66,567</u>	<u>\$ 59,307</u>	<u>\$ 41,803</u>	<u>\$ 40,253</u>	<u>\$ 38,314</u>	<u>\$ 35,254</u>	<u>\$ 35,539</u>	<u>\$ 25,533</u>	<u>\$ 26,581</u>	<u>\$ 5,737</u>

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

For Years Ended 2003-2012
(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 50,597	\$ 40,753	\$ 32,202	\$ 26,468	\$ 20,944	\$ 16,230	\$ 12,352	\$ 9,167	\$ 5,902	\$ 3,647
Disability	1,387	1,198	1,068	1,037	928	781	736	664	568	442
Survivor	1,646	1,387	1,179	802	755	630	412	283	222	216
Refunds										
Separations	1,947	1,916	1,779	1,693	1,752	2,148	1,970	1,970	1,855	1,972
Death	569	576	346	432	293	368	507	221	170	248
Total	<u>\$ 56,146</u>	<u>\$ 45,830</u>	<u>\$ 36,574</u>	<u>\$ 30,432</u>	<u>\$ 24,672</u>	<u>\$ 20,157</u>	<u>\$ 15,977</u>	<u>\$ 12,305</u>	<u>\$ 8,717</u>	<u>\$ 6,525</u>

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

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 302	\$ 182	\$ 91	\$ 62	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	60,929	51,431	31,383	40,501	39,438	30,539	24,104	20,777	11,731	10,528
Death	-	1,811	2,533	1,540	377	1,538	842	701	633	800
Total	<u>\$ 61,231</u>	<u>\$ 53,424</u>	<u>\$ 34,007</u>	<u>\$ 42,103</u>	<u>\$ 39,823</u>	<u>\$ 32,077</u>	<u>\$ 24,946</u>	<u>\$ 21,478</u>	<u>\$ 12,364</u>	<u>\$ 11,328</u>

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

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 63	\$ 30	\$ 14	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	5	4	3	4	-	-	-	-	-	-
Survivor	2	1	-	-	-	-	-	-	-	-
Refunds										
Separations	1,868	1,747	895	450	151	22	-	-	-	-
Death	53	33	33	16	1	1	-	-	-	-
Total	<u>\$ 1,991</u>	<u>\$ 1,815</u>	<u>\$ 945</u>	<u>\$ 471</u>	<u>\$ 152</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*PSERS Plan 2 became effective July 1, 2006.

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

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service ¹	\$ 860,848	\$ 847,353	\$ 809,214	\$ 801,974	\$ 798,668	\$ 757,896	\$ 720,921	\$ 700,288	\$ 653,560	\$ 652,419
Disability	10,618	11,111	10,905	11,068	11,186	11,301	11,379	11,325	11,129	10,916
Survivor	42,398	41,355	39,131	37,220	35,132	33,147	31,313	29,505	27,554	25,919
Refunds										
Separations	1,120	1,389	574	930	827	841	714	878	1,792	1,521
Death	432	431	930	330	173	1,037	328	302	—	—
Total	<u>\$ 915,416</u>	<u>\$ 901,639</u>	<u>\$ 860,754</u>	<u>\$ 851,522</u>	<u>\$ 845,986</u>	<u>\$ 804,222</u>	<u>\$ 764,655</u>	<u>\$ 742,298</u>	<u>\$ 694,035</u>	<u>\$ 690,775</u>

¹6/30/06 service amount adjusted to include \$49,165 in annuity payments.

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

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 87,707	\$ 68,782	\$ 52,921	\$ 42,587	\$ 33,984	\$ 26,770	\$ 20,716	\$ 15,953	\$ 12,389	\$ 9,988
Disability	1,071	1,118	921	838	882	732	796	616	521	406
Survivor	2,622	2,238	1,812	1,370	1,150	1,032	839	549	506	467
Refunds										
Separations	1,652	1,584	2,092	1,423	1,712	2,284	2,023	2,611	2,432	3,082
Death	517	697	776	766	478	442	376	499	426	456
Total	<u>\$ 93,569</u>	<u>\$ 74,419</u>	<u>\$ 58,522</u>	<u>\$ 46,984</u>	<u>\$ 38,206</u>	<u>\$ 31,260</u>	<u>\$ 24,750</u>	<u>\$ 20,228</u>	<u>\$ 16,274</u>	<u>\$ 14,399</u>

