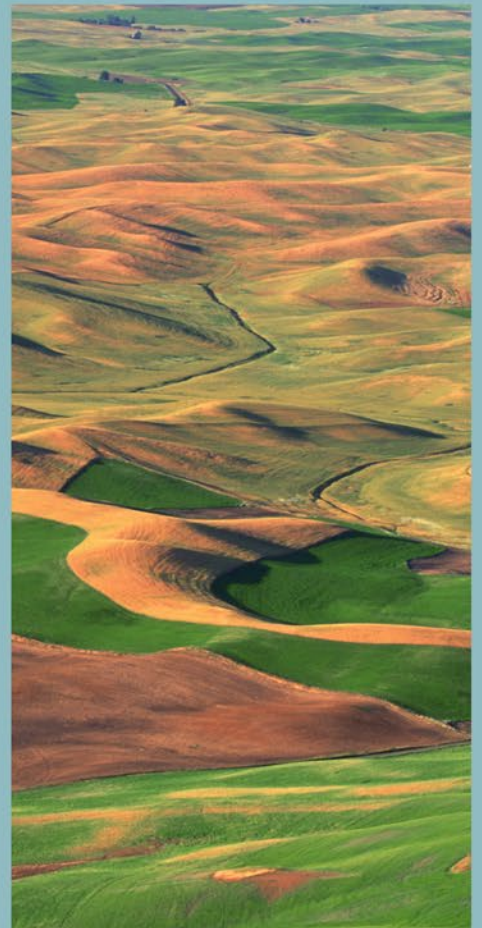




Washington State Department of Retirement Systems

Comprehensive Annual Financial Report

Funds of the State of Washington
for the Year Ended June 30, 2017



Comprehensive Annual Financial Report

Funds of the State of Washington
for the Fiscal Year Ended June 30, 2017

Prepared by:

Washington State Department of Retirement Systems

PO Box 48380

Olympia, WA 98504-8380

www.drs.wa.gov



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8 RETIREMENT SYSTEMS

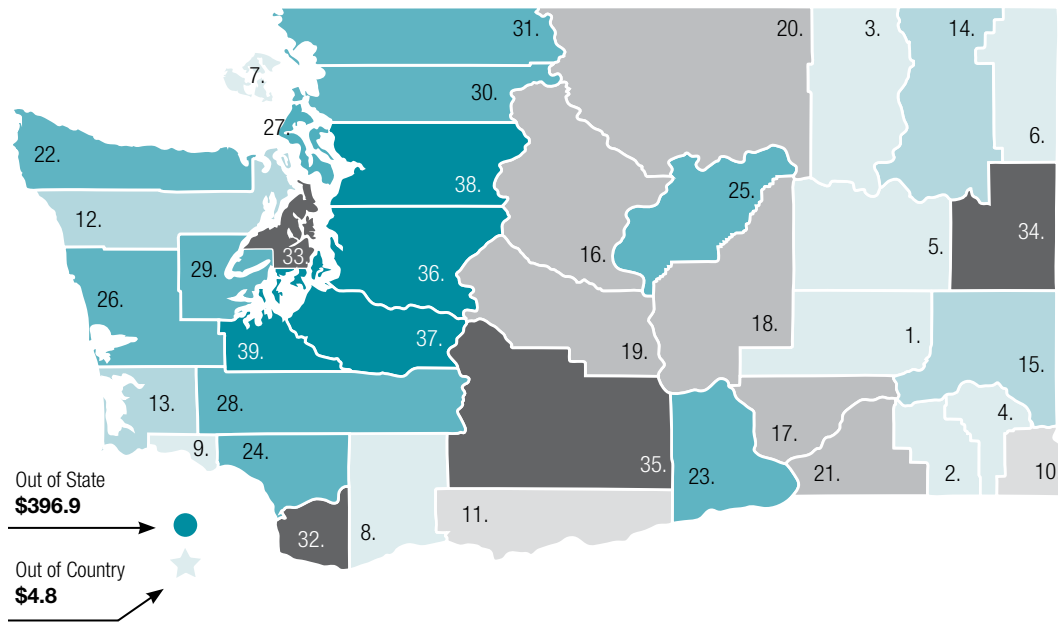
15 RETIREMENT PLANS

The Washington State Department of Retirement Systems (DRS) provides expertise, tools and services to active, inactive and retired members.

DRS serves a diverse population of state and local government employees, including fire fighters, police officers and teachers.

Benefit Payments by County

This map illustrates all benefit payments made to retirees and survivors in fiscal year 2017.



Dollars in millions

\$0-\$10	
1. Adams	\$7.6
2. Columbia	\$4.6
3. Ferry	\$4.8
4. Garfield	\$1.8
5. Lincoln	\$9.4
6. Pend Orielle	\$8.1
7. San Juan	\$8.3
8. Skamania	\$4.9
9. Wahkiakum	\$3.3
\$10.1-\$15	
10. Asotin	\$10.3
11. Klickitat	\$12.8
\$15.1-\$25	
12. Jefferson	\$21.8
13. Pacific	\$17.8
14. Stevens	\$20.7
15. Whitman	\$24.7
\$25.1-\$50	
16. Chelan	\$31.6
17. Franklin	\$27.9
18. Grant	\$49.2
19. Kittitas	\$34.0
20. Okanogan	\$28.2
21. Walla Walla	\$37.0
\$50.1-\$100	
22. Clallam	\$51.1
23. Benton	\$103.8
24. Cowlitz	\$57.8
25. Douglas	\$61.0
26. Grays Harbor	\$56.2
27. Island	\$54.0
28. Lewis	\$58.7
29. Mason	\$52.7
30. Skagit	\$78.0
31. Whatcom	\$96.3
\$100.1-\$300	
32. Clark	\$150.7
33. Kitsap	\$120.4
34. Spokane	\$258.3
35. Yakima	\$123.8
\$300.1+	
36. King	\$796.0
37. Pierce	\$416.4
38. Snohomish	\$329.0
39. Thurston	\$369.7

88% OF BENEFIT RECIPIENTS LIVE IN WASHINGTON

\$4 BILLION IN PAYMENTS GO OUT EACH YEAR

Introductory Section

Director's Message

In the past year, DRS' efforts to promote retirement readiness among our members took a significant jump forward as Washington adopted automatic enrollment for the state's Deferred Compensation supplemental savings program (also known as DCP).

Approved by the Legislature and signed into law by Gov. Jay Inslee in 2016, the DCP automatic enrollment program officially launched in January 2017. With this new feature, every newly hired state employee is automatically enrolled in DCP with a contribution rate of 3% of salary; the default investment for these enrollees is a target date fund that best aligns with an assumed retirement age of 65.

Of course, these participants have the ability to change their deferral amounts — or to completely opt out of their automatic enrollment. However, experience from other plans around the country shows that the vast majority of auto-enrollees stay in the program. And the initial experience here in Washington bears that out.

During the first six months of DCP automatic enrollment, more than 6,000 new state employees have been enrolled in the program — and about 87% have stayed in. This compares with a voluntary enrollment rate of 4% to 6% over the past several years.

DCP automatic enrollment is another example of how DRS continues to move forward on our key goals: Elated Customers, Engaged Team Members, Vigilant Resource Steward, Best Practice Leader and Reliable Partner.

Shortly after DRS publishes this *Comprehensive Annual Financial Report*, we will begin the initial rollout of a new Employer Reporting Application (ERA) that will significantly improve the way employers transmit member retirement information to us. At the same time, we are laying the groundwork to identify and seamlessly move to the next phase of modernizing our legacy systems as ERA becomes fully operational.

The past year brought an opportunity to strengthen the



DRS organizational structure as well.

Going forward, we are reshaping the Legal and Legislative Services group into two units — a Legislative and Stakeholder Relations section and a Legal Services team. This new structure will allow

these units to focus on a growing workload in both the legislative and legal arenas.

As a customer-satisfaction-driven organization, we are persistent in looking for ways to seek out and leverage customer feedback to help DRS continuously improve operations and services. In addition to our regular monthly satisfaction interviews with recently retired members, we are now reaching out to customers about the benefit estimate process and how we could make it better.

The completion of this year's CAFR marks my first full year on the job as Director of DRS. During this time, I've been continually impressed by our team members and the great work they do every day to support our customers, partners, policymakers, stakeholders and others. Many thanks to Team DRS for your contributions over the past year.

Also, a special appreciation to our members and retirees — the hundreds of thousands of men and women around Washington who work to support our communities and our state. Thank you!

Sincerely,

A handwritten signature in black ink that reads "Tracy Guerin". The signature is fluid and cursive.

Tracy Guerin
Director

October 17, 2017

Washington State Department of Retirement Systems' Organization

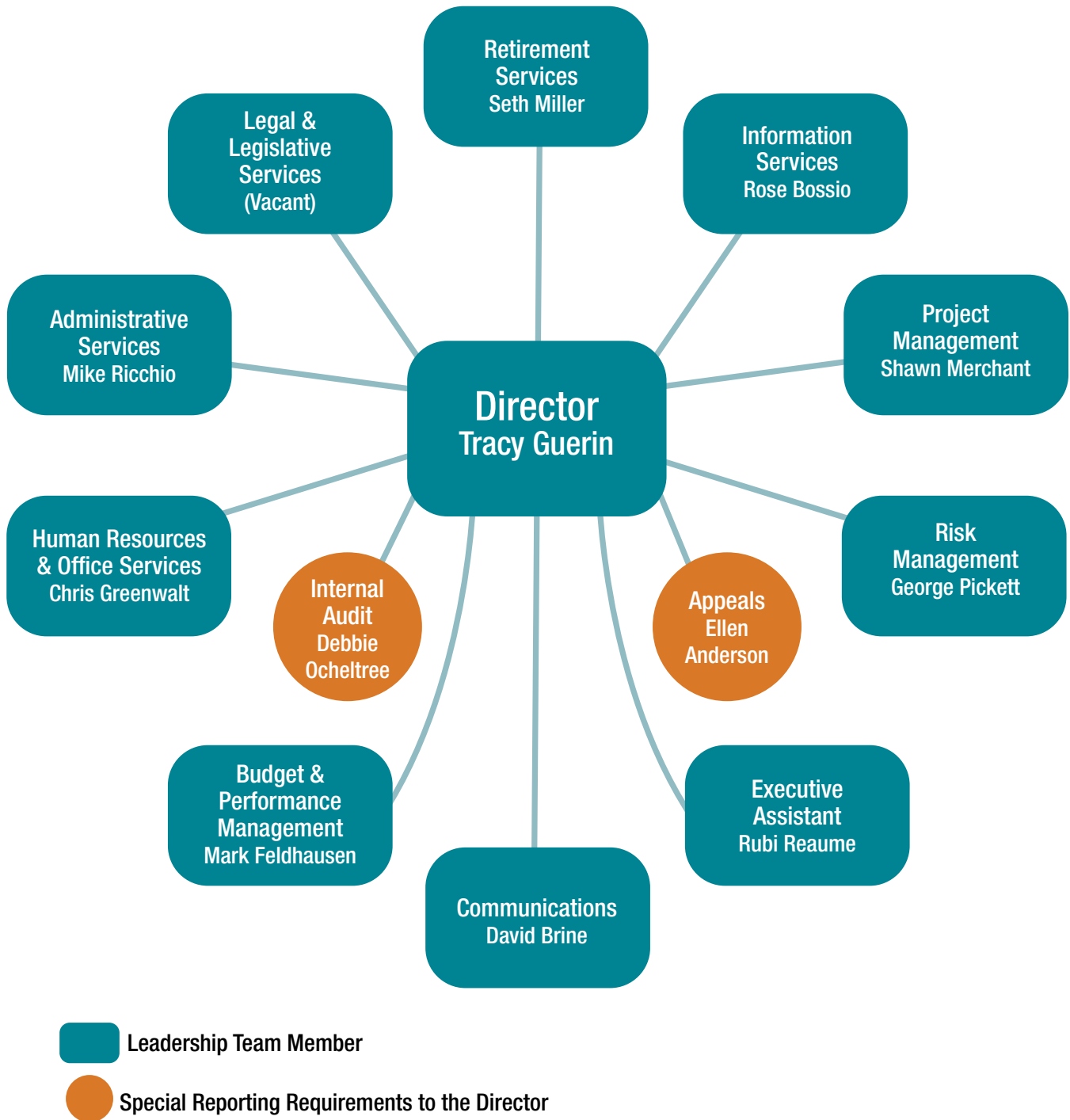


Chart is current as of June 30, 2017

Pension System Roles and Responsibilities

Pension System Roles and Responsibilities — Page 1 of 3

Organization and Contact Information	Responsibility	Membership/Executive
<p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504-8380 Phone: 360.664.7000 or 800.547.6657 Website: www.drs.wa.gov</p>	<p>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</p>	<p>Tracy Guerin – Director (The governor appoints the director of DRS.)</p>
<p>Washington State Investment Board PO Box 40916 Olympia, WA 98504-0916 Phone: 360.956.4600 Website: www.sib.wa.gov</p>	<p>Invests and accounts for pension funds</p>	<p>The board consists of 10 voting and five nonvoting members.</p> <p>Voting members Duane Davidson – State Treasurer Rep. Timm Ormsby Sen. Mark Mullet Tracy Guerin – Director, Department of Retirement Systems Joel Sacks – Director, Department of Labor and Industries Yona Makowski – Retired members Kelly Fox (chair) – LEOFF Arlista Holman – SERS Judy Kuschel (vice chair) – PERS Stephen Miller – TRS</p> <p>Nonvoting members – investment professionals William A. Longbrake Richard Muhlebach George Zinn David Nierenberg Mary Pugh</p>
<p>Office of Financial Management PO Box 43113 Olympia, WA 98504-3113 Phone: 360.902.0555 Website: www.ofm.wa.gov</p>	<p>Advises the governor on pension and funding policies and issues</p>	<p>David Schumacher – Director (The governor appoints the director of OFM.)</p>
<p>Office of the State Actuary PO Box 40914 Olympia, WA 98504-0914 Phone: 360.786.6140 Website: osa.leg.wa.gov</p>	<p>Acts as an advisory agency to the Legislature and to the director of DRS; performs actuarial studies and reports on retirement bills; and creates factors used to compute benefit payment adjustments that are based on early retirement, Cost-of-Living Adjustments or long-term survivor benefits</p>	<p>Matt Smith – State Actuary (The State Actuary Appointment Committee appoints the state actuary.)</p>
<p>Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board PO Box 40918 Olympia, WA 98504-0918 Phone: 360.586.2320 Website: www.leoff.wa.gov</p>	<p>Policy-making board that studies pension issues, acts as fiduciary of LEOFF Plan 2, sets contribution rates and recommends pension policy to the Legislature for LEOFF Plan 2 members</p>	<p>Fire fighter representatives Kelly Fox (chair) Michael White Mark Johnston</p> <p>Law enforcement representatives Rep. Jeff Holy (retired) Wally Loucks Jason Granneman</p> <p>Employer representatives David Cline Dwight Dively Paul Golnik</p> <p>Legislators Rep. Steve Bergquist Sen. Judy Warnick</p>

Pension System Roles and Responsibilities (cont.)

Pension System Roles and Responsibilities — Page 2 of 3

Organization and Contact Information	Responsibility	Membership/Executive
<p>Select Committee on Pension Policy Contact through the Office of the State Actuary</p>	<p>Studies pension issues and retirement finances, develops pension policies, and recommends pension legislation</p>	<p>Legislators Rep. Timm Ormsby Rep. Bruce Chandler (chair) Rep. Matt Manweller Rep. Derek Stanford Sen. Barbara Bailey Sen. Steve Conway (vice chair) Sen. Steve Hobbs Sen. Mark Schoesler</p> <p>Agency directors David Schumacher – Office of Financial Management Tracy Guerin – Department of Retirement Systems</p> <p>Retiree representatives Bev Hermanson – PERS Bob Thurston – WSPRS</p> <p>Active member representatives Randy Davis – TRS (Vacant) – PERS J. Pat Thompson – PERS David Westberg – SERS</p> <p>Employer representatives John Boesenberg – PERS/Higher Education Annette Creekpaum – PERS Beverly Freeman – PERS Byron Olson – PERS</p>
<p>DRS Advisory Committee Contact through DRS</p>	<p>Serves in an advisory role to the director of DRS</p>	<p>PERS Bev Hermanson – Retired Mary L. Sherman – Active</p> <p>SERS Jacques Meddles – Active Cheri Ingersoll – Retired</p> <p>LEOFF Scott Bieber – Active Richard Warbrouck – Retired</p> <p>TRS Nancy Baldwin – Retired (chair) Darrell Heisler – Active</p> <p>PSERS William Copland – Active</p> <p>WSPRS Travis Matheson – Active Rick Jensen – Retired (vice chair)</p> <p>JRS Judge Richard McDermott – Active</p> <p>DCP Kathy Whitlock – Participant</p> <p>Defined contribution plan administration Deirdre Walker – Weyerhaeuser</p>

Pension System Roles and Responsibilities (cont.)

Pension System Roles and Responsibilities — Page 3 of 3

Organization and Contact Information	Responsibility	Membership/Executive
<p>Pension Funding Council Contact through DRS</p>	<p>Adopts economic assumptions for pension funding and member and employer pension contribution rates for LEOFF Plan 1, PERS, PSERS, SERS, TRS and WSPRS</p>	<p>Legislators Rep. Bruce Chandler – Ranking minority member, House Appropriations Committee Rep. Timm Ormsby – Chair, House Appropriations Committee Sen. John Braun – Chair, Senate Ways and Means Committee Sen. Kevin Ranker – Ranking minority member, Senate Ways and Means Committee</p> <p>Agency directors David Schumacher (chair) – Office of Financial Management Tracy Guerin – Department of Retirement Systems</p>
<p>Legislative Fiscal Committees</p> <p>House Appropriations Committee PO Box 40600 Olympia, WA 98504-0600</p> <p>Senate Ways and Means Committee PO Box 40482 Olympia, WA 98504-0482</p> <p>Phone: 360.786.7155 or 800.562.6000 Website: www.leg.wa.gov</p>	<p>Reviews and reports on retirement bills to the full Legislature</p>	<p>The legislative fiscal committees are the House Appropriations Committee and the Senate Ways and Means Committee.</p>

Letter of Transmittal



STATE OF WASHINGTON
DEPARTMENT
OF RETIREMENT SYSTEMS
PO Box 48380 • Olympia, WA 98504-8380

October 17, 2017

The Honorable Jay Inslee, Governor
Members of the Sixty-Fifth Legislature
Members of the Select Committee on Pension Policy

We are pleased to present our *Comprehensive Annual Financial Report (CAFR)* for the fiscal year ended June 30, 2017. This report is intended to provide complete and reliable information that can be used to make management decisions and evaluate responsible stewardship of the retirement systems' funds.

This CAFR is also designed to comply with the requirements of RCW 41.50.050(4), RCW 41.50.055(6) and RCW 41.50.780(8).

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 information 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, issued an unmodified ("clean") opinion on DRS' financial statements for the year ended June 30, 2017. The independent auditors' report is located at the beginning of the Financial Section of this CAFR.

"Management's Discussion and Analysis" (MD&A) immediately follows the independent auditors' 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

DRS was established to administer pension plans for state employees, teachers and classified educational employees, law enforcement officers and fire fighters, and other employees of participating political subdivisions. DRS was also given administrative responsibility for the state's Deferred Compensation Program.

As of June 30, 2017, 1,345 employers were covered, 156 of which were component units of the state. They participate in the eight statewide retirement systems DRS administers. Those retirement systems are composed of 15 defined benefit plans, three of which include a defined contribution component.

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

Departmental Initiatives

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

Financial Reporting and Internal Control

This CAFR 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. 67, Financial Reporting for Pension Plans, and other authoritative accounting criteria. Specific accounting policies are detailed in the "Notes to the Financial Statements."

Letter of Transmittal (cont.)

DRS' management is responsible for establishing and maintaining an internal control structure designed to protect the assets of the retirement systems from loss, theft and misuse and to compile reliable accounting data 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.

Funding

The intent of public pension funding in Washington is to provide a dependable and systematic process for financing the benefits the retirement systems provide. Measurement of funding status indicates how well that goal is being met.

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 members assurance that their pension benefits are secure.

The actuarial value of assets available as of the latest actuarial date, June 30, 2016, for all systems is \$74,352 million. The accrued liability is \$88,271 million.

The accrued liability exceeds the net actuarial value of assets available for benefits by \$13,919 million. The ratio of assets to liabilities is 84%, compared to 86% last year. Current contribution rates remain in keeping with the goal of attaining a funding ratio of 100% by the amortization dates applicable to each plan, as required by Chapter 41.45 RCW. Valuations are performed for DRS-administered retirement systems on a yearly (July 1 through June 30) basis. The Office of the

State Actuary prepares these calculations. Additional actuarial information is included in the Actuarial Section of this CAFR.

Investments

In accordance with RCW 43.33A.110, the Washington State Investment Board (WSIB) manages the pension trust fund portfolio to maximize return at a prudent level of risk.

The WSIB establishes asset allocation targets that constitute the board's view of a prudent and well-reasoned approach to the management of the entrusted funds. At any given time, the asset mix might deviate from the target; deviations greater than predetermined acceptable levels require rebalancing. The goal of rebalancing is to meet the target allocation within consideration of the other remaining asset classes.

Most pension funds are invested in the Commingled Trust Fund (CTF), a diversified pool of investments. For fiscal year 2017, the CTF investments provided a 13.4% one year time-weighted rate of return. The annualized rate of return was 6.9% over the past three years and 10.0% over the past five years.

A listing of investment professionals who provide services to the WSIB, is available beginning on page 112, and additional investment information is included in the Investment Section of this CAFR.

Professional Award

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 CAFR for the fiscal year ended June 30, 2016.

This was the 22nd consecutive year DRS earned this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current CAFR continues

Letter of Transmittal (cont.)

to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility.

Acknowledgments

This report was made possible by the team members 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. We appreciate their assistance.

Respectfully submitted,



Tracy Guerin
Director

Significant Events in State Retirement History

1930s–1940s

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

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

LEOFF, PERS and TRS Plans 2 were created.

1981

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

1987

The Joint Committee on Pension Policy was established.

1995

TRS Plan 3 was created.

1996

The state Deferred Compensation Program (DCP) was transferred to DRS.

DRS assumed accounting and reporting responsibility for JRA.

1998

School Employees' Retirement System (SERS) Plans 2 and 3 were created.

The Pension Funding Council was created.

2000

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

2001

WSPRS Plan 2 was created.

2003

The LEOFF 2 Board was established.

The Joint Committee on Pension Policy became the Select Committee on Pension Policy.

2004

The Public Safety Employees' Retirement System (PSERS) was created.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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Reporting**

Presented to

**Washington State
Department of Retirement Systems**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

2017 Washington State Legislative Actions

In 2017, the Washington Legislature passed four pension-related bills that Gov. Jay Inslee signed into law. These laws are described below.

LEOFF

SB 5661

No-cost interruptive military service credit for LEOFF Plan 2 members

This law instructs the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to study the issue of interruptive military service credit for veterans who leave employment to serve in a specific conflict but who do not receive a campaign badge or medal.

HB 2202

Eligibility of EMTs for membership in LEOFF Plan 2

This law expands the definition of "employer" in Plan 2 of the LEOFF Retirement System to include public corporations established under RCW 35.21.730 to provide emergency medical services. It also narrows the definition of "fire fighter" for purposes of LEOFF Plan 2 membership to include only those emergency medical technicians (EMTs) who provide emergency medical services and are a "physician's trained advanced emergency medical technician and paramedic" or an EMT under RCW 18.73.030.

The law allows any EMT who provided emergency medical services on or after July 24, 2005, to establish credit in LEOFF Plan 2 for that service. Employers must provide DRS with a list of former employees eligible for service credit under this section of the law. DRS must notify these employees of the process and cost to establish service credit. If the employees were not members of the Public Employees' Retirement System, they have until July 1, 2018, to purchase some or all of their previous EMT service. If they were members of PERS, they have three choices:

- Continue as PERS members, including any new service
- Keep their PERS service and be reported in Plan 2 of LEOFF prospectively
- Transfer all eligible EMT service from PERS to LEOFF and be reported in LEOFF prospectively

WSPRS

SB 5274

Washington State Patrol voluntary overtime

This law amends the definition of "salary" in the Washington State Patrol Retirement System to include voluntary overtime earned after July 1, 2017. This would result in voluntary overtime of 70 hours or less per year being considered earnable compensation, which is used when calculating a retiree's Average Final Salary and, therefore, the retiree's monthly benefit amount.

PERS/PSERS

HB 1709

Allowing PERS members meeting specific criteria to transfer service credit into PSERS

This law allows Public Employees' Retirement System (PERS) members who meet certain eligibility criteria to transfer their PERS service credit into the Public Safety Employees' Retirement System (PSERS) as long as they pay the difference between the PERS and PSERS employee contribution rates for the affected service credit. Their employers would also have to pay the difference between the PERS and PSERS employer contribution rates.

For a complete list of pension-related bills introduced in 2017, see the [Legislation section](#) of the DRS website.

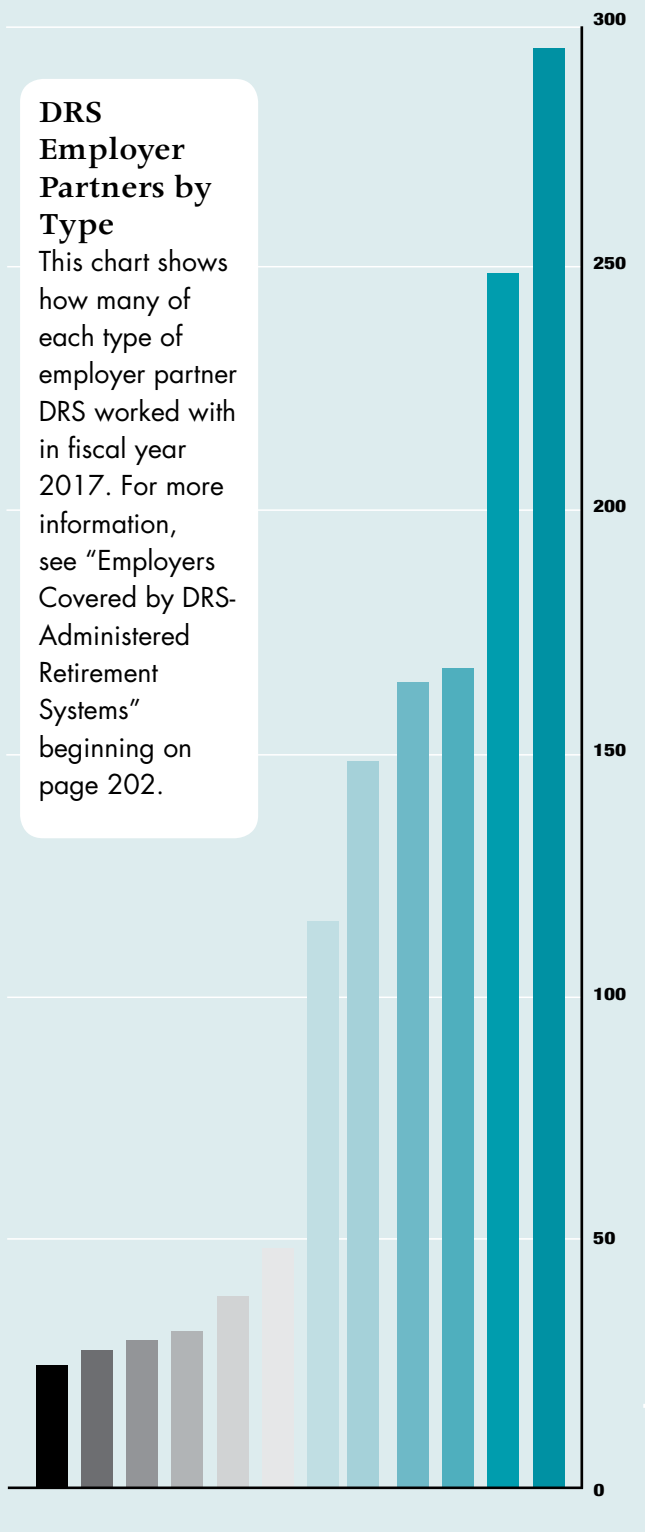
EMPLOYERS by the Numbers

1,345 EMPLOYER PARTNERS

\$2.2 BILLION IN EMPLOYER CONTRIBUTIONS

DRS Employer Partners by Type

This chart shows how many of each type of employer partner DRS worked with in fiscal year 2017. For more information, see "Employers Covered by DRS-Administered Retirement Systems" beginning on page 202.



DRS partners with employers across the state to ensure retirement system members receive the benefits they've earned.

School Districts	295	Irrigation, Sewer and Water Districts	116
Cities and Towns	249	Ports	49
Component Units of the State	168	Counties	39
State Agencies	102	Public Utility Districts	32
State Commissions	30	Housing Authorities	30
Technical and Community Colleges	30	Libraries and Library Districts	28
Universities	6	Transportation Authorities and Districts	25
Fire Protection Districts	165		
Other Political Subdivisions	149		
Aging and Long-Term Care	4		
Air Quality Agencies	7		
Airports and Airport Boards	4		
Associations and Unions	3		
Cemetery Districts	5		
Charter Schools	8		
Conservation Districts	15		
Councils	13		
Development Authorities/Districts	5		
Educational Service Districts	9		
Emergency Services and Communication Districts	20		
Insurance Authorities	7		
Mosquito Districts	5		
Parks and Recreation Districts	10		
Public Facility Districts	5		
Public Health	14		
Road Departments	2		
Weed Control Districts	5		
Other Government Entities	8		

Financial Section



INDEPENDENT AUDITORS' REPORT

Ms. Tracy Guerin, Director
Washington State Department of Retirement Systems
Olympia, Washington

Report on the Financial Statements

We have audited the accompanying financial statements (including the individual fund financial statements) of the Washington State Department of Retirement Systems (DRS), which comprise the statement of fiduciary net position as of June 30, 2017, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, DRS' fiduciary net position as of June 30, 2017, and the changes in its fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements present fairly in all material respects, the fiduciary net position of each of the individual funds of DRS as of June 30, 2017, and the changes in fiduciary net position of such funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (cont.)

Ms. Tracy Guerin, Director
Washington State Department of Retirement Systems

Report on Summarized Comparative Information

We have previously audited the DRS' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Required Supplementary Schedules of Changes in Net Pension Liability, Net Pension Liability, Employer Contributions and Investment Returns and the related Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DRS' basic financial statements. The Schedules of Administrative Expenses, Investment Expenses – Pension Trust Funds and Payments to Consultants (Supporting Schedules), as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements.

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

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



CliftonLarsonAllen LLP

Baltimore, Maryland
October 17, 2017

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, 2017. Please read it in conjunction with the "Letter of Transmittal," beginning on page 8, and the financial statements, beginning on page 21.

Financial Highlights

- The overall financial position of DRS improved during the year; the fiduciary net position of all the pension funds increased \$11,633.9 million.
- The covered payroll subject to both employee and employer pension contributions reported during the year totaled \$19,947.2 million, representing a 6% increase over the previous year.
- Employer contributions totaled \$2,205.8 million, and member contributions (including restorations) totaled \$1,422.6 million, representing increases of 8.9% and 6.0%, respectively, over the previous fiscal year.
- Net investment earnings (net appreciation/depreciation in the fair value of investments plus interest and dividend income less investment expenses) increased \$10,506.7 million to \$12,473.9 million.
- Pension benefits paid to retirees and beneficiaries increased \$203.2 million, bringing the total benefit payments to \$4,059.7 million. Refunds of contributions paid to former retirement system members increased 2.7% to \$760.3 million.
- Administrative expenses totaled \$40.1 million and represented a 12.6% increase over the last fiscal year.

Overview of the Financial Statements

DRS' financial statements 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 are fund financial statements and include a "Statement of Fiduciary Net Position" and a "Statement of Changes in Fiduciary Net Position." The fiduciary

funds include defined benefit and defined contribution pension trust funds and the Deferred Compensation Program trust fund.

The "Statement of Fiduciary Net Position," beginning on page 21, reports the assets, liabilities and resulting net position available for pension and other benefits as of June 30, 2017. The "Statement of Changes in Fiduciary Net Position," beginning on page 25, reports the additions to, deductions from and resulting change in fiduciary net position for the fiscal year.

Notes to the Financial Statements: The notes to the financial statements, beginning on page 29 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. Note 2 provides a general description of the retirement plans, membership, employer net pension liability and actuarial assumptions.

Required Supplementary Information

Two years of financial statements alone cannot provide sufficient information to properly evaluate the long-term financial position of the plans. The required supplementary information enhances that perspective and consists of four schedules built prospectively to present 10-year historical trends.

The "Schedule of Net Pension Liability" presents each pension plan's net pension liability. The "Schedules of Changes in Net Pension Liability" include current fiscal year and prior fiscal year information about the changes in the net pension liability of each pension plan.

The "Schedule of Investment Returns" presents the annual money-weighted rate of return, net of investment expense, for each pension plan. The "Schedule of Contributions" presents information about the annual required contributions of employers, the contributions made in relation to that requirement, covered employee payroll and the contributions as a percentage of covered payroll. The required supplementary information schedules begin on page 82.

Management's Discussion and Analysis (cont.)

Supporting Schedules and Other Financial Information

The supporting schedules, which begin on page 100, provide additional detailed information that is useful in evaluating the condition of the plans DRS administers.

These schedules include information on administrative expenses, investment expenses and payments to consultants.

Financial Analysis of DRS Funds

Analysis of Fiduciary Net Position Dollars in Millions				
Fiduciary Net Position	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease) Amount	Increase (Decrease) Percentage
Assets				
Cash and Pooled Investments	\$ 40.2	\$ 42.8	\$ (2.6)	(6.1)%
Receivables	2,900.4	3,470.3	(569.9)	(16.4)%
Capital Assets, Net of Depreciation	0.2	0.2	—	0.0%
Investments, Noncurrent	102,658.6	90,648.2	12,010.4	13.2%
Other Assets	1.3	1.4	(0.1)	(7.1)%
Total Assets	105,600.7	94,162.9	11,437.8	12.1%
Liabilities				
Obligations Under Securities Lending Agreements	712.7	683.1	29.6	4.3%
Other Short-Term Liabilities	2,760.4	2,986.0	(225.6)	(7.6)%
Long-Term Obligations	1.3	1.4	(0.1)	(7.1)%
Total Liabilities	3,474.4	3,670.5	(196.1)	(5.3)%
Fiduciary Net Position	\$ 102,126.3	\$ 90,492.4	\$ 11,633.9	12.9%

The fiduciary net position increased by \$11,633.9 million in fiscal year 2017 and totaled \$102,126.3 million at fiscal year-end. The increase was mostly due to strong investment earnings.

Total trust-fund assets as of June 30, 2017, were \$105,600.7 million, representing an increase of \$11,437.8 million, or 12.1% over the previous fiscal year. This increase was primarily due to a \$10,506.7 million increase in net income from investment activities, caused almost entirely by current year market movements.