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

For Years Ended 2003-2012
(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 1,149	\$ 542	\$ 257	\$ 128	\$ 45	\$ 18	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	150,404	110,425	67,158	74,586	82,756	59,658	40,397	33,660	23,911	18,611
Death	-	5,146	4,507	1,580	2,020	3,152	1,511	1,922	2,021	720
Total	<u>\$ 151,553</u>	<u>\$ 116,113</u>	<u>\$ 71,922</u>	<u>\$ 76,294</u>	<u>\$ 84,821</u>	<u>\$ 62,828</u>	<u>\$ 41,908</u>	<u>\$ 35,582</u>	<u>\$ 25,932</u>	<u>\$ 19,331</u>

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

For Years Ended 2003-2012
(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 138,884	\$ 134,321	\$ 132,450	\$ 126,562	\$ 119,464	\$ 112,073	\$ 105,527	\$ 100,529	\$ 95,318	\$ 89,457
Disability	146,207	147,653	150,521	148,846	145,795	143,468	140,552	139,928	139,544	139,236
Survivor	58,347	56,801	55,260	51,625	48,271	44,911	42,130	39,500	37,256	35,925
Refunds										
Separations	4	48	11	43	-	1	3	5	4	153
Death	431	-	3	150	150	10	-	-	129	5
Total	<u>\$ 343,873</u>	<u>\$ 338,823</u>	<u>\$ 338,245</u>	<u>\$ 327,226</u>	<u>\$ 313,680</u>	<u>\$ 300,463</u>	<u>\$ 288,212</u>	<u>\$ 279,962</u>	<u>\$ 272,251</u>	<u>\$ 264,776</u>

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

For Years Ended 2003-2012
(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 67,331	\$ 52,547	\$ 39,100	\$ 30,694	\$ 23,096	\$ 16,889	\$ 11,801	\$ 7,672	\$ 5,338	\$ 3,596
Disability	7,318	6,710	5,356	4,632	3,480	3,204	2,139	967	498	319
Survivor	3,504	2,619	1,702	1,289	929	720	493	339	207	144
Refunds										
Separations	9,774	7,155	6,739	6,112	6,350	7,557	6,238	7,117	5,367	4,810
Death	1,440	1,026	4,208	1,111	1,289	438	877	648	353	314
Total	<u>\$ 89,367</u>	<u>\$ 70,057</u>	<u>\$ 57,105</u>	<u>\$ 43,838</u>	<u>\$ 35,144</u>	<u>\$ 28,808</u>	<u>\$ 21,548</u>	<u>\$ 16,743</u>	<u>\$ 11,763</u>	<u>\$ 9,183</u>

Schedule of Benefit Expenses and Refunds by Type: WSPRS I

For Years Ended 2003-2012
(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 36,687	\$ 35,073	\$ 33,015	\$ 31,643	\$ 30,293	\$ 29,048	\$ 27,619	\$ 25,796	\$ 24,111	\$ 22,536
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	3,681	3,314	3,101	2,879	2,670	2,345	3,047	1,810	1,613	1,511
Refunds										
Separations	46	148	97	68	269	291	125	173	303	221
Death	216	99	-	138	-	-	-	-	-	-
Total	<u>\$ 40,630</u>	<u>\$ 38,634</u>	<u>\$ 36,213</u>	<u>\$ 34,728</u>	<u>\$ 33,232</u>	<u>\$ 31,684</u>	<u>\$ 30,791</u>	<u>\$ 27,779</u>	<u>\$ 26,027</u>	<u>\$ 24,268</u>

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

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disability	-	-	-	-	-	-	-	-	-	-
Survivor	-	-	-	-	-	-	-	-	-	-
Refunds										
Separations	-	63	30	5	-	-	-	-	-	-
Death	-	5	-	-	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 30</u>	<u>\$ 5</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 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 7,569	\$ 7,678	\$ 7,704	\$ 7,811	\$ 7,719	\$ 7,696	\$ 7,732	\$ 7,333	\$ 7,076	\$ 6,966
Disability	-	-	-	-	-	-	-	-	-	34
Survivor	2,195	2,060	2,019	1,772	1,795	1,660	1,515	1,428	1,328	1,279
Refunds										
Separations	-	-	-	-	-	-	-	-	-	-
Death	-	-	-	7	-	-	-	-	-	-
Total	<u>\$ 9,764</u>	<u>\$ 9,738</u>	<u>\$ 9,723</u>	<u>\$ 9,590</u>	<u>\$ 9,514</u>	<u>\$ 9,356</u>	<u>\$ 9,247</u>	<u>\$ 8,761</u>	<u>\$ 8,404</u>	<u>\$ 8,279</u>