Total trust-fund liabilities as of June 30, 2017, were \$3,474.4 million, representing a decrease of \$196.1 million, or 5.3%, over the previous year. The decrease in liabilities is mostly attributable to fewer pending investment trades.

Analysis of Changes in Fiduciary Net Position Dollars in Millions				
Changes in Fiduciary Net Position	Fiscal Year 2017	Fiscal Year 2016	Increase (Decrease) Amount	Increase (Decrease) Percentage
Additions				
Employer Contributions	\$ 2,205.8	\$ 2,025.9	\$ 179.9	8.9%
Member Contributions	1,422.6	1,342.6	80.0	6.0%
State Contributions	72.0	70.4	1.6	2.3%
Participant Contributions	287.1	213.5	73.6	34.5%
Net Investment Income (Loss)	12,473.9	1,967.2	10,506.7	534.1%
Charges for Services	38.6	36.8	1.8	4.9%
Transfers from Other Pension Plans	10.3	5.9	4.4	74.6%
Total Additions	16,510.3	5,662.3	10,848.0	191.6%
Deductions				
Benefits	4,059.7	3,856.5	203.2	5.3%
Refunds of Contributions	760.3	740.3	20.0	2.7%
Transfers to Other Pension Plans	10.3	5.9	4.4	74.6%
Transfers to Other Funds	6.0	6.0	—	0.0%
Administrative Expenses	40.1	35.6	4.5	12.6%
Total Deductions	4,876.4	4,644.3	232.1	5.0%
Net Increase (Decrease)	11,633.9	1,018.0	10,615.9	1,042.8%
Fiduciary Net Position: July 1	90,492.4	89,474.4	1,018.0	1.1%
Fiduciary Net Position: June 30	\$ 102,126.3	\$ 90,492.4	\$ 11,633.9	12.9%

Additions to the retirement trust funds primarily consist of contributions from employers, active system members, the state and 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 2017 totaled \$16,500.0 million, an increase of \$10,853.6 million from fiscal year 2016. This was primarily due to the \$10,506.7 million

Management's Discussion and Analysis (cont.)

increase in net income from investment activities. The investment performance yielded a 13.4% total one year time-weighted return for the retirement funds' Commingled Trust Fund (CTF), compared to the 2.7% return of the previous year.

Employer contributions increased \$179.9 million, or 8.9%, and totaled \$2,205.8 million. This increase was the result of increased employment and salaries, employer reporting for periods prior to the current fiscal year, and employer-specific invoices. Total covered payroll was \$19,947.2 million and represented a 6% increase over the previous year.

Member contributions include both regular and restoration contributions as well as service credit purchases. Total member contributions increased \$80 million, or 6%, over the previous year and totaled \$1,422.6 million for fiscal year 2017.

- Regular member contributions increased

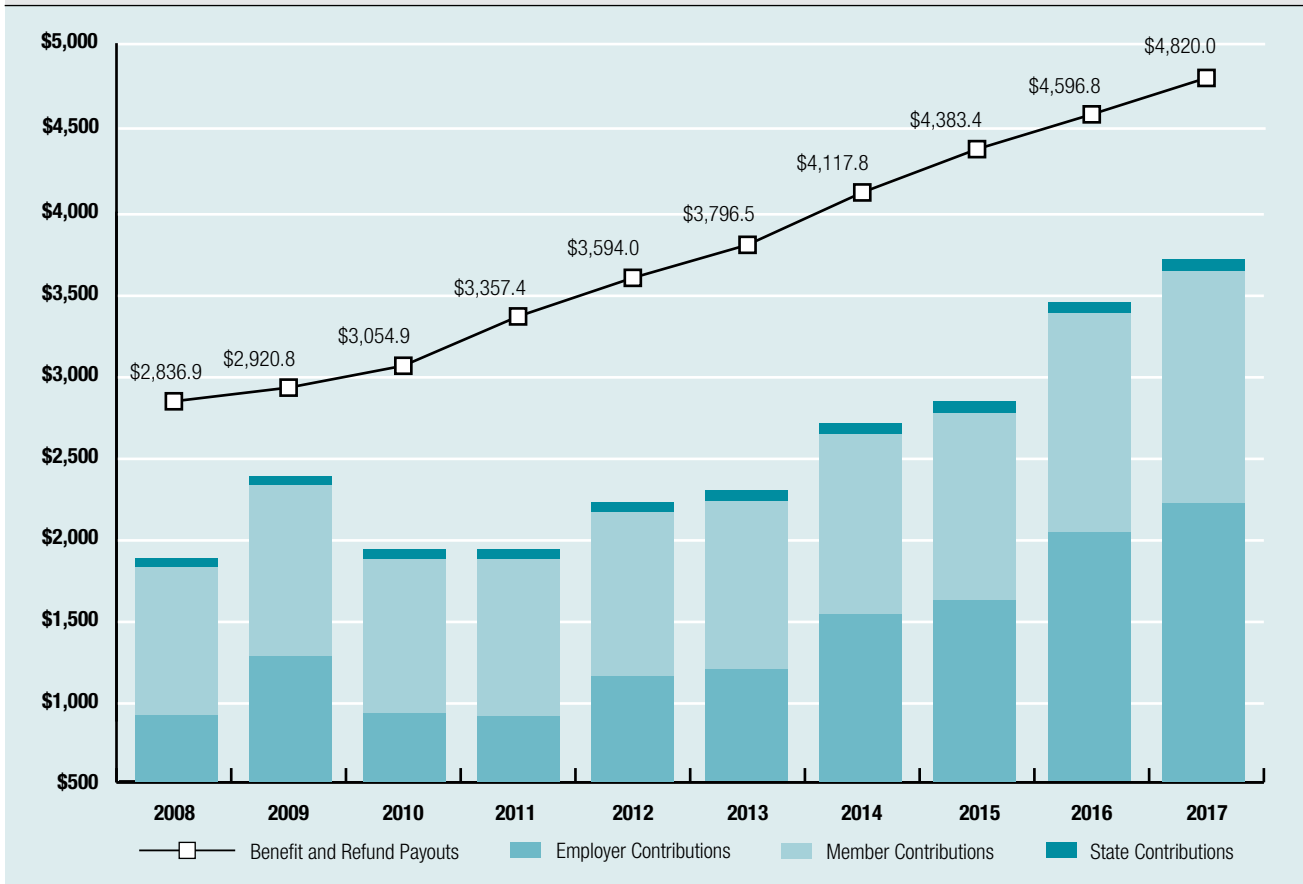
\$62.8 million to \$1,340.4 million and reflected increased employment and salaries.

- Other contributions increased \$17.3 million to \$82.2 million during the current year.

State contributions increased \$1.6 million to \$72 million in fiscal year 2017. The increase was in state General Fund allocations for Plan 2 of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), which moved from \$60.4 million to \$62.1 million. State contributions to the Judicial Retirement System (JRS) decreased to \$9.3 million and the Judges' Retirement Fund (JRF) received \$0.5 million during the current year.

Participant contributions to the Deferred Compensation Program (DCP) increased 34.5% over the prior year and totaled \$287.1 million in fiscal year 2017. As of June 30, 2017, the number of active and contributing DCP participants was 40,722 and represented an increase of 3,059, or 8% over the previous year.

Trust Fund Contributions and Payouts
For the Fiscal Years Ended June 30, 2007-2016 — Dollars in Millions



Management's Discussion and Analysis (cont.)

The significant increase in DCP contributions and participation is a result of the mandatory auto-enrollment of new state employees at 3% that went into effect January 1, 2017. Even though new state employees have the option to opt out of DCP participation, 92% continue to participate in DCP either at the 3% auto-enrollment rate or at a percentage or amount the participant chooses.

Transfers from and to other pension plans increased from \$5.9 million in fiscal year 2016 to \$10.3 million in fiscal year 2017.

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.

Deductions to the deferred compensation trust fund consist of payments to plan participants and administrative expenses.

Expenses the Washington State Investment Board (WSIB) incurred for the investment of trust funds are funded from earnings on investments.

Total trust fund deductions (excluding plan transfers) for fiscal year 2017 were \$4,866.1 million, an increase of \$227.7 million, or 5%, over fiscal year 2016. This growth resulted primarily from an increase in benefits paid to retirees and beneficiaries. Benefit payments increased \$203.2 million, or 5.3%, 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 2017 were \$760.3 million, representing a \$20 million increase from the previous year. Of this increase, \$3.2 million can be attributed to employees withdrawing their plan contributions upon terminating public employment and \$16.8 million can be attributed to increased distributions from DCP for mandatory distributions and other withdrawals from program participants.

Capital Assets

DRS' investment in capital assets includes furnishings, equipment and improvements other than buildings. As of June 30, 2017, total investment was \$2.2 million, with accumulated depreciation of \$2 million, leaving a net book value of \$0.2 million. Additional information can be found in Note 1 to the financial statements.

Other Long-Term Obligations

At year-end, DRS had \$1.4 million in outstanding general long-term obligations. These long-term obligations represent DRS' liability for employees' accumulated annual and sick leave. Additional information can be found in Note 1 to the financial statements.

Contacting DRS' Financial Management

This CAFR is designed to provide a general overview of DRS' finances. If you have questions about this report or need additional financial information, contact:

Department of Retirement Systems' Fiscal Office
PO Box 48380
Olympia, WA 98504-8380

Statement of Fiduciary Net Position

Pension Trust Funds by Plan

June 30, 2017, with Comparative Totals for June 30, 2016 — Page 1 of 4

Dollars 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	\$ 2,586	\$ 4,682	\$ 606	\$ 2,768	\$ 1,320
Receivables					
Due from Other Governments	3,154	77,874	5,905	15,539	5,387
Member Accounts Receivable (Net of Allowance)	790	380	—	22	—
Interest and Dividends	20,486	95,542	4,839	13,131	4,068
Investment Trades Pending Receivable — Short Term	191,358	896,956	43,571	124,450	36,625
Due from Pension Funds	40,286	189	—	71	—
Due from Other Washington State Agencies	4	—	—	—	—
Total Receivables	<u>256,078</u>	<u>1,070,941</u>	<u>54,315</u>	<u>153,213</u>	<u>46,080</u>
Capital Assets, Net of Depreciation	<u>63</u>	<u>12</u>	<u>—</u>	<u>5</u>	<u>—</u>
Investments					
Equity in CTF	7,295,308	34,169,717	1,659,913	4,740,896	1,395,298
Liquidity	164,961	791,254	46,979	111,592	37,122
Other Noncurrent Investments	—	—	1,137,887	—	478,056
Collateral Held Under Securities Lending Agreements	57,283	267,624	12,989	37,184	10,918
Total Investments	<u>7,517,552</u>	<u>35,228,595</u>	<u>2,857,768</u>	<u>4,889,672</u>	<u>1,921,394</u>
Other Assets	<u>465</u>	<u>92</u>	<u>—</u>	<u>35</u>	<u>—</u>
Total Assets	<u>7,776,744</u>	<u>36,304,322</u>	<u>2,912,689</u>	<u>5,045,693</u>	<u>1,968,794</u>
Liabilities					
Obligations Under Securities Lending Agreements	57,283	267,624	12,989	37,184	10,918
Accounts Payable	2,225	6,825	7,023	953	5,100
Investment Trades Pending Payable — Short Term	211,197	994,465	43,571	137,195	40,580
Due to Other Governments	6,050	4,112	—	860	—
Due to Pension Funds	2	29,363	4,023	5,693	637
Due to Washington State Agencies	116	42	—	9	—
Other Short-Term Liabilities	1	7	—	18	—
Other Long-Term Obligations	465	92	—	35	—
Accrued Salaries	275	59	—	21	—
Unearned Revenues	39	500	—	3	—
Total Liabilities	<u>277,653</u>	<u>1,303,089</u>	<u>67,606</u>	<u>181,971</u>	<u>57,235</u>
Fiduciary Net Position					
Pension Plans	7,499,091	35,001,233	2,845,083	4,863,722	1,911,559
DCP	—	—	—	—	—
Total Fiduciary Net Position	<u>\$ 7,499,091</u>	<u>\$ 35,001,233</u>	<u>\$ 2,845,083</u>	<u>\$ 4,863,722</u>	<u>\$ 1,911,559</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position (cont.)

Pension Trust Funds by Plan					
June 30, 2017, with Comparative Totals for June 30, 2016 — Page 2 of 4					
Dollars 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	\$ 259	\$ 2,354	\$ 4,578	\$ 5,818	\$ 1,564
Receivables					
Due from Other Governments	2,840	851	40,415	23,811	202
Member Accounts Receivable (Net of Allowance)	—	154	112	—	198
Interest and Dividends	1,366	15,753	33,653	14,770	15,735
Investment Trades Pending Receivable — Short Term	12,784	147,022	320,535	132,954	147,227
Due from Pension Funds	—	21,847	272	—	395
Due from Other Washington State Agencies	—	1	—	—	1
Total Receivables	<u>16,990</u>	<u>185,628</u>	<u>394,987</u>	<u>171,535</u>	<u>163,758</u>
Capital Assets, Net of Depreciation	—	55	18	—	26
Investments					
Equity in CTF	490,899	5,617,008	12,210,701	5,065,074	5,609,385
Liquidity	11,020	126,741	291,046	141,738	126,918
Other Noncurrent Investments	—	—	—	3,166,175	—
Collateral Held Under Securities Lending Agreements	3,816	44,010	95,767	39,635	43,968
Total Investments	<u>505,735</u>	<u>5,787,759</u>	<u>12,597,514</u>	<u>8,412,622</u>	<u>5,780,271</u>
Other Assets	—	411	132	—	192
Total Assets	<u>522,984</u>	<u>5,976,207</u>	<u>12,997,229</u>	<u>8,589,975</u>	<u>5,945,811</u>
Liabilities					
Obligations Under Securities Lending Agreements	3,816	44,010	95,767	39,635	43,968
Accounts Payable	93	1,630	2,486	9,117	1,602
Investment Trades Pending Payable — Short Term	14,109	162,265	353,195	147,309	162,491
Due to Other Governments	5	6,132	1,787	—	1
Due to Pension Funds	1,283	3	19,507	2,294	4
Due to Washington State Agencies	—	102	34	—	46
Other Short-Term Liabilities	—	1	24	—	—
Other Long-Term Obligations	—	410	132	—	192
Accrued Salaries	1	241	78	—	112
Unearned Revenues	—	—	12	—	—
Total Liabilities	<u>19,307</u>	<u>214,794</u>	<u>473,022</u>	<u>198,355</u>	<u>208,416</u>
Fiduciary Net Position					
Pension Plans	503,677	5,761,413	12,524,207	8,391,620	5,737,395
DCP	—	—	—	—	—
Total Fiduciary Net Position	<u>\$ 503,677</u>	<u>\$ 5,761,413</u>	<u>\$ 12,524,207</u>	<u>\$ 8,391,620</u>	<u>\$ 5,737,395</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position (cont.)

Pension Trust Funds by Plan				
June 30, 2017, with Comparative Totals for June 30, 2016 — Page 3 of 4				
Dollars in Thousands	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	JRF
Assets				
Cash and Pooled Investments	\$ 1,562	\$ 817	\$ 7,422	\$ 685
Receivables				
Due from Other Governments	15,350	594	—	—
Member Accounts Receivable (Net of Allowance)	58	—	—	—
Interest and Dividends	32,199	3,314	7	1
Investment Trades Pending Receivable — Short Term	301,679	31,026	—	—
Due from Pension Funds	31	34	1	—
Due from Other Washington State Agencies	—	—	—	—
Total Receivables	<u>349,317</u>	<u>34,968</u>	<u>8</u>	<u>1</u>
Capital Assets, Net of Depreciation	<u>2</u>	<u>2</u>	<u>—</u>	<u>—</u>
Investments				
Equity in CTF	11,502,352	1,183,152	—	—
Liquidity	259,577	26,746	—	—
Other Noncurrent Investments	—	—	—	—
Collateral Held Under Securities Lending Agreements	90,001	9,274	130	12
Total Investments	<u>11,851,930</u>	<u>1,219,172</u>	<u>130</u>	<u>12</u>
Other Assets	<u>15</u>	<u>17</u>	<u>—</u>	<u>—</u>
Total Assets	<u>12,202,826</u>	<u>1,254,976</u>	<u>7,560</u>	<u>698</u>
Liabilities				
Obligations Under Securities Lending Agreements	90,001	9,274	130	12
Accounts Payable	2,888	265	2	—
Investment Trades Pending Payable — Short Term	332,956	34,243	—	—
Due to Other Governments	32	235	28	2
Due to Pension Funds	305	10	—	—
Due to Washington State Agencies	25	5	—	—
Other Short-Term Liabilities	—	—	—	—
Other Long-Term Obligations	15	17	—	—
Accrued Salaries	23	10	—	—
Unearned Revenues	383	—	—	—
Total Liabilities	<u>426,628</u>	<u>44,059</u>	<u>160</u>	<u>14</u>
Fiduciary Net Position				
Pension Plans	11,776,198	1,210,917	7,400	684
DCP	—	—	—	—
Total Fiduciary Net Position	<u>\$ 11,776,198</u>	<u>\$ 1,210,917</u>	<u>\$ 7,400</u>	<u>\$ 684</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position (cont.)