Schedule of Benefit Expenses and Refunds by Type: Judges

For Years Ended 2003-2012

(expressed in thousands)

	6/30/12	6/30/11	6/30/10	6/30/09	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Benefit Expenses										
Service	\$ 421	\$ 420	\$ 421	\$ 422	\$ 466	\$ 483	\$ 497	\$ 521	\$ 597	\$ 567
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	61	79	79	79	79	98	127	120	88	72
Refunds										
Separations	—	—	—	—	—	—	—	13	—	—
Death	—	—	—	—	—	—	—	—	—	—
Total	<u>\$ 482</u>	<u>\$ 499</u>	<u>\$ 500</u>	<u>\$ 501</u>	<u>\$ 545</u>	<u>\$ 581</u>	<u>\$ 624</u>	<u>\$ 654</u>	<u>\$ 685</u>	<u>\$ 639</u>

Deferred Compensation Program Status Report

(dollars in thousands)

	June 30, 2012		June 30, 2011		June 30, 2010		June 30, 2009	
	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
Funding Media								
Active U.S. Core Stock Fund ¹	\$ —	—	\$ 238,087	8.11	\$ 192,558	7.87	\$ 180,558	8.34
Active U.S. Value Stock Fund ¹	—	—	299,662	10.20	245,272	10.03	213,669	9.87
Calvert Social Investment Fund – Balanced Portfolio	—	—	—	—	—	—	—	—
Emerging Market Equity Index ²	52,542	1.79	—	—	—	—	—	—
Fidelity Equity – Income Fund	—	—	—	—	—	—	—	—
Fidelity Growth Company Fund ¹	—	—	366,490	12.48	268,855	10.99	224,090	10.35
Fidelity Independence Fund ³	—	—	—	—	—	—	—	—
Fidelity Overseas Fund	—	—	—	—	—	—	—	—
Global Equity Index ²	65,500	2.23	—	—	—	—	—	—
International Stock Fund ¹	—	—	123,184	4.20	97,897	4.00	89,981	4.16
Savings Pool	1,045,569	35.66	1,013,313	34.51	959,255	39.21	954,969	44.10
U.S. Large Cap Equity Index ²	178,250	6.08	—	—	—	—	—	—
U.S. Small Cap Equity Index ²	109,915	3.75	—	—	—	—	—	—
U.S. Small Stock Index Fund ¹	—	—	116,776	3.98	77,248	3.16	52,854	2.44
U.S. Stock Market Index Fund ¹	—	—	163,011	5.55	124,866	5.10	102,935	4.75
Washington State Bond Fund ³	267,316	9.12	179,032	6.10	178,187	7.28	134,101	6.19
Washington State Long-Horizon Fund	—	—	—	—	—	—	—	—
Washington State Mid-Horizon Fund	—	—	—	—	—	—	—	—
Washington State Short-Horizon Fund	—	—	—	—	—	—	—	—
Washington State Socially Responsible Balanced Fund ⁴	101,014	3.45	73,021	2.49	58,828	2.41	49,115	2.27
2000 Retirement Strategy ⁵	24,435	0.83	6,312	0.21	3,973	0.16	3,458	0.16
2005 Retirement Strategy ⁵	35,891	1.22	11,313	0.39	9,269	0.38	6,919	0.32
2010 Retirement Strategy ⁵	115,133	3.93	48,294	1.64	38,435	1.57	29,057	1.34
2015 Retirement Strategy ⁵	253,859	8.66	100,846	3.43	69,852	2.86	44,406	2.05
2020 Retirement Strategy ⁵	256,143	8.74	81,120	2.76	51,674	2.11	34,220	1.58
2025 Retirement Strategy ⁵	179,951	6.14	50,278	1.71	30,265	1.24	19,402	0.90
2030 Retirement Strategy ⁵	114,916	3.92	29,300	1.00	17,133	0.70	10,986	0.51
2035 Retirement Strategy ⁵	73,173	2.50	17,332	0.59	10,869	0.44	7,444	0.34
2040 Retirement Strategy ⁵	35,038	1.19	10,251	0.35	6,417	0.26	4,163	0.19
2045 Retirement Strategy ⁵	14,996	0.51	5,554	0.19	3,301	0.14	2,215	0.10
2050 Retirement Strategy ⁵	4,355	0.15	2,228	0.08	1,491	0.06	882	0.04
2055 Retirement Strategy ⁶	3,868	0.13	1,023	0.03	769	0.03	—	—
TOTAL	\$ 2,931,864	100.00	\$ 2,936,427	100.00	\$ 2,446,414	100.00	\$ 2,165,424	100.00