Pension Trust Funds by Plan				
June 30, 2017, with Comparative Totals for June 30, 2016 — Page 4 of 4				
Dollars in Thousands	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation Program	June 30, 2017	June 30, 2016
Assets				
Cash and Pooled Investments	\$ 9	\$ 3,212	\$ 40,242	\$ 42,750
Receivables				
Due from Other Governments	—	266	192,188	188,903
Member Accounts Receivable (Net of Allowance)	1	2,320	4,035	3,553
Interest and Dividends	—	2	254,866	303,205
Investment Trades Pending Receivable — Short Term	—	—	2,386,187	2,826,463
Due from Pension Funds	—	—	63,126	148,145
Due from Other Washington State Agencies	—	—	6	11
Total Receivables	1	2,588	2,900,408	3,470,280
Capital Assets, Net of Depreciation	—	—	183	197
Investments				
Equity in CTF	—	—	90,939,703	80,195,475
Liquidity	—	—	2,135,694	1,927,272
Other Noncurrent Investments	10,556	4,077,857	8,870,531	7,842,367
Collateral Held Under Securities Lending Agreements	—	54	712,665	683,169
Total Investments	10,556	4,077,911	102,658,593	90,648,283
Other Assets	—	—	1,359	1,431
Total Assets	10,566	4,083,711	105,600,785	94,162,941
Liabilities				
Obligations Under Securities Lending Agreements	—	54	712,665	683,169
Accounts Payable	—	726	40,935	35,553
Investment Trades Pending Payable — Short Term	—	—	2,633,576	2,780,057
Due to Other Governments	—	—	19,244	18,051
Due to Pension Funds	—	2	63,126	148,145
Due to Washington State Agencies	—	14	393	416
Other Short-Term Liabilities	—	1,291	1,342	1,601
Other Long-Term Obligations	—	—	1,358	1,431
Accrued Salaries	—	51	871	792
Unearned Revenues	—	—	937	1,337
Total Liabilities	—	2,138	3,474,447	3,670,552
Fiduciary Net Position				
Pension Plans	10,566	—	98,044,765	86,867,998
DCP	—	4,081,573	4,081,573	3,624,391
Total Fiduciary Net Position	\$ 10,566	\$ 4,081,573	\$ 102,126,338	\$ 90,492,389

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

Pension Trust Funds by Plan

For the Fiscal Year Ended June 30, 2017, with Comparative Totals for June 30, 2016 — Page 1 of 4

Dollars 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	\$ 609,287	\$ 621,927	\$ —	\$ 134,727	\$ —
Plan Member	11,092	486,407	129,969	51,627	71,737
State	—	—	—	—	—
Plan Member Restorations	4,338	32,159	—	774	—
Total Retirement Contributions	624,717	1,140,493	129,969	187,128	71,737
Participant Contributions	—	—	—	—	—
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	802,907	3,670,712	305,851	509,039	199,094
Interest and Other Investment Income	126,725	569,960	28,643	79,039	23,923
Dividends	46,996	213,459	10,343	29,600	8,746
Less: Investment Expenses	(31,962)	(144,035)	(7,908)	(20,157)	(6,184)
Subtotal Net Investment Income (Loss)	944,666	4,310,096	336,929	597,521	225,579
Securities Lending Income					
Securities Lending Income	1,140	5,145	250	712	212
Less: Costs of Lending Securities	(508)	(2,306)	(112)	(319)	(95)
Net Securities Lending Income	632	2,839	138	393	117
Total Net Investment Income (Loss)	945,298	4,312,935	337,067	597,914	225,696
Charges for Services	3,178	14,165	672	1,499	564
Transfers from Other Pension Plans	7	385	3,244	29	2,498
Miscellaneous	5	23	—	3	—
Total Additions	1,573,205	5,468,001	470,952	786,573	300,495
Deductions					
Benefits	1,196,060	894,229	—	130,039	—
Contribution Refunds	3,159	37,374	98,499	3,227	85,577
Annuity Payments	—	—	6,400	—	4,055
Transfers to Other Pension Plans	28	3,524	712	2,262	258
Transfers to Other Funds	530	2,475	—	344	—
Administrative Expenses	3,342	14,218	673	1,460	564
Total Deductions	1,203,119	951,820	106,284	137,332	90,454
Net Increase (Decrease)	370,086	4,516,181	364,668	649,241	210,041
Fiduciary Net Position					
Beginning of Year: July 1	7,129,005	30,485,052	2,480,415	4,214,481	1,701,518
End of Year: June 30	\$ 7,499,091	\$ 35,001,233	\$ 2,845,083	\$ 4,863,722	\$ 1,911,559

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position (cont.)

Pension Trust Funds by Plan					
For the Fiscal Year Ended June 30, 2017, with Comparative Totals for June 30, 2016 — Page 2 of 4					
Dollars 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	\$ 23,238	\$ 348,968	\$ 364,106	\$ —	\$ —
Plan Member	23,409	3,846	75,481	322,155	—
State	—	—	—	—	—
Plan Member Restorations	289	3,061	5,897	—	1,908
Total Retirement Contributions	<u>46,936</u>	<u>355,875</u>	<u>445,484</u>	<u>322,155</u>	<u>1,908</u>
Participant Contributions	—	—	—	—	—
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	51,002	618,944	1,310,903	906,038	615,132
Interest and Other Investment Income	7,834	97,999	203,452	86,141	96,647
Dividends	2,946	36,279	76,213	31,555	35,961
Less: Investment Expenses	(1,969)	(24,723)	(52,116)	(23,796)	(24,400)
Subtotal Net Investment Income (Loss)	<u>59,813</u>	<u>728,499</u>	<u>1,538,452</u>	<u>999,938</u>	<u>723,340</u>
Securities Lending Income					
Securities Lending Income	71	880	1,834	764	872
Less: Costs of Lending Securities	(32)	(392)	(822)	(343)	(389)
Net Securities Lending Income	39	488	1,012	421	483
Total Net Investment Income (Loss)	<u>59,852</u>	<u>728,987</u>	<u>1,539,464</u>	<u>1,000,359</u>	<u>723,823</u>
Charges for Services	218	2,442	3,258	2,054	2,430
Transfers from Other Pension Plans	5	—	118	3,542	—
Miscellaneous	—	4	8	—	4
Total Additions	<u>107,011</u>	<u>1,087,308</u>	<u>1,988,332</u>	<u>1,328,110</u>	<u>728,165</u>
Deductions					
Benefits	1,148	906,293	254,721	—	360,060
Contribution Refunds	2,630	1,256	3,010	285,910	8
Annuity Payments	—	4,765	—	14,687	—
Transfers to Other Pension Plans	49	—	2,576	948	—
Transfers to Other Funds	36	407	886	—	405
Administrative Expenses	212	2,445	3,192	2,054	2,391
Total Deductions	<u>4,075</u>	<u>915,166</u>	<u>264,385</u>	<u>303,599</u>	<u>362,864</u>
Net Increase (Decrease)	<u>102,936</u>	<u>172,142</u>	<u>1,723,947</u>	<u>1,024,511</u>	<u>365,301</u>
Fiduciary Net Position					
Beginning of Year: July 1	400,741	5,589,271	10,800,260	7,367,109	5,372,094
End of Year: June 30	<u>\$ 503,677</u>	<u>\$ 5,761,413</u>	<u>\$ 12,524,207</u>	<u>\$ 8,391,620</u>	<u>\$ 5,737,395</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position (cont.)

Pension Trust Funds by Plan				
For the Fiscal Year Ended June 30, 2017, with Comparative Totals for June 30, 2016 — Page 3 of 4				
Dollars in Thousands	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	JRF
Additions				
Retirement Contributions				
Employer	\$ 95,920	\$ 7,587	\$ —	\$ —
Plan Member	158,316	6,365	—	—
State	62,155	—	9,300	499
Plan Member Restorations	29,662	4,089	—	—
Total Retirement Contributions	346,053	18,041	9,300	499
Participant Contributions	—	—	—	—
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	1,232,708	128,418	(19)	(1)
Interest and Other Investment Income	191,313	20,079	58	5
Dividends	71,656	7,490	—	—
Less: Investment Expenses	(48,246)	(5,066)	—	—
Subtotal Net Investment Income (Loss)	1,447,431	150,921	39	4
Securities Lending Income				
Securities Lending Income	1,724	181	—	—
Less: Costs of Lending Securities	(773)	(81)	—	—
Net Securities Lending Income	951	100	—	—
Total Net Investment Income (Loss)	1,448,382	151,021	39	4
Charges for Services	4,988	513	3	—
Transfers from Other Pension Plans	5	524	—	—
Miscellaneous	8	1	—	—
Total Additions	1,799,436	170,100	9,342	503
Deductions				
Benefits	219,715	56,666	8,723	402
Contribution Refunds	7,292	155	—	—
Annuity Payments	—	—	—	—
Transfers to Other Pension Plans	—	—	—	—
Transfers to Other Funds	832	86	1	—
Administrative Expenses	6,759	551	2	—
Total Deductions	234,598	57,458	8,726	402
Net Increase (Decrease)	1,564,838	112,642	616	101
Fiduciary Net Position				
Beginning of Year: July 1	10,211,360	1,098,275	6,784	583
End of Year: June 30	\$ 11,776,198	\$ 1,210,917	\$ 7,400	\$ 684

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position (cont.)

Pension Trust Funds by Plan				
For the Fiscal Year Ended June 30, 2017, with Comparative Totals for June 30, 2016 — Page 4 of 4				
Dollars in Thousands	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation Program	June 30, 2017	June 30, 2016
Additions				
Retirement Contributions				
Employer	\$ 17	\$ —	\$ 2,205,777	\$ 2,025,918
Plan Member	17	—	1,340,421	1,277,682
State	—	—	71,954	70,376
Plan Member Restorations	—	—	82,177	64,878
Total Retirement Contributions	34	—	3,700,329	3,438,854
Participant Contributions	—	287,130	287,130	213,531
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	1,101	390,061	10,741,890	431,497
Interest and Other Investment Income	48	13,410	1,545,276	1,332,678
Dividends	8	4,135	575,387	532,380
Less: Investment Expenses	(14)	(5,715)	(396,291)	(338,712)
Subtotal Net Investment Income (Loss)	1,143	401,891	12,466,262	1,957,843
Securities Lending Income				
Securities Lending Income	—	—	13,785	13,775
Less: Costs of Lending Securities	—	—	(6,172)	(4,377)
Net Securities Lending Income	—	—	7,613	9,398
Total Net Investment Income (Loss)	1,143	401,891	12,473,875	1,967,241
Charges for Services	—	2,584	38,568	36,777
Transfers from Other Pension Plans	—	—	10,357	5,880
Miscellaneous	—	14	70	80
Total Additions	1,177	691,619	16,510,329	5,662,363
Deductions				
Benefits	1,661	—	4,029,717	3,827,502
Contribution Refunds	—	232,229	760,326	740,358
Annuity Payments	—	—	29,907	29,078
Transfers to Other Pension Plans	—	—	10,357	5,880
Transfers to Other Funds	—	—	6,002	6,000
Administrative Expenses	—	2,208	40,071	35,609
Total Deductions	1,661	234,437	4,876,380	4,644,427
Net Increase (Decrease)	(484)	457,182	11,633,949	1,017,936
Fiduciary Net Position				
Beginning of Year: July 1	11,050	3,624,391	90,492,389	89,474,453
End of Year: June 30	\$ 10,566	\$ 4,081,573	\$ 102,126,338	\$ 90,492,389

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

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

A. Reporting Entity

The state of Washington, through DRS, administers eight retirement systems for public employees of the state and political subdivisions:

- Public Employees' Retirement System (PERS)
- School Employees' Retirement System (SERS)
- Public Safety Employees' Retirement System (PSERS)
- Teachers' Retirement System (TRS)
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
- Washington State Patrol Retirement System (WSPRS)
- Judicial Retirement System (JRS)
- Judges' Retirement Fund (JRF)

DRS also administers the state's Deferred Compensation Program (DCP).

Since DRS is part of the primary government of the state of Washington, it is considered part of the state's financial reporting entity and is included in the state's *Comprehensive Annual Financial Report (CAFR)*.

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

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.

DRS' financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). The statements include a "Statement of Fiduciary Net Position" (SFNP) and a "Statement of Changes in Fiduciary Net Position" (SCFNP).

The SFNP includes information about the assets, liabilities and fiduciary net 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. The statements provide a separate column for each retirement plan DRS administers.

C. Measurement Focus and Basis of Accounting

The retirement plans are accounted for in pension trust funds using the flow-of-economic-resources measurement focus and the accrual basis of accounting.

The members of the retirement systems, their employers and the state provide funding for the systems based on actuarial valuations. The Legislature establishes benefit levels and approves the actuarial assumptions used in determining contribution levels.

Plan member contributions are recognized as revenues in the period in which the contributions are earned. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Deferred Compensation Program (DCP) 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 revenues and operating expenditures incurred in administering DCP. Since these costs are incurred in the administration of the program, they have been reported within the program.

Notes to the Financial Statements (cont.)

D. Method Used to Value Investments

The pension trust funds report investments at fair value and categorize fair value measurements within the fair value hierarchy established by generally

accepted accounting principles. Unrealized gains and losses are included in the SCFNP. The following table presents fair value measurements as of June 30, 2017.

Investments Measured at Fair Value — Commingled Trust Fund (CTF)				
As of June 30, 2017 — Dollars in Thousands				
Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
Mortgage- and Other Asset-Backed Securities	\$ 1,103,924	\$ —	\$ 1,103,924	\$ —
Corporate Bonds	9,032,643	—	9,032,643	—
U.S. and Foreign Government and Agency Securities	6,698,762	—	6,698,762	—
Total Debt Securities	16,835,329	—	16,835,329	—
Equity Securities				
Common and Preferred Stock	21,377,285	21,313,177	60,427	3,681
Depository Receipts and Other Miscellaneous	689,637	688,069	254	1,314
Mutual Funds and Exchange-Traded Funds	2,208	2,208	—	—
Real Estate Investment Trusts	325,825	325,825	—	—
Private Equity and Tangible Asset Funds	179,782	179,782	—	—
Total Equity Securities	22,574,737	22,509,061	60,681	4,995
Total Investments by Fair Value Level	39,410,066	22,509,061	16,896,010	4,995
Investments Measured at Net Asset Value				
Private Equity	19,372,048	—	—	—
Real Estate	16,292,892	—	—	—
Tangible Assets	3,348,292	—	—	—
Collective Investment Trust Funds (Equity Securities)	12,421,779	—	—	—
Total Investments at Net Asset Value	51,435,011	—	—	—
Total Investments Measured at Fair Value	\$ 90,845,077	\$ —	\$ —	\$ —
Other Assets at Fair Value				
Collateral Held Under Securities Lending Agreements	711,346	—	711,346	—
Net Foreign Exchange Contracts Receivable — Forward and Spot	16,936	—	16,936	—
Net Swap Contracts Receivable	512	—	512	—
Margin Variation Receivable — Futures Contracts	(10,251)	(10,251)	—	—
Obligations Under Securities Lending Agreements	(711,346)	—	(711,346)	—
Total Other Assets Measured at Fair Value	\$ 7,197	\$ (10,251)	\$ 17,448	\$ —

Notes to the Financial Statements (cont.)

Cash and Cash Equivalents: Cash and cash equivalents include highly liquid investments, which include foreign currencies and short-term investment funds. The short-term investment funds are valued at cost. Accordingly, these investments are excluded from the fair value schedule. Cash and cash equivalents of \$2.1 billion are reported as liquidity in the SFNP.

Investments Classified as Level 1: Investments classified as Level 1 are exchange-traded equity securities whose values are based on published market prices and quotations from national security exchanges as of the appropriate market close at the end of the reporting period.

Investments Classified as Level 2: Investments classified as Level 2 are primarily composed of publicly traded debt securities and exchange-traded stocks traded in inactive markets. Publicly traded debt securities are sourced from reputable pricing vendors using models that are market-based measurements representing their good faith opinion on the exit value of a security in an orderly transaction under current market conditions. Such models take into account quoted prices, nominal yield spreads, benchmark yield curves, prepayment speeds and other market-corroborated inputs.

Investments Classified as Level 3: Investments classified

as Level 3 were publicly traded equity securities that have noncurrent, or “stale,” values and are included in the table at the most recent traded price. The stale pricing occurred due to trading suspensions, delisting from an active exchange or lack of investor demand. The current market values of these securities are unknown.

Investments Measured at Net Asset Value (NAV): The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value is determined by using the net asset value per share (or its equivalent) of the pension trust fund’s ownership interest in partners’ capital. These values are based on the individual investee’s capital account balance reported at fair value by the general partner at the closest available reporting period, adjusted by subsequent contributions, distributions, management fees, and changes in values of foreign currency and published market prices for certain securities.

The limited partnerships’ annual financial statements are audited by independent auditors. These investments make up approximately 42.1% of total investments as of June 30, 2017. However, due to the inherent uncertainties in estimating fair values, it is reasonably possible that the estimates could change in the near term or that the subsequent sale of assets would be different from the June 30, 2017, reported NAV.

Investments Measured at Net Asset Value (NAV) As of June 30, 2017 — Dollars in Millions

	Fair value	Liquidation Periods			Redemption Notice Period and Frequency	Unfunded Commitments
		Less Than 3 Years	3 to 9 Years	10 or More Years		
Collective Investment Trust Funds (Equity Securities)	\$ 12,421.8	\$ —	\$ —	\$ —	variable ¹	\$ —
Private Equity	19,372.0	86.1	6,494.2	12,791.7	n/a ²	12,899.9
Real Estate	16,292.9	1,388.0	1,590.1	13,314.8	n/a ²	7,008.2
Tangible Assets	3,348.3	—	589.6	2,758.7	n/a ²	3,579.1
Total Investments Measured at NAV	\$ 51,435.0	\$ 1,474.1	\$ 8,673.9	\$ 28,865.2		\$ 23,487.2

¹ The retirement funds invest in three separate collective investment trust funds. Two passively managed funds allow for withdrawals on any business day at the discretion of the fund manager. The third fund seeks to achieve long-term capital appreciation through active investment management in emerging market countries and may redeem some or all of its holdings on each monthly valuation date.

² These investments can never be redeemed. Instead, the nature of these investments provides for distributions from the sale/liquidation of the underlying assets of the fund and from net operating cash flows. It is anticipated that the various investments within each asset class will be liquidated in the liquidation periods listed within the above schedule.

Notes to the Financial Statements (cont.)

Private Equity Limited Partnerships: This includes 277 private equity limited liability partnerships that invest primarily in the United States, Europe and Asia in leveraged buyouts, venture capital, distressed debt and growth equity.

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

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

Real Estate Limited Partnerships: This includes 36 real estate investments. Targeted investment structures within the real estate portfolio include real estate operating companies, limited liability companies, joint ventures, commingled funds and co-investments. Real estate partnerships provide the WSIB with quarterly valuations based on the most recent capital account balances. The partnerships value individual properties at least annually and adjust them as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally valued every one to five years, depending on the partnership. Structured

finance investments receive quarterly value adjustments; the partners generally apply 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.

Tangible Assets: This includes 40 limited liability structures and funds. The primary goals of the tangible asset portfolio are to generate a long-term sustainable and stable income stream as well as generate appreciation at least commensurate with inflation. Valuation practices of general partners and asset managers are consistent with private equity limited partnerships.

Collective Investment Trust Funds: The pension trust fund invests in three separate collective investment trust funds. Each fund determines a fair value by obtaining fair values of the underlying holdings using reputable pricing sources and computing an overall NAV per share. The holdings within each fund are publicly traded equity securities.

Two funds are passively managed to approximate the capitalization-weighted total rates of return of the MSCI U.S. Investable Market Index and the MSCI Emerging Markets Investable Market Index. Each fund has daily openings and contributions, and withdrawals can be made on any business day. The fund managers, at their discretion, may require withdrawal proceeds be made partially or wholly in kind. In certain circumstances, the fund managers might choose to suspend valuation and/or the right to make contributions and withdrawals from the fund. Such circumstances include actual or anticipated closure, restriction, or suspension of trading activity in any markets or exchanges in which the fund investments are traded; when the purchase, sale or pricing of the fund's investments would not be reasonably practicable or advisable; or when suspending contributions or withdrawals would be in the best interest of the fund or participants.

The third fund seeks to achieve long-term capital appreciation through active investment management in emerging market countries. The index against which the fund compares its performance is the MSCI Emerging Market Index. The pension trust fund may redeem some

Notes to the Financial Statements (cont.)

or all of its holdings on each monthly valuation date. The fund managers may delay redemption proceeds if they determine that doing so is reasonably necessary to prevent a material adverse impact on the fund or other investors. The fund managers, at their discretion, may require withdrawal proceeds be made partially or wholly in kind.

Other Assets and Liabilities Measured at Fair Value:

Forward exchange contracts are valued by interpolating a value using the spot foreign exchange rate and forward points (based on the spot rate and currency interest rate differentials), which are all inputs that are observable in active markets (Level 2).

Cash collateral held and the offsetting obligations under securities lending agreements are valued by the pension trust fund lending agency. They are sourced from reputable pricing vendors using models that are market-based measurements representing their good faith opinion on the exit value of a security in an orderly transaction under current market conditions. Such models take into account quoted prices, nominal yield spreads, benchmark yield curves, prepayment speeds and other market-corroborated inputs.

Gains and losses on futures contracts are settled daily, based on the underlying principal value, and do not involve an actual transfer of the specific instrument. The margin variation represents the current gain or loss remaining to be settled from the prior day. The custodial bank provides quoted prices for these securities from a reputable pricing vendor.

Unfunded Commitments: The WSIB has entered into agreements that commit the pension funds, upon request, to make additional investment purchases up to a predetermined amount. As of June 30, 2017, the retirement funds had the following unfunded investment commitments:

Unfunded Commitments As of June 30, 2017 – Dollars in Millions	
Private Equity	\$ 12,899.9
Real Estate	\$ 7,008.2
Tangible Assets	\$ 3,579.1
Total	\$ 23,487.2

DCP, JRA and Plan 3 Self-Directed Investments Valuation:

DCP, JRA and Plan 3 Self-Directed Investments As of June 30, 2017 – Dollars in Thousands	
	Fair Value
Investments Measured at Net Asset Value	
Target Date Funds (Retirement Strategy Funds)	\$ 4,236,185
Equity Index Funds	2,305,189
Bond Funds	673,409
Short-Term Investment Funds	508,043
Balanced Fund	275,889
Subtotal	7,998,715
Investments Measured at Contract Value	
Guaranteed Investment Contracts	871,816
Total	\$ 8,870,531

DCP, JRA and Plan 3 defined contribution Self-directed investments have no unfunded commitments and can be redeemed daily with no notice period. Investments measured at fair value are daily valued funds. Funds are managed by the WSIB (Bond Fund), Alliance Bernstein (Target Date Funds), Walden Asset Management (Balanced Fund) and BlackRock (Equity Index Funds and Short-Term Investment Funds). All DCP and Plan 3 Self-Directed funds that are measured at fair value are measured at the NAV. The guaranteed investment contracts the WSIB manages for DCP are reported at contract value.

Trading restrictions have been established to safeguard participants against the effects of excessive trading. If a participant in DCP or Plan 3 transfers more than \$1,000 out of a fund, he or she will be required to wait 30 calendar days before transferring money back into that fund. The 30-day window is based on the last time the participant made a transfer out of the fund.

Bond Fund: The WSIB manages the Washington State Bond Fund. Investments in this fund are not available to the general public. The fund employs an active strategy that seeks to add incremental value over the index and normally invests in a diversified portfolio of investment-grade corporate securities. The portfolio intends to earn additional returns through security selection, but it is allowed to deviate from the index's duration by plus or minus 15%. The Bond Fund staff determines a NAV per share by obtaining fair values of the underlying

Notes to the Financial Statements (cont.)

holdings, using reputable pricing sources on a daily basis. The holdings within this fund are publicly traded debt securities and are actively managed to meet or exceed the return of the Barclays Capital Intermediate Credit Index. The fund may redeem some or all holdings daily without restriction.

Balanced Fund: Walden Asset Management actively manages the Walden Socially Responsible Investment Balanced Fund. The fund is a well-diversified portfolio of stocks, bonds and money market instruments. At least 30% of the fund's assets are invested in fixed-income securities and, at most, 70% of the fund's assets are invested in foreign and domestic equity securities. The fund's asset allocation will vary based on Walden's assessment of global economic conditions, current valuations within capital markets, balancing risk and reward, and the relative attractiveness of stocks versus bonds. Equity investments will focus on an opportunity set of domestic and international companies Walden judges to be of higher quality than peers. Fixed income investments are restricted to investment-grade securities. No restrictions on redemptions exist.

Equity Index Funds: BlackRock Institutional Trust Co. manages the Equity Index funds, which include the U.S. Large Cap, Global, U.S. Small Cap Value and Emerging Market Equity Index Funds. BlackRock uses a passive, or indexing, approach to achieve each fund's investment objectives. It does not seek to outperform the index; rather, it seeks to track the index and does not seek temporary defensive positions when markets decline or appear overvalued.

The funds' investments are valued at fair value each day the fund is open for contributions and redemptions and, for financial reporting purposes, as of the report date, if the reporting period ends on a day the fund is not open. The BlackRock Global Valuation Methodologies Committee (GVMC) provides oversight of the valuation of investments for the fund. The investments of the funds are valued pursuant to the policies and procedures the GVMC developed and BlackRock's global valuation policy approved. Various inputs are used in determining the fair value of financial instruments and could be based on independent market data or be internally developed.

The U.S. Large Cap Equity Index Fund invests exclusively in the Equity Index Fund, which is an index fund that seeks investment results that correspond generally to the price and yield performance of a particular index. The fund is invested in a portfolio of equity securities. Its objective is to approximate the capitalization-weighted total rate of return of the segment of the U.S. market for publicly traded equity securities the larger capitalized companies represent. The criterion for selection of investments is the S&P 500 Index.

The Global Equity Index Fund seeks investment results that correspond generally to the price and yield performance of a particular index. The fund is invested and reinvested primarily in equity securities. Its objective is to approximate the capitalization-weighted total rate of return of the entire global market for publicly traded equity securities as captured by the MSCI ACWI IMI USA Net Dividend Index. In seeking its objective, the fund invests in the Russell 3000 Index Fund E and the BlackRock MSCI ACWI ex-U.S. IMI Index Fund E in target weights, subject to periodic rebalancing. Each fund is an index fund that seeks investment results that correspond generally to the price and yield performance of a particular index.

The U.S. Small Cap Equity Index Fund invests exclusively in Russell 2000 Value Fund F, which is an index fund that seeks investment results that correspond generally to the price and yield performance of a particular index. The fund is invested and reinvested in a portfolio of equity securities. Its objective is to approximate the capitalization-weighted total rate of return of the segment of the U.S. market for publicly traded equity securities as the Russell 3000 Index represents, excluding the equity securities of the 1,000 largest capitalized companies. Of those 2,000 companies, the Russell 2000 Value Index represents those with a less-than-median orientation toward growth. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values than more growth-oriented securities.

The Emerging Market Equity Index Fund is invested and reinvested in a portfolio of international equity

Notes to the Financial Statements (cont.)

securities, depositary receipts, registered investment companies and derivatives. Its objective is to provide returns that approximate the capitalization-weighted total rates of return of the markets in certain countries for equity securities traded outside the United States.

Target Date Funds: Target Date Funds (Retirement Strategy Funds) are diversified asset allocation portfolios. The asset mix of each fund is adjusted over time to the allocation deemed appropriate for the target retirement date. Each fund has a diversified portfolio of equities and bonds that become progressively more conservative over time as the fund approaches and passes through its target date for retirement.

The assets of these funds are aggregated, and fair value is measured at the NAV. Alliance Bernstein is the fund manager of the Target Date Funds. The funds also include underlying funds that the WSIB and BlackRock manage, whose valuation methods are described within the Bond Fund (WSIB) and Equity Index Funds (BlackRock).

The fair value of debt instruments, such as bonds, and over-the-counter derivatives is generally based on market price quotations, recently executed market transactions, when observable, or industry-recognized modeling techniques.

When readily available market prices or relevant bid prices are not available for certain equity investments, such investments could be valued based on similar publicly traded investments, movements in relevant indices since last available prices, or underlying company fundamentals and comparable company data, such as multiples to earnings or other multiples to equity.

Options are valued using market-based inputs to models, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency, when such inputs and models are available. Alternatively, the values might be obtained through unobservable management-determined inputs and/or management's proprietary models. When models are used, the selection of a particular model to value an option depends on the contractual terms

of, and specific risks inherent in, the option as well as the availability of pricing information in the market. Valuation models require a variety of inputs, including contractual terms, market prices, measures of volatility and correlations of such inputs.

Bank loan prices are provided by third-party pricing services and consist of a composite of the quotes the vendor receives, which creates a consensus price.

Pricing vendors' valuations of mortgage-backed or other asset-backed securities are based on both proprietary and industry-recognized models and discounted cash-flow techniques. Significant inputs to the valuation of these instruments include value of the collateral, the rates and timing of delinquencies, the rates and timing of prepayments, and default and loss expectations, which are driven in part by housing prices for residential mortgages. Significant inputs are determined based on relative value analyses, which incorporate comparisons to instruments with similar collateral and risk profiles, including relevant indices.

Other fixed-income investments, including non-U.S. government and corporate debt, are generally valued using quoted market prices, if available, which are typically impacted by current interest rates, maturity dates and any perceived credit risk of the issuer. Additionally, in the absence of quoted market prices, pricing vendors use these inputs to derive valuations based on industry or proprietary models that incorporate issuer-specific data with relevant yield/spread comparisons with more widely quoted bonds that have similar key characteristics.

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 — Investments

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

Notes to the Financial Statements (cont.)

also recorded on a trade-date basis.

G. Allocations

DRS maintains a fund to account for the administrative additions and deductions incurred in administering the pension plans. These additions and deductions have been allocated to the pension plans.

DRS maintains a general capital assets fund to account for the capital assets used in administering the pension plans. These capital assets have been allocated to the pension plans 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

The Office of the State Treasurer (OST) manages DRS' deposits, which consist of securities AAA-rated issuers issue or deposits in financial institutions the Federal Deposit Insurance Corp. (FDIC) partially insures or the Washington Public Deposit Protection Commission (PDPC) collateralizes up to legal limitations. The PDPC constitutes a multiple financial institution collateral pool. The PDPC's agent holds pledged securities under the pool in the name of the collateral pool.

State law (RCW 43.84.080) specifies that whenever a fund or cash balance in the state treasury is more than sufficient to meet the current expenditures properly payable therefrom, the OST may invest or reinvest such portion of the funds or balances as the OST deems expedient. The 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 same instruments. DRS receives its proportionate share of investment earnings from surplus balances in the state treasury based on its daily balance for the period. DRS' deposits are separately displayed on the SFNP as cash and pooled investments.

Custodial Credit Risk: "Custodial credit risk" is the risk that deposits might not be returned in the event of the failure of a financial institution. Statutes minimize custodial credit risk by restricting the OST to deposit funds in financial institutions that are physically located in Washington state unless otherwise expressly permitted by statute and authorized by the PDPC. As of June 30, 2017, the carrying amount of DRS' cash and pooled investment deposits is \$40.2 million, all of which is insured or collateralized.

I. Securities Lending and Repurchase Agreements

Management responsibilities for securities lending and repurchase agreements are as follows:

WSIB: Washington state law and WSIB policy permit the WSIB to participate in securities lending transactions to augment the investment income of the retirement funds. The WSIB has entered into an agreement with State Street Corp. (SSC) to act as agent for the WSIB in securities lending transactions. Because SSC is the custodian bank for the WSIB, it is a counterparty to these transactions.

The fair value of the securities on loan as of June 30, 2017, was approximately \$1.9 billion. The securities on loan remain in the SFNP in their respective categories. Cash collateral received totaling \$711.3 million is reported as a securities lending obligation, and the fair value of the reinvested cash collateral totaling \$711.3 million is reported as securities lending collateral in the SFNP.

Securities received as collateral that the WSIB does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities. Securities received as collateral as of June 30, 2017, totaled \$1.18 billion.

The WSIB's agent loaned and collateralized debt and equity securities with cash and U.S. government or U.S. agency securities, including U.S. agency mortgage-backed securities (excluding 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

Notes to the Financial Statements (cont.)

securities loaned. All other securities were required to be collateralized at 105% of the fair value, including accrued interest on the loaned securities.

The following table summarizes the securities held from reinvestment of cash collateral and securities received as collateral as of June 30, 2017:

Cash and Securities Held as Collateral As of June 30, 2017 — Dollars in Millions				
	Cash Collateral	Noncash Collateral	Total	
Mortgage-Backed Securities	\$ —	\$ 1,002.4	\$	1,002.4
Repurchase Agreements	311.5	—		311.5
Yankee CD	129.5	—		129.5
Commercial Paper	158.8	—		158.8
U.S. Treasuries	—	182.1		182.1
Cash Equivalents and Other	111.4	—		111.4
Total Collateral Held¹	\$ 711.3	\$ 1,184.5	\$	1,895.8

¹ Total collateral held excludes collateral the OST holds under securities lending agreements. This schedule includes only the collateral the WSIB holds under securities lending agreements.

During fiscal year 2017, securities lending transactions could be terminated on demand by either the WSIB or the borrower.

As of June 30, 2017, the collateral held had an average duration of 19.1 days and an average weighted final maturity of 62.6 days. Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold, absent borrower default. A specific borrower could hold no more than 20% of the total-on-loan value. Collateral investment guidelines specifically prohibit European domiciled holdings. There were 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. SSC indemnified the WSIB by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. SSC's responsibilities included performing appropriate borrower and collateral investment credit analyses,

demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During fiscal year 2017, 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 the fiscal year resulting from a default by either borrowers or securities lending agents.

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.

Office of the State Treasurer (OST): State statutes permit the OST to lend securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST, which has contracted with Citibank as lending agent, receives earnings for this activity.

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

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

The contract with the lending agent requires indemnification of the OST if the borrowers fail to return the securities (or if the collateral is inadequate to replace the securities lent) or if the borrower fails to pay the OST for income distribution by the securities' issuers while the securities are on loan. The OST cannot pledge or sell collateral securities received unless the borrower defaults. As of June 30, 2017, securities lent totaled \$1.4 million. Collateral held under securities

Notes to the Financial Statements (cont.)

lending agreements and obligations under securities lending agreements each totaled \$1.4 million, which was invested in the LGIP.

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

During fiscal year 2017, the OST did not engage in reverse repurchase activity and it incurred no losses by default, nor recovered prior period losses, from these transactions. As of June 30, 2017, no obligations were under reverse repurchase agreements.

The OST limits its credit risk with an investment policy that restricts the types of investments in which the OST can participate. Additionally, the investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. During fiscal year 2017, the OST had no credit-risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the OST.

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-utilized repurchase agreements are subject to additional restrictions. These restrictions are designed to limit exposure to risk and ensure the safety of the investment.

During fiscal year 2017, there were no violations of legal or contractual provisions or any losses resulting

from a default by either borrowers or securities lending agent.

J. Investments

The WSIB has investment management responsibility for the retirement and DCP funds. The WSIB may invest as provided by statute (Chapter 43.33A RCW) and WSIB policy 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
- Noninvestment-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 buyouts, real estate and other tangible assets, or other forms of private equity
- Asset-backed securities
- Derivative securities, including futures, options, options on futures, forward contracts and swap transactions

No violations of these investment restrictions occurred during fiscal year 2017.