Chart continued on page 203

¹ This investment option was discontinued in October 2011.

² This investment option was added in October 2011.

³ This fund replaced the Fidelity Intermediate Bond Fund as of September 1, 2000.

⁴ This fund replaced the Calvert Social Investment Fund-Balanced Portfolio as of July 1, 2003.

⁵ This investment option was added in October 2008.

⁶ This investment option was added in January 2010.

Deferred Compensation Program

Performance – Periods Ending June 30, 2012

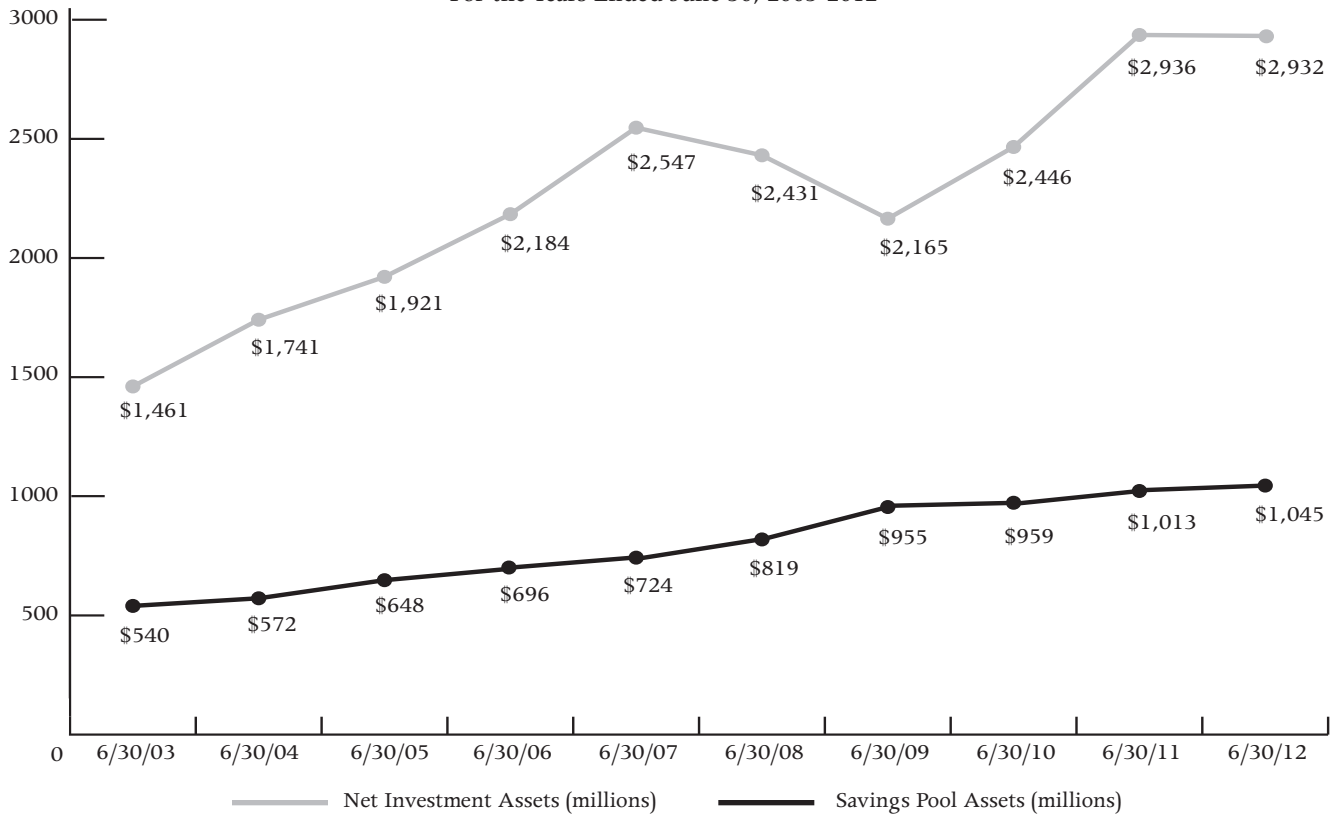
Fund Name <i>Benchmark</i>	Quarter Ending 6/30/12	Performance History ¹ Average Annual Total Returns			
		1 Year	3 Year	5 Year	10 Year/Since Inception
Emerging Market Equity Index Fund <i>MSCI Emerging Markets Investable Market Index</i>	(8.18)% (8.79)%	** **	** **	** **	12.20% 12.02%
Global Equity Index Fund <i>MSCI ACWI Investable Market Index</i>	(5.39)% (5.68)%	** **	** **	** **	14.10% 13.41%
Savings Pool	0.53%	2.36%	3.24%	3.81%	4.40%
U.S. Large Cap Equity Index Fund <i>S&P 500 Index</i>	(2.75)% (2.75)%	5.51% 5.45%	16.54% 16.40%	0.39% 0.22%	5.45% 5.33%
U.S. Small Cap Equity Index Fund <i>Russell 2000 Value Index</i>	(2.96)% (3.01)%	(2.38)% (1.44)%	17.10% 17.43%	(1.14)% (1.05)%	6.40% 6.50%
Washington State Bond Fund <i>Barclays Capital Intermediate Credit Index</i>	1.52% 1.53%	6.79% 6.23%	8.61% 8.40%	8.07% 6.79%	6.40% 5.90%
Washington State Socially Responsible Balanced Fund <i>Custom Benchmark²</i>	(2.57)% (0.53)%	3.84% 6.81%	11.72% 12.44%	4.97% 3.61%	6.34% 5.87%
2000 Retirement Strategy <i>2000 Composite Benchmark²</i>	(0.91)% (0.36)%	1.55% 2.22%	10.03% 10.07%	** **	7.53% 6.74%
2005 Retirement Strategy <i>2005 Composite Benchmark²</i>	(1.56)% (0.89)%	(0.61)% (1.56)%	10.87% 11.21%	** **	7.84% 7.11%
2010 Retirement Strategy <i>2010 Composite Benchmark²</i>	(2.21)% (1.45)%	(0.45)% (0.79)%	11.66% 12.26%	** **	7.88% 7.44%
2015 Retirement Strategy <i>2015 Composite Benchmark²</i>	(2.95)% (2.02)%	(1.79)% (0.21)%	11.67% 12.50%	** **	7.62% 7.24%
2020 Retirement Strategy <i>2020 Composite Benchmark²</i>	(3.57)% (2.59)%	(3.07)% (1.37)%	11.55% 12.60%	** **	7.16% 6.90%
2025 Retirement Strategy <i>2025 Composite Benchmark²</i>	(4.14)% (3.15)%	(4.35)% (2.48)%	11.42% 12.63%	** **	6.69% 6.56%
2030 Retirement Strategy <i>2030 Composite Benchmark²</i>	(4.74)% (3.67)%	(5.24)% (3.30)%	10.95% 12.33%	** **	6.08% 6.09%
2035 Retirement Strategy <i>2035 Composite Benchmark²</i>	(5.30)% (4.16)%	(6.17)% (4.09)%	10.39% 11.92%	** **	5.37% 5.52%
2040 Retirement Strategy <i>2040 Composite Benchmark²</i>	(5.53)% (4.38)%	(6.40)% (4.37)%	10.26% 11.83%	** **	5.35% 5.45%
2045 Retirement Strategy <i>2045 Composite Benchmark²</i>	(5.59)% (4.38)%	(6.47)% (4.37)%	10.24% 11.83%	** **	5.35% 5.45%
2050 Retirement Strategy <i>2050 Composite Benchmark²</i>	(5.51)% (4.38)%	(6.38)% (4.37)%	10.30% 11.83%	** **	5.39% 5.45%
2055 Retirement Strategy <i>2055 Composite Benchmark²</i>	(5.49)% (4.38)%	(6.32)% (4.37)%	** **	** **	2.68% 4.81%