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. This risk is managed within the portfolios using effective duration, which is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Increases in prevailing interest rates generally translate

Notes to the Financial Statements (cont.)

into decreases in the fair values of those investments.

The retirement funds' fixed-income investments are actively managed to meet or exceed the return of the Barclays Capital Universal Index, with volatility similar to or less than the index. As of June 30, 2017, the retirement funds' duration was within the duration target of this index.

The schedule below provides information about the interest rate risks associated with the categorized investments in the Commingled Trust Fund (CTF) as of June 30, 2017. The schedule displays asset classes held by maturity in years and effective durations. Residential mortgage-backed, commercial mortgage-backed and asset-backed securities are reported using the average life within the portfolio.

"Average life" is a calculated estimate of the average time 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.

Credit Risk: "Credit risk" is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The WSIB's investment policies for the retirement funds limit the fixed-income securities to investment grade or higher at the time of purchase. Investment-grade securities are those fixed income securities with a Moody's rating of Aaa to Baa, or a Standard and Poor's rating of AAA to BBB. The retirement funds' rated debt investments as of June 30, 2017, were rated by Moody's and/or an equivalent national rating organization.

Investment Maturities						
As of June 30, 2017 — Dollars in Thousands						
Investment Type	Total Fair Value	Maturity				Effective Duration
		Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years	
Mortgage and Other Asset-Backed Securities	\$ 926,575	\$ 13,760	\$ 650,393	\$ 262,422	\$ —	4.18
Corporate Bonds	9,032,643	566,546	3,780,439	3,337,849	1,347,809	6.02
U.S. Government and Agency Securities	5,130,791	487,247	2,612,398	1,457,376	573,770	5.51
Foreign Government and Agency Securities	1,567,971	125,294	527,003	628,426	287,248	5.63
Totally Internally Managed Fixed Income	16,657,980	1,192,847	7,570,233	5,686,073	2,208,827	5.72
Mortgage-Backed TBA Forwards	177,349	177,349	—	—	—	—
Total CTF Investment Categorized	\$ 16,835,329	\$ 1,370,196	\$ 7,570,233	\$ 5,686,073	\$ 2,208,827	5.66¹
Investments Not Required to Be Categorized						
Cash and Cash Equivalents	2,230,320					
Equity Securities	34,816,735					
Alternative Investments	39,193,013					
Total CTF Investments Not Categorized	\$ 76,240,068					
DCP, JRA and Defined Contribution Self-Directed Investments						
Retirement Strategy Funds (Target Date Funds)	4,236,185					
Equity Index Funds	2,305,189					
Guaranteed Investment Contracts	871,816					
Bond Funds	673,409					
Short-Term Investment Funds	508,043					
Balanced Fund	275,889					
Total DCP, JRA and Defined Contribution Self-Directed Investments	\$ 8,870,531					
Securities Under Lending Agreements	712,665					
Total Investments as of June 30, 2017	\$ 102,658,593					

¹ Excludes cash balances in calculation

Notes to the Financial Statements (cont.)

Investment Credit Ratings						
As of June 30, 2017 — Dollars in Thousands						
Moody's Equivalent Rating	Total Fair Value	Mortgage- and Other Asset-Backed Securities	Corporate Bonds	U.S. Government and Agency Securities	Foreign Government and Agency Securities	
Aaa	\$ 6,784,501	\$ 1,103,077	\$ 448,366	\$ 5,130,791	\$ 102,267	
Aa1	58,807	—	—	—	58,807	
Aa2	156,140	—	92,511	—	63,629	
Aa3	615,938	—	393,998	—	221,940	
A1	849,575	—	804,781	—	44,794	
A2	352,962	145	352,817	—	—	
A3	1,327,130	—	1,259,094	—	68,036	
Baa1	1,340,787	—	1,239,621	—	101,166	
Baa2	1,544,170	—	1,396,811	—	147,359	
Baa3	1,987,754	—	1,781,000	—	206,754	
Ba1 or Lower	1,817,565	702	1,263,644	—	553,219	
Total	\$ 16,835,329	\$ 1,103,924	\$ 9,032,643	\$ 5,130,791	\$ 1,567,971	

Credit ratings for the retirement funds' rated debt investments as of June 30, 2017, are presented in the schedule above.

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 retirement funds' policy states that no corporate fixed-income issue shall exceed 3% of cost at the time of purchase or 6% of fair value of the fund thereafter and that no high-yield issues shall exceed 1% of cost or 2% of the fair value of the fund.

No concentration of credit risk exceeded these policy guidelines as of June 30, 2017. 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 5% of DRS' net investments at the end of fiscal year 2017.

Custodial Credit Risk: "Custodial credit risk" is the risk that if a depository institution or counterparty were to fail, the WSIB would not be able to recover the value of its deposits, investments or collateral securities.

As of June 30, 2017, investment securities (excluding cash, cash equivalents and repurchase agreements held as securities lending collateral) were registered

and held in the name of the WSIB for the benefit of the retirement funds and were not exposed to custodial credit risk. The WSIB has no general policies relating to custodial credit risk.

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

The WSIB manages exposure to fair value loss by requiring its international securities investment managers to maintain diversified portfolios by sector and by issuer to limit foreign currency and security risk.

The retirement funds' exposure to foreign currency risk as of June 30, 2017, is presented in the schedule on page 41. 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.

Derivatives: Derivative management responsibilities are described in the following paragraphs.

OST: The OST did not engage in derivative transactions during fiscal year 2017.

Notes to the Financial Statements (cont.)

Foreign Currency Exposure by Country							
As of June 30, 2017 — Dollars in Thousands, Investment Type in U.S. Dollar Equivalent							
Foreign Currency Denomination	Cash and Cash Equivalents	Debt Securities	Equity Securities	Derivatives	Alternative Assets	Open Foreign Exchange Contracts — Net	% of Total Investment Balances
Australian Dollar	\$ 8,928	\$ 185,767	\$ 535,958	\$ 45,076	\$ 371	\$ 776,100	0.8%
Brazilian Real	1,412	182,059	182,973	—	149	366,593	0.4%
Canadian Dollar	16,159	—	695,267	—	373	711,799	0.8%
Swiss Franc	61	—	972,810	—	1,347	974,219	1.1%
Chilean Peso	186	63,458	18,511	—	(78)	82,078	0.1%
Colombian Peso	3	80,867	866	—	—	81,737	0.1%
Danish Krone	35	—	190,625	—	1,590	192,250	0.2%
Euro	11,303	—	3,392,487	2,936,739	3,404	6,343,933	6.8%
Pound Sterling	14,658	—	2,242,406	—	39	2,257,104	2.4%
Hong Kong Dollar	7,059	—	797,536	—	(68)	804,528	0.9%
Indonesian Rupiah	414	29,537	66,820	—	2	96,773	0.1%
Indian Rupee	1,486	88,556	327,726	—	(10)	417,758	0.4%
Japanese Yen	14,571	—	2,649,484	—	5,600	2,669,655	2.9%
South Korean Won	5,546	—	399,043	—	1,661	406,249	0.4%
Mexican Peso	1,519	84,024	87,848	—	1,012	174,404	0.2%
Malaysian Ringgit	831	48,863	58,363	—	—	108,057	0.1%
Swedish Krona	2,329	—	403,028	—	(209)	405,147	0.4%
Singapore Dollar	535	—	190,988	—	91	191,614	0.2%
Thailand Baht	819	—	92,956	—	(17)	93,758	0.1%
Turkish Lira	155	21,304	138,015	—	476	159,950	0.2%
New Taiwan Dollar	33	—	241,547	—	(228)	241,353	0.3%
South African Rand	353	—	126,128	—	341	126,822	0.1%
Other	1,204	110,371	192,095	—	1,089	304,760	0.3%
Total Foreign Currency Exposure	\$ 89,599	\$ 894,806	\$ 14,003,480	\$ 2,981,815	\$ 16,935	\$ 17,986,641	19.3%

Source: Washington State Investment Board

WSIB: The WSIB is authorized to use various derivative financial instruments, including financial futures, forward contracts, interest rate swaps, credit default swaps, equity swaps and options. Derivative transactions involve, to varying degrees, market and credit risk. As of June 30, 2017, the retirement funds held investments in financial futures and forward currency contracts that are recorded at fair value with changes in value recognized in investment income in the SCFNP in the period of change. For accounting and reporting purposes, the derivative instruments are considered investment derivatives, not hedging derivatives.

Derivatives are generally used to achieve the desired market exposure of a security, index or currency; adjust portfolio duration; or rebalance the total portfolio to

the target asset allocation. Derivative contracts are instruments that derive their value from underlying assets, indices, reference interest rates or a combination of these factors. A derivative instrument could be a contract negotiated on behalf of the retirement funds and a specific counterparty. This would typically be referred to as an “over-the-counter (OTC) contract,” such as forward contracts. Alternatively, derivative instruments, such as futures, could be listed and traded on an exchange and referred to as “exchange traded.”

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

Inherent in the use of OTC derivatives, the retirement funds are exposed to counterparty credit risk on all

Notes to the Financial Statements (cont.)

Derivatives Schedule				
Significant Terms for Derivatives Held as Investments by the WSIB — Dollars in Thousands				
	Classification	Changes in Fair Value — Included in Investment Income	Fair Value as of June 30, 2017 — Investment Derivative	
		Amount	Amount	Notional
Futures Contracts				
Bond Index Futures	investment	\$ (1,219)	\$ (1,536)	\$ 420,751
Equity Index Futures	investment	268,879	(8,715)	83,616
		267,660	(10,251)	504,367
Forward Currency Contracts				
	investment	20,733	16,956	2,167,316
Total Return Swap Contracts				
Total Return Swap Bond	investment	(1,374)	141	32,758
Total Return Swap Equity	investment	13,169	108	(98,176)
		\$ 11,795	\$ 249	\$ (65,418)

open OTC positions. “Counterparty credit risk” is the risk that a derivative counterparty might fail to meet its payment obligation under the derivative contract. As of June 30, 2017, the retirement funds’ counterparty risk was deemed insignificant.

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 an 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 to 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 of 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 a loss is remote.

As of June 30, 2017, the retirement funds had outstanding forward currency contracts with a net unrealized gain of \$16.9 million, which is included in

the accompanying SCFNP. The contracts have varying maturity dates ranging from July 3, 2017, through September 20, 2017.

As of June 30, 2017, the counterparties’ credit ratings for forward currency contracts that are subject to credit risk had a credit rating of no less than A3 using Moody’s rating scale.

As of June 30, 2017, the retirement funds’ fixed income portfolio held derivative securities consisting of collateralized mortgage obligations of \$40.4 million. Domestic and foreign passive equity index fund managers may also use various derivative securities to manage exposure to risk and increase portfolio returns. Information on passive equity index fund managers’ use and holdings of derivative securities is unavailable.

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

Investments Not Required to Be Categorized:

Certain investment types in DRS’ portfolio cannot be categorized within the guidelines GASB Statement No. 3 established. These investments total about \$76.2 billion in both carrying value and fair value.

DCP, JRA and Defined Contribution — Self-Directed

Investments: The assets within DCP, JRA and Self-directed defined contribution investments total \$8.9 billion and represent less than 9% of the total investments DRS

Notes to the Financial Statements (cont.)

Investment Maturities — DCP, JRA and Plan 3 DC Self-Directed Investments — Bond Funds As of June 30, 2017 — Dollars in Thousands

Investment Type	Total Fair Value	Maturity			Effective Duration
		Less Than 1 Year	1-5 Years	6-10 Years	
Corporate Bonds	\$ 592,600	\$ 62,375	\$ 288,725	\$ 241,500	6.02
Foreign Government and Agency Securities	60,607	6,385	15,120	39,102	5.63
U.S. Government and Agency Securities	20,202	4,047	16,155	—	5.51
Total	\$ 673,409	\$ 72,807	\$ 320,000	\$ 280,602	

Credit Ratings (Moody's Equivalent) — DCP, JRA and Plan 3 DC Self-Directed Investments — Bond Funds As of June 30, 2017 — Dollars in Thousands

Investment Type	Fair Value	Moody's Equivalent Credit Rating										
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1 or Lower
Corporate Bonds	\$592,600	\$ 29,039	\$ 5,327	\$ 3,739	\$ 35,430	\$ 88,592	\$ 69,781	\$ 96,278	\$ 68,805	\$ 102,165	\$ 70,134	\$ 23,310
Foreign Government and Agency Securities	60,607	12,228	—	3,233	22,638	9,735	—	—	7,257	1,861	3,655	—
U.S. Government and Agency Securities	20,202	20,202	—	—	—	—	—	—	—	—	—	—
Total	\$673,409	\$ 61,469	\$ 5,327	\$ 6,972	\$ 58,068	\$ 98,327	\$ 69,781	\$ 96,278	\$ 76,062	\$ 104,026	\$ 73,789	\$ 23,310

administers. Participation and membership in these options are voluntary. Although withdrawals from the options are restricted to those who have left employment (except in the case of hardship withdrawals from DCP), the participants and members own these assets, have full control over their investment choices and assume the responsibility for the results of those choices.

The composition of these investments is as follows:

- 48% Retirement Strategy Funds (Target Date Funds): These funds are customized asset allocation portfolios that WSIB-contracted investment professionals manage. They offer investors a diversified mix of equities, bonds and global Real Estate Investment Trusts 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 as of June 30, 2017.
- 26% Equity Index Funds: Four funds are in this category. All are passively managed, and all seek to meet or surpass the returns of established benchmarks.
- 10% Guaranteed Investment Contracts (GICs): GICs are valued at contract value as the respective insurance companies or investment managers estimate. GICs provide a guaranteed return on the principal invested over a specified time period. The GIC pool has no credit rating because it is not a publicly traded fund. The pool has no duration since GICs are priced at par. The GIC pool contained no foreign currency exposure as of June 30, 2017.
- 6% Short-Term Investment Fund: This fund is not publicly traded.
- 3% U.S. Socially Responsible Fund: This is a balanced fund containing both equities and fixed-income components.
- 7% Bond Fund: The Washington State Bond Fund has no rating because it is not publicly traded. Refer to the tables for the maturities,

Notes to the Financial Statements (cont.)

effective duration and credit ratings of its underlying securities.

Management Fees: The fees the WSIB paid 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, 2017, total investment management fees paid were \$402.5 million and total netted fees were \$23.2 million. For a detailed disclosure, refer to the "Schedule of Investment Expenses" in the "Supporting Schedules" of the Financial Section of this report.

K. Reserves

Member Reserves: Member reserves reflect the total liability for all contributions members have made. Employee contributions and interest earnings increase these reserves; contribution refunds and transfers to the benefit reserves for current-year retirees decrease these reserves. The member reserves are considered fully funded.

Because PERS Plan 3, SERS Plan 3 and TRS Plan 3 defined contribution plans each offer two separate investment programs to members, DRS maintains two separate member reserves for each defined contribution plan. The WSIB reserves account for members who participate in the WSIB's Total Allocation Portfolio (TAP). The Self reserves account for members who participate in the self-directed investment offerings.

Member reserves as of June 30, 2017 and 2016, appear in the next column.

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 that 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, 2017 and 2016, appear at the bottom of this column.

Member Reserves as of June 30, 2017 and 2016 Dollars in Thousands		
	June 30, 2017	June 30, 2016
PERS Plan 1	\$ 429,249	\$ 509,696
PERS Plan 2/3	6,579,738	6,158,740
PERS Plan 3 — WSIB	1,702,141	1,484,245
PERS Plan 3 — Self	1,142,942	996,170
SERS Plan 2/3	525,189	481,862
SERS Plan 3 — WSIB	1,429,218	1,272,515
SERS Plan 3 — S	482,341	429,003
PSERS Plan 2	199,156	171,872
TRS Plan 1	173,993	219,887
TRS Plan 2/3	740,551	675,956
TRS Plan 3 — WSIB	5,206,679	4,556,884
TRS Plan 3 — Self	3,184,941	2,810,225
LEOFF Plan 1	8,647	13,497
LEOFF Plan 2	2,636,918	2,521,679
WSPRS Plan 1/2	92,190	87,525
JRS	—	—
JRF	—	—
Total Member Reserves	\$ 24,533,893	\$ 22,389,756

Benefit Reserves as of June 30, 2017 and 2016 Dollars in Thousands		
	June 30, 2017	June 30, 2016
PERS Plan 1	\$ 7,067,671	\$ 6,616,706
PERS Plan 2/3	28,421,065	24,323,885
SERS Plan 2/3	4,338,371	3,732,178
PSERS Plan 2	304,521	228,844
TRS Plan 1	5,585,500	5,367,134
TRS Plan 2/3	11,783,037	10,122,970
LEOFF Plan 1	5,727,850	5,357,372
LEOFF Plan 2	9,119,321	7,673,990
LEOFF Plan 2 — Medical	19,888	14,951
WSPRS Plan 1/2	1,118,559	1,010,521
WSPRS Plan 1/2 — Medical	90	82
JRS	7,397	6,776
JRF	683	581
Total Benefit Reserves	\$ 73,493,953	\$ 64,455,990

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

Notes to the Financial Statements (cont.)

L. Capital Assets

All capital assets with a unit cost (including ancillary costs) of \$5,000 or more 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 when 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 five to 50 years for buildings and three to 50 years for furnishings and equipment, other improvements, and miscellaneous capital assets.

The following is a summary of changes in capital assets for fiscal year 2017:

Changes in Capital Assets For Fiscal Year 2017 — Dollars in Thousands				
Assets	Beginning Balance	Acquisition/ Increase Depreciation	Disposal	Ending Balance
Improvements Other Than Buildings	\$ 645	\$ —	\$ —	\$ 645
Furnishings and Equipment	1,637	55	(149)	1,543
Accumulated Depreciation	(2,085)	(69)	149	(2,005)
Total	\$ 197	\$ (14)	\$ —	\$ 183

M. Leases

DRS leases office facilities and office and computer equipment. Lease terms vary. Leases are considered noncancelable 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, 2017:

Future Minimum Payments for Operating Leases As of June 30, 2017 — Dollars in Thousands	
Fiscal Year	Payments
2017	\$ 1,537
2018	1,512
2019	1,085
2020	208
2021	31
2022 and beyond	—
Total Future Minimum Payments	\$ 4,373

The total operating lease rental expenditure for fiscal year 2017 was \$1.5 million.

N. Other Long-Term Obligations

Annual Leave: DRS employees accrue annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 30 days at the employee's anniversary date. The expense and accrued liability is recognized when the annual leave is earned. DRS' liability for accumulated annual leave was \$0.9 million as of June 30, 2017.

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 (that is, the department does not pay employees for unused sick leave upon termination except in the event of the employee's death or retirement; at such time, DRS is liable for 25% of the employee's accumulated sick leave).

In addition, the state has a sick-leave buyout option. Each January, employees who have accumulated 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 four days of sick leave. The expense and accrued liability is recognized when the sick leave is earned. DRS' liability for

Notes to the Financial Statements (cont.)

accumulated sick leave was \$0.4 million as of June 30, 2017.

The following is a summary of changes in compensated absences for the fiduciary funds for fiscal year 2017:

Changes in Compensated Absences For Fiscal Year 2017 — Dollars in Thousands				
Compensated Absences	Beginning Balance	Additions	Deletions	Ending Balance
Annual Leave	\$ 998	\$ 1,167	\$ (1,228)	\$ 937
Sick Leave	433	163	(175)	421
Total	\$ 1,431	\$ 1,330	\$ (1,403)	\$ 1,358

O. 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 plan selections. In fiscal year 2017, these transfers totaled \$10.4 million and represented a \$4.5 million increase from the previous year.

P. Contingencies — Litigation

As a state agency, DRS is party to legal proceedings that normally occur in governmental operations. Pending legal actions involving DRS exist. For each pending legal action, DRS has good defenses and will continue to bring a vigorous defense to each case.

Notes to the Financial Statements (cont.)

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 0.18% of reported compensation.

The retirement systems are composed of 12 defined benefit pension plans and three combination defined benefit plans that have defined contribution components.

They include:

Cost-Sharing, Multiple-Employer Plans	Single-Employer Plans
<p>Public Employees' Retirement System (PERS) Plan 1: Defined benefit Plan 2: Defined benefit Plan 3: Defined benefit/defined contribution</p>	<p>Washington State Patrol Retirement System (WSPRS) Plan 1: Defined benefit Plan 2: Defined benefit</p>
<p>School Employees' Retirement System (SERS) Plan 2: Defined benefit Plan 3: Defined benefit/defined contribution</p>	<p>Judicial Retirement System (JRS) Defined benefit</p>
<p>Public Safety Employees' Retirement System (PSERS) Plan 2: Defined benefit</p>	<p>Judges' Retirement Fund (JRF) Defined benefit</p>
<p>Teachers' Retirement System (TRS) Plan 1: Defined benefit Plan 2: Defined benefit Plan 3: Defined benefit/defined contribution</p>	
<p>Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1: Defined benefit Plan 2: Defined benefit</p>	

Notes to the Financial Statements (cont.)

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	48,268	663	2,397	196	51,524
PERS Plan 2	46,675	27,835	81,168	41,222	196,900
PERS Plan 3	4,276	5,601	14,499	19,959	44,335
SERS Plan 2	8,229	5,880	13,445	13,566	41,120
SERS Plan 3	7,735	8,330	19,067	14,823	49,955
PSERS Plan 2	167	472	3,116	2,706	6,461
TRS Plan 1	34,225	188	687	10	35,110
TRS Plan 2	5,076	2,532	7,995	11,138	26,741
TRS Plan 3	10,289	8,568	37,286	17,201	73,344
LEOFF Plan 1	7,283	–	40	–	7,323
LEOFF Plan 2	5,140	864	13,658	4,041	23,703
WSPRS Plan 1	1,114	73	446	–	1,633
WSPRS Plan 2	–	33	334	212	579
JRS	99	–	–	–	99
JRF	11	–	–	–	11

Number of Participating Employers					
Plan	Component Units of the State of Washington	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
PERS Plan 1	110	115	172	105	502
PERS Plan 2	155	280	–	527	962
PERS Plan 3	148	217	–	342	707
SERS Plan 2	–	–	309	–	309
SERS Plan 3	–	–	307	–	307
PSERS Plan 2	6	66	–	1	73
TRS Plan 1	26	–	162	–	188
TRS Plan 2	26	–	306	–	332
TRS Plan 3	40	–	312	–	352
LEOFF Plan 1	–	18	–	5	23
LEOFF Plan 2	9	203	–	166	378
WSPRS Plan 1	1	–	–	–	1
WSPRS Plan 2	1	–	–	–	1
JRS	–	–	–	–	–
JRF	–	–	–	–	–

Employers can participate in multiple systems and/or plans. The actual total number of participating employers as of June 30, 2017, is 1,345. Of that number, 156 are component units of the state. For a list of covered employers, refer to the Statistical Section of this report.

Notes to the Financial Statements (cont.)

B. System and Plan Descriptions

Public Employees' Retirement System (PERS)

Administration: PERS was established in 1947, and its retirement benefit provisions are contained in Chapters 41.34 and 41.40 RCW. PERS is a cost-sharing, multiple-employer retirement system composed of three separate pension plans for membership purposes. PERS Plan 1 and PERS Plan 2 are defined benefit plans, and PERS Plan 3 is a defined benefit plan with a defined contribution component.

PERS members include elected officials, state employees, employees of local governments and higher education employees not participating in higher education retirement programs (HERPs).

PERS is composed 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 employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered a single plan for accounting purposes.

PERS Plan 1

As of June 30, 2017, 393 employers and 756 nonemployer contributing entities were participating in PERS Plan 1. The plan is closed to new entrants.

Plan Membership: As of June 30, 2017, PERS Plan 1 membership consisted of the following:

PERS Plan 1	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	48,268
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	663
Active Plan Members	2,593
Total Membership	51,524

Vesting: PERS Plan 1 members became vested after the completion of five years of eligible service.

Benefits Provided: PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. AFC is the average of the member's 24 consecutive highest-paid service credit months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service or at age 60 with at least five years of service.

PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from inactive status before the age of 65 may also receive actuarially reduced benefits. Other benefits include duty and nonduty disability payments, an optional Cost-of-Living Adjustment (COLA), and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

Contributions: The PERS Plan 1 member contribution rate is established by statute at 6%. The employer contribution rate is developed by the Office of the State Actuary (OSA) and includes an administrative expense component that is currently set at 0.18%.

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee
State Agencies	11.18%	6.00%
Local Governmental Units	11.18%	6.00%

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments

Notes to the Financial Statements (cont.)

that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on PERS Plan 1 pension investments, net of pension plan investment expense, was 13.84%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of PERS Plan 1 as of June 30, 2017, were as follows:

PERS Plan 1	
Dollars in Thousands	
Total Pension Liability	\$ 12,241,998
Plan Fiduciary Net Position	(7,496,920)
Participating Employers' Net Pension Liability	\$ 4,745,078
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	61.24%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

PERS Plan 1	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

Mortality rates were based on the *RP-2000* report's

"Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries published. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

asset allocation as of June 30, 2017, are summarized in the following table:

PERS Plan 1		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates (including PERS Plan 2/3, PSERS Plan 2 and SERS Plan 2/3 employers, whose rates include a component for the PERS Plan 1 liability). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

PERS Plan 1 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 5,780,412	\$ 4,745,078	\$ 3,848,257

PERS Plan 2/3

As of June 30, 2017, 808 employers were participating in PERS Plan 2/3.

Plan Membership: As of June 30, 2017, PERS Plan 2/3 membership consisted of the following:

PERS Plan 2/3		
	Plan 2	Plan 3
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	46,675	4,276
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	27,835	5,601
Active Plan Members	122,390	34,458
Total Membership	196,900	44,335

Vesting: PERS Plan 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service or after five years of service if 12 months of that service was earned after age 44.

Benefits Provided: PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits for Plan 2 are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. Retirement defined benefits for Plan 3 are calculated using 1% times the member's AFC times the member's years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months.

Notes to the Financial Statements (cont.)

Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 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 a factor that varies according to age for each year before age 65.

PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen.

Other PERS Plan 2/3 benefits include duty and nonduty disability payments; a Cost-of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3% annually; and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

Contributions: The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include an administrative expense that is currently set at 0.18% and a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability .

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

PERS Plan 2/3			
Actual Contribution Rates	Employer	Employee Plan 2	Employee Plan 3
State Agencies	11.18%	6.12%	0%
Local Governmental Units	11.18%	6.12%	0%

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on PERS Plan 2/3 pension investments, net of pension plan investment expense, was 14.11%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of PERS Plan 2/3 as of June 30, 2017, were as follows:

PERS Plan 2/3 Dollars in Thousands	
Total Pension Liability	\$ 38,475,325
Plan Fiduciary Net Position	(35,000,803)
Participating Employers' Net Pension Liability	\$ 3,474,522
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.97%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

PERS Plan 2/3	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries published. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

PERS Plan 2/3		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the

Notes to the Financial Statements (cont.)

discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

PERS Plan 2/3 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 9,360,726	\$ 3,474,522	\$ (1,348,349)

PERS Plan 3

As of June 30, 2017, 560 employers were participating in PERS Plan 3.

Plan Membership: As of June 30, 2017, PERS Plan 3 membership consisted of the following:

PERS Plan 3	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4,276
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5,601
Active Plan Members	34,458
Total Membership	44,335

Vesting: PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Benefits Provided: PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions.

Contributions: PERS Plan 3 members choose their contribution rate when joining membership and can change rates only when changing employers. As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%; members have six rate options. Employers do not contribute to the defined contribution benefits.

School Employees' Retirement System (SERS)

Administration: The Legislature created SERS in 1998, and the plan became effective in 2000. SERS retirement benefit provisions are established in Chapters 41.34 and 41.35 RCW. SERS members include classified employees of school districts and educational service

districts. SERS is a cost-sharing, multiple-employer retirement system composed of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan, and SERS Plan 3 is a defined benefit plan with a defined contribution component.

Although employees can be a member of only 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 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. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

SERS Plan 2/3

As of June 30, 2017, 309 employers were participating in SERS Plan 2/3.

Plan Membership: As of June 30, 2017, SERS Plan 2/3 membership consisted of the following:

SERS Plan 2/3	Plan 2	Plan 3
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8,229	7,735
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5,880	8,330
Active Plan Members	27,011	33,890
Total Membership	41,120	49,955

Vesting: SERS Plan 2 members are vested after completing five years of eligible service. SERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service or after five years of service if 12 months of that service was earned after age 44.

Benefits Provided: SERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits for Plan 2 are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service for Plan 2. Retirement benefits for Plan 3 are calculated using 1% times the member's AFC times the member's years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months.

Notes to the Financial Statements (cont.)

Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS 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 a factor that varies according to age for each year before age 65.

SERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen.

Other SERS Plan 2/3 benefits include duty and nonduty disability payments; a Cost-of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3% annually; and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

Contributions: The SERS Plan 2/3 employer and employee contribution rates are developed by OSA to fully fund the defined benefits of Plan 2/3. The employer rate includes an administrative expense currently set at 0.18% and a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability.

The SERS Plan 2/3 required defined benefit contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

SERS Plan 2/3			
Actual Contribution Rates	Employer	Employee Plan 2	Employee Plan 3
State Agencies	11.58%	5.63%	0%
Local Governmental Units	11.58%	5.63%	0%

Investments

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

Retirement funds are invested in the Commingled Trust

Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on SERS Plan 2/3 pension investments, net of pension plan investment expense, was 14.13%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of SERS 2/3 as of June 30, 2017, were as follows:

SERS Plan 2/3 Dollars in Thousands	
Total Pension Liability	\$ 5,357,035
Plan Fiduciary Net Position	(4,863,560)
Participating Employers' Net Pension Liability	\$ 493,475
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.8%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

SERS Plan 2/3	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

SERS Plan 2/3		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the

Notes to the Financial Statements (cont.)

discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

SERS Plan 2/3 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 1,278,921	\$ 493,475	\$ (153,665)

SERS Plan 3

As of June 30, 2017, 307 employers were participating in SERS Plan 3.

Plan Membership: As of June 30, 2017, SERS Plan 3 membership consisted of the following:

SERS Plan 3	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7,735
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8,330
Active Plan Members	33,890
Total Membership	49,955

Vesting: SERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Benefits Provided: SERS Plan 3 defined contributions benefits are totally dependent on employee contributions and the investment earnings on those contributions.

Contributions: SERS Plan 3 members choose their contribution rate when joining membership and can change rates only when changing employers. As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%; members have six rate options. Employers do not contribute to the defined contribution benefits.

Public Safety Employees' Retirement System (PSERS)

Administration: The Legislature created PSERS in 2004, and the plan became effective July 1, 2006. PSERS retirement benefit provisions are established in Chapter 41.37 RCW. PSERS is a cost-sharing, multiple-employer

retirement system composed of a single defined benefit plan, PSERS Plan 2.

PSERS membership includes:

- PERS Plans 2 and 3 employees hired before July 1, 2006, who met the PSERS eligibility criteria and elected membership during the period of July 1, 2006, through September 30, 2006
- Employees hired on or after July 1, 2006, who meet PSERS eligibility criteria
- Covered employers of PSERS include:
 - » Certain Washington state agencies (for example, Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol)
 - » Washington state counties
 - » Washington state cities (except Seattle, Spokane and Tacoma)
 - » Correctional entities PSERS employers form under the Interlocal Cooperation Act

To be eligible for PSERS, an employee must work full time and meet at least one of the following criteria:

- 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
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020
- Have primary responsibility to supervise eligible members who meet the above criteria

PSERS is composed of one plan for accounting purposes: Plan 2. Plan 2 accounts for the defined benefits of PSERS members.

Notes to the Financial Statements (cont.)

PSERS Plan 2

As of June 30, 2017, 68 employers were participating in PSERS Plan 2.

Plan Membership: As of June 30, 2017, PSERS Plan 2 membership consisted of the following:

PSERS Plan 2	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	167
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	472
Active Plan Members	5,822
Total Membership	6,461

Vesting: PSERS members are vested after completing five years of eligible service.

Benefits Provided: PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are calculated using 2% times the member's Average Final Compensation (AFC) times the member's years of service. AFC is based on the member's 60 consecutive highest-paid months of service credit.

Members are eligible for retirement at age 65 with five years of service, at age 60 with at least 10 years of PSERS service credit or at age 53 with 20 years of service. Benefits are actuarially reduced for each year the member's age is less than 60 (with 10 or more service credit years in PSERS) or less than 65 (with fewer than 10 service credit years).

There is no cap on years of service credit. Retirement before age 60 is considered an early retirement, and PSERS members who retire before turning 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3% per year reduction for each year between age at retirement and age 60 applies. PSERS retirement benefits are actuarially reduced if a survivor benefit is chosen.

Other PSERS Plan 2 benefits include duty and nonduty disability payments, a Cost-of-Living Adjustment (COLA), and duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

Contributions: The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2. The employer rate includes an administrative expense that is currently set at 0.18% and a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability .

The PSERS Plan 2 required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

PSERS Plan 2		
Actual Contribution Rates	Employer	Employee
State Agencies	11.54%	6.59%
Local Governmental Units	11.54%	6.59%

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on PSERS Plan 2 pension investments, net of pension plan investment expense, was 14.14%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

¹ The WSIB provided the money-weighted rates of return.

Notes to the Financial Statements (cont.)

Net Pension Liability of Participating Employers

The components of the net pension liability of PSERS Plan 2 as of June 30, 2017, were as follows:

PSERS Plan 2	
Dollars in Thousands	
Total Pension Liability	\$ 523,270
Plan Fiduciary Net Position	(503,677)
Participating Employers' Net Pension Liability	\$ 19,593
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.26%

Actuarial Assumptions¹: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

PSERS Plan 2	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered

the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

PSERS Plan 2		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience

¹ The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

PSERS Plan 2 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 131,559	\$ 19,593	\$ (68,195)

Teachers' Retirement System (TRS)

Administration: TRS was established in 1938, and its retirement benefit provisions are contained in Chapters 41.32 and 41.34 RCW. TRS eligibility for membership requires service as a certificated public school

employee working in an instructional, administrative or supervisory capacity. TRS is a cost-sharing, multiple-employer retirement system composed 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 is composed 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 be a member of only 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 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 the terms of the plans define. Therefore, Plan 2/3 is considered a single plan for accounting purposes.

TRS Plan 1

As of June 30, 2017, 163 employers and 137 nonemployer contributing entities were participating in TRS Plan 1. The plan is closed to new entrants.

Plan Membership: As of June 30, 2017, TRS Plan 1 membership consisted of the following:

TRS Plan 1	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	34,225
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	188
Active Plan Members	697
Total Membership	35,110

Vesting: TRS Plan 1 members became vested after the completion of five years of eligible service.

Benefits Provided: TRS Plan 1 provides retirement, disability and death benefits. Retirement benefits are calculated using 2% of the member's Average Final Compensation (AFC) times the member's years of service — up to a maximum of 60%. AFC is the average of the member's 24 consecutive highest-paid service credit months.

Notes to the Financial Statements (cont.)

Members are eligible for retirement at any age after 30 years of service, at age 60 with five years of service or at age 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional Cost-of-Living Adjustment (COLA), and a one-time, duty-related death benefit, if the Washington State Department of Labor & Industries finds the member eligible.