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

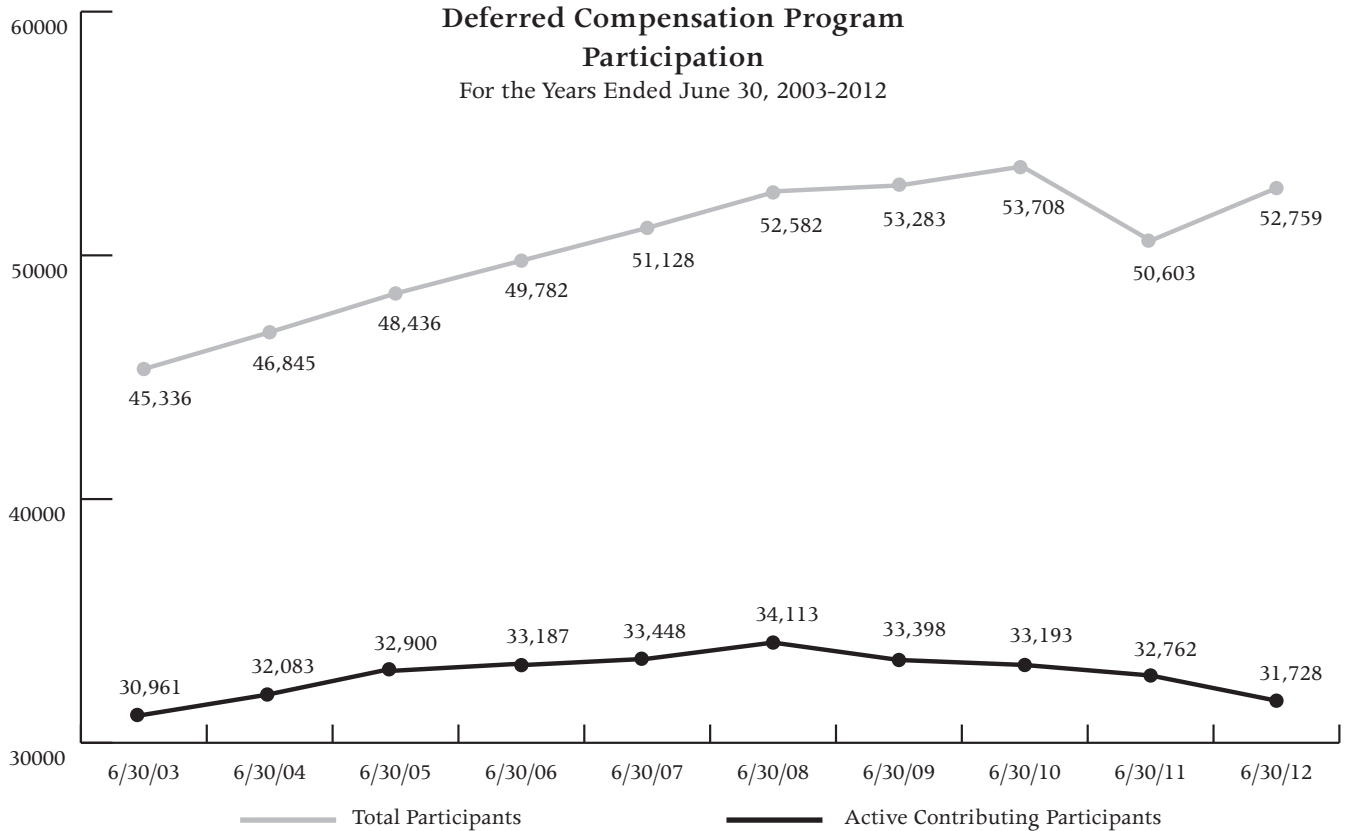
¹Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit www.drs.wa.gov/dcp. The investment return and principal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

²Estimated returns the portfolio would have earned using the return data from the various components.

**Deferred Compensation Program
Net Investment Asset Growth**
For the Years Ended June 30, 2003-2012



**Deferred Compensation Program
Participation**
For the Years Ended June 30, 2003-2012



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