Contributions: The TRS Plan 1 member contribution rate is set by statute at 6%. The employer contribution rate is developed by the Office of the State Actuary (OSA) and includes an administrative expense component currently set at 0.18%.

The TRS Plan 1 required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

TRS Plan 1		
Actual Contribution Rates	Employer	Employee
State Agencies	13.13%	6.00%
Local Governmental Units	13.13%	6.00%

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on TRS Plan 1 pension investments, net of pension plan investment expense, was 14.45%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of TRS Plan 1 as of June 30, 2017, were as follows:

TRS Plan 1	
Dollars in Thousands	
Total Pension Liability	\$ 8,782,761
Plan Fiduciary Net Position	(5,759,493)
Participating Employers' Net Pension Liability	\$ 3,023,268
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.6%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

TRS Plan 1	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the

Notes to the Financial Statements (cont.)

2007-2012 Experience Study Report and the 2015 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

TRS Plan 1			
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	
Fixed Income	20.00%	1.70%	
Tangible Assets	5.00%	4.90%	
Real Estate	15.00%	5.80%	
Global Equity	37.00%	6.30%	
Private Equity	23.00%	9.30%	

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the 2015 Report on Financial Condition and Economic Study located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates (including TRS Plan 2/3 employers, whose rates include a component for the TRS Plan 1 liability). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

TRS Plan 1 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 3,759,368	\$ 3,023,268	\$ 2,386,123

Notes to the Financial Statements (cont.)

TRS Plan 2/3

As of June 30, 2017, 307 employers were participating in TRS Plan 2/3.

Plan Membership: As of June 30, 2017, TRS Plan 2/3 membership consisted of the following:

TRS Plan 2/3		
	Plan 2	Plan 3
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	5,076	10,289
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2,532	8,568
Active Plan Members	19,133	54,487
Total Membership	26,741	73,344

Vesting: TRS Plan 2 members are vested after completing five years of eligible service. TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service or after five years of service if 12 months of that service are earned after age 44.

Benefits Provided: TRS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits for Plan 2 are calculated using 2% of the member's Average Final Compensation (AFC) times the member's years of service. Retirement defined benefits for Plan 3 are calculated using 1% of AFC times the member's years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. TRS Plan 2/3 has no cap on years of service credit.

Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 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 a factor that varies according to age for each year before age 65. TRS Plan 2/3 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit.

Other TRS Plan 2/3 benefits include duty and nonduty disability payments; a Cost-of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3%

annually; and a one-time, duty-related death benefit, if the Washington State Department of Labor & Industries finds the member eligible.

Contributions: The TRS Plan 2/3 member and employer contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include components to address the TRS Plan 1 Unfunded Actuarial Accrued Liability and an administrative expense that is currently set at 0.18%.

The TRS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

TRS Plan 2/3			
Actual Contribution Rates	Employer	Employee Plan 2	Employee Plan 3
State Agencies	13.13%	5.95%	0%
Local Governmental Units	13.13%	5.95%	0%

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Notes to the Financial Statements (cont.)

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on TRS Plan 2/3 pension investments, net of pension plan investment expense, was 14.1%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of TRS 2/3 as of June 30, 2017, were as follows:

TRS Plan 2/3 Dollars in Thousands	
Total Pension Liability	\$ 13,446,531
Plan Fiduciary Net Position	(12,523,588)
Participating Employers' Net Pension Liability	\$ 922,943
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.1%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

TRS Plan 2/3	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the

2007-2012 Experience Study Report and the 2015 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

TRS Plan 2/3		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

TRS Plan 2/3 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 3,134,647	\$ 922,943	\$ (873,375)

TRS Plan 3

As of June 30, 2017, 313 employers were participating in TRS Plan 3.

Plan Membership: As of June 30, 2017, TRS Plan 3 membership consisted of the following:

TRS Plan 3	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	10,289
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8,568
Active Plan Members	54,487
Total Membership	73,344

Vesting: TRS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Benefits Provided: TRS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions.

Contributions: TRS Plan 3 members choose their contribution rate when joining membership and can change rates only when changing employers. As established by Chapter 41.34 RCW, the Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%; members have six rate options to choose from. Employers do not contribute to the defined contribution benefits.

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

Administration: LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

LEOFF is a cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are defined benefit plans.

Notes to the Financial Statements (cont.)

LEOFF Plan 1

As of June 30, 2017, 23 employers were participating in LEOFF Plan 1. The plan is closed to new entrants.

Plan Membership: As of June 30, 2017, LEOFF Plan 1 membership consisted of the following:

LEOFF Plan 1	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7,283
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	40
Total Membership	7,323

Vesting: LEOFF Plan 1 members became vested after the completion of five years of eligible service.

Benefits Provided: LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service and are calculated as a percent of Final Average Salary (FAS) as follows:

LEOFF Plan 1	
Years of Service	% of FAS
20+	2.0%
10-19	1.5%
5-9	1.0%

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 consecutive highest-paid 24 months' salary within the last 10 years of service. Members are eligible for retirement at age 50 with five years of service.

Other benefits include duty and nonduty disability payments, a Cost-of-Living Adjustment (COLA), and a one-time duty-related death benefit, if the Washington State Department of Labor & Industries finds the member eligible.

Contributions: LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18% of covered payroll.

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on LEOFF Plan 1 pension investments, net of pension plan investment expense, was 13.95%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of LEOFF Plan 1 employers as of June 30, 2017, were as follows:

LEOFF Plan 1	
Dollars in Thousands	
Total Pension Liability	\$ 4,219,277
Plan Fiduciary Net Position	(5,736,497)
Participating Employers' Net Pension Liability	\$ (1,517,220)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	136.0%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017,

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

using the following actuarial assumptions, applied to all prior periods included in the measurement:

LEOFF Plan 1	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

The Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

LEOFF Plan 1		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected

Notes to the Financial Statements (cont.)

to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

LEOFF Plan 1 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ (1,125,421)	\$ (1,517,220)	\$ (1,853,686)

LEOFF Plan 2

As of June 30, 2017, 370 employers were participating in LEOFF Plan 2.

Plan Membership: As of June 30, 2017, LEOFF Plan 2 membership consisted of the following:

LEOFF Plan 2	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	5,140
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	864
Active Plan Members	17,699
Total Membership	23,703

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

Benefits Provided: LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are calculated using 2% of the member's Final Average Salary (FAS) times the member's years of service. FAS is the monthly average of the member's 60 consecutive highest-paid service credit months. Members are eligible for retirement with a full benefit at age 53 with at least five years of service credit. Members who retire before age 53 receive reduced benefits. If the member has at least 20 years of service and is age 50

to 52, the reduction is 3% for each year before age 53. Otherwise, the benefits are actuarially reduced for each year before age 53. LEOFF Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit.

Other LEOFF Plan 2 benefits include duty and nonduty disability payments; a Cost-of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3% annually; and a one-time, duty-related death benefit, if the Washington State Department of Labor & Industries finds the member eligible.

Contributions: The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18%.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
Local Governmental Units	5.23%	8.41%
Ports and Universities	8.59%	8.41%

Investments

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Notes to the Financial Statements (cont.)

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on LEOFF Plan 2 pension investments, net of pension plan investment expense, was 14.14%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of the participating LEOFF Plan 2 employers as of June 30, 2017, were as follows:

LEOFF Plan 2 Dollars in Thousands	
Total Pension Liability	\$ 10,388,451
Plan Fiduciary Net Position	(11,776,127)
Participating Employers' Net Pension Liability	\$ (1,387,676)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.4%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

LEOFF Plan 2	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30,

2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

LEOFF Plan 2		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.50% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

LEOFF Plan 2 Dollars in Thousands			
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' Net Pension Liability	\$ 300,291	\$ (1,387,676)	\$ (2,762,961)

Washington State Patrol Retirement System (WSPRS)

Administration: WSPRS was established by the Legislature in 1947, and its retirement benefit provisions are contained in Chapter 43.43 RCW. WSPRS is a single-employer retirement system composed of two separate pension plans, and membership includes only commissioned employees of the Washington State Patrol.

WSPRS Plan 1 and WSPRS Plan 2 are defined benefit plans. The plans are reported together for financial reporting and investment purposes in the same pension fund. All assets of this combined Plan 1/2 may legally be used to pay the defined benefits of any WSPRS members or beneficiaries, as the terms of the plans define.

WSPRS Plan 1/2

As of June 30, 2017, one employer was participating in WSPRS.

Plan Membership: As of June 30, 2017, membership consisted of the following:

WSPRS Plan 1/2		
	Plan 1	Plan 2
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,114	0
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	73	33
Active Plan Members	446	546
Total Membership	1,633	579

Vesting: Active WSPRS Plan 1 and Plan 2 members do not have to meet a vesting requirement. Inactive WSPRS members are vested after the completion of five years of eligible service.

Plan 1 is closed to new entrants. All new WSPRS members are enrolled in Plan 2.

Benefits Provided: WSPRS Plans 1 and 2 provide retirement, disability and death benefits. Retirement benefits are calculated using 2% of the member's Average Final Salary (AFS) times the member's years of service, capped at 75%. For Plan 1 members, AFS is based on the average of the member's 24

Notes to the Financial Statements (cont.)

consecutive highest-paid service credit months. For Plan 2 members, AFS is based on the average of the member's 60 consecutive highest-paid service credit months.

Active members are eligible for retirement at age 55 with no minimum required service credit or at any age with 25 years of service credit. Members must retire no later than the first of the month following the month they reach age 65, unless the member is chief of the Washington State Patrol. WSPRS retirement benefits are actuarially reduced to reflect the choice of a survivor benefit.

Other benefits include a Cost-of-Living Adjustment (COLA), death benefits and a one-time, duty-related death benefit, if the Washington State Department of Labor & Industries finds the member eligible.

Contributions: The WSPRS Plans 1 and 2 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund WSPRS. The employer rate includes an administrative expense component currently set at 0.18%.

The WSPRS required contribution rates (expressed as a percentage of covered payroll) at the close of fiscal year 2017 were as follows:

WSPRS Plan 1/2		
Actual Contribution Rates	Employer	Employee
State Agencies	8.34%	6.84%

Investment

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

Retirement funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate and tangible assets. Investment

decisions are made within the framework of a Strategic Asset Allocation Policy and a series of WSIB-adopted investment policies for the various asset classes.

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on WSPRS Plan 1/2 pension investments, net of pension plan investment expense, was 14.03%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of WSPRS as of June 30, 2017, were as follows:

WSPRS Plan 1/2	
Dollars in Thousands	
Total Pension Liability	\$ 1,269,109
Plan Fiduciary Net Position	(1,210,839)
Participating Employers' Net Pension Liability	\$ 58,270
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.4%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

WSPRS Plan 1/2	
Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary Increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity
Investment Rate of Return	7.50%

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

OSA selected a 7.50% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

WSPRS Plan 1/2

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.90%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.30%
Private Equity	23.00%	9.30%

The inflation component used to create the table above was 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the *2015 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Actuarial Certification Letter.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50% future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers were assumed to continue being made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in

the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the employers'

Notes to the Financial Statements (cont.)

net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

WSPRS Plan 1/2 Dollars in Thousands				
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)	
Employers' Net Pension Liability	\$ 239,856	\$ 58,270	\$ (89,098)	

Judicial Retirement System (JRS)

Administration: JRS was established by the Legislature in 1971, and its retirement benefit provisions are contained in Chapter 2.10 RCW. JRS is a single-employer retirement system, and membership includes judges elected or appointed to the Supreme Court, Court of Appeals and superior courts on or after August 9, 1971.

JRS is composed of and reported as one plan for accounting purposes. JRS is closed to new entrants.

Plan Membership: As of June 30, 2017, JRS membership consisted of the following:

JRS	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	99
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	0
Total Membership	99

Vesting: JRS members became vested after the completion of 15 years of eligible service or 12 years if the member left office involuntarily.

Benefits Provided: JRS provides retirement, disability and death benefits. Retirement benefits are calculated using 3.5% of the member's Final Average Salary (FAS) for members with 15 years of eligible service and 3% of FAS for members with 10 to 14 years of eligible service.

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

Contributions: JRS had no active plan members during fiscal year 2017. Therefore, no employer or employee contributions were required. JRS retirement benefits are financed on a pay-as-you-go basis from a combination of investment earnings and funding from the state.

Investments

The Office of the State Treasurer (OST) manages all pension assets for JRS.

Investment Policy: The overall objective of the OST investment policy is to construct an investment portfolio that is optimal, or efficient. An optimal, or efficient, portfolio is one that provides the greatest expected return for a given expected level of risk, or the lowest expected risk for a given expected return.

Eligible investments are only those securities and deposits authorized by statute (Chapters 39.58, 39.59, 43.250 and 43.84.080 RCW) and include:

- Obligations of the U.S. government
- Obligations of U.S. government agencies or corporations wholly owned by the U.S. government
- Obligations of government-sponsored enterprises that are or might become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve
- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase (if the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all the organizations)
- Commercial paper, as long as the OST adheres to policies and procedures of the WSIB regarding commercial paper [RCW 43.84.080(7)]
- Certificates of deposit with financial institutions the Washington Public Deposit Protection Commission has qualified
- The Local Government Investment Pool
- Obligations of Washington state or its political subdivisions

Notes to the Financial Statements (cont.)

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on JRS pension investments, net of pension plan investment expense, was 0.71%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers
The components of the net pension liability of JRS as of June 30, 2017, were as follows:

JRS	
Dollars in Thousands	
Total Pension Liability	\$ 93,511
Plan Fiduciary Net Position	(7,397)
Participating Employers' Net Pension Liability	\$ 86,114
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	7.9%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

JRS	
Inflation	3.0% total economic inflation
Salary Increases	None; only inactive participants
Investment Rate of Return	3.58%

For JRS, mortality rates were set equal to those used for PERS. Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis,

meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

JRS is operated on a pay-as-you-go basis; therefore, the long-term expected rate of return on pension plan investments is 3.58%, equal to the Municipal Bond Index.

JRS balances are split into two investment portfolios by OST, a liquidity pool and a core portfolio. The liquidity pool is managed like a money market fund. The core portfolio is invested like a short-term bond fund, with an average maturity of about 1.75 years. The core portfolio is invested in government and agency fixed-income products. The asset allocation between these two pools has generally been 40% liquidity pool and 60% core portfolio. Over time, as OST projections for cash needs dictate, money will flow between these two portfolios.

Discount Rate: Contributions are made to JRS to ensure cash is available to make benefit payments. Since this plan is operated on a pay-as-you-go basis, the discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 3.58% for the June 30, 2017, measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 3.58% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current rate.

¹ The WSIB provided the money-weighted rates of return.

² The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

JRS				
Dollars in Thousands				
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)	
Employers' Net Pension Liability	\$ 94,558	\$ 86,114	\$ 78,840	

Judges' Retirement Fund (JRF)

Administration: The Judges' Retirement Fund (JRF) was established in 1937, and its retirement benefit provisions are contained in Chapter 2.12 RCW. JRF is a single-employer retirement system composed of a single defined benefit plan. Members include judges of the Supreme Court, Court of Appeals and superior courts of Washington state. JRF has been closed to new entrants since 1971.

JRF is composed of and reported as one plan for accounting purposes.

Plan Membership: As of June 30, 2017, JRF membership consisted of the following:

JRF	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	0
Total Membership	11

Vesting: JRF members became vested after the completion of 18 years of eligible service at any age or 10 years of eligible service at age 70.

Benefits Provided: JRF provides disability and retirement benefits.

Contributions: No active plan members were in JRF during fiscal year 2017. Therefore, no employer or employee contributions were required. JRF retirement benefits are financed on a pay-as-you-go basis from a combination of investment earnings and funding from the state.

Investments

The Office of the State Treasurer (OST) manages all pension assets for JRF.

Investment Policy: The overall objective of the OST investment policy is to construct an investment portfolio that is optimal, or efficient. An optimal, or efficient, portfolio is one that provides the greatest expected return for a given expected level of risk, or the lowest expected risk for a given expected return.

Eligible investments are only those securities and deposits authorized by statute (Chapters 39.58, 39.59, 43.250 and 43.84.080 RCW) and include:

- Obligations of the U.S. government
- Obligations of U.S. government agencies or corporations wholly owned by the U.S. government
- Obligations of government-sponsored enterprises that are or might become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve
- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase (if the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all the organizations)
- Commercial paper, as long as the OST adheres to policies and procedures of the WSIB regarding commercial paper [RCW 43.84.080(7)]
- Certificates of deposit with financial institutions the Washington Public Deposit Protection Commission has qualified
- The Local Government Investment Pool
- Obligations of Washington state or its political subdivisions

General information about the retirement funds' investments, valuation, classifications, concentrations and maturities can be found in "Note 1: Summary of Significant Accounting Policies and Plan Asset Matters."

Rate of Return¹: For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on JRF pension investments, net of pension plan investment

¹ The WSIB provided the money-weighted rates of return.

Notes to the Financial Statements (cont.)

expense, was 0.71%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Net Pension Liability of Participating Employers

The components of the net pension liability of JRF as of June 30, 2017, were as follows:

JRF	
Dollars in Thousands	
Total Pension Liability	\$ 2,848
Plan Fiduciary Net Position	(683)
Participating Employers' Net Pension Liability	\$ 2,165
Plan Fiduciary Net Position As a Percentage of Total Pension Liability	24.0%

Actuarial Assumptions¹: The total pension liability was determined by an actuarial valuation as of June 30, 2016, with the results rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

JRF	
Inflation	3.0% total economic inflation
Salary Increases	None; only inactive participants
Investment Rate of Return	3.58%

For JRF, mortality rates were set equal to those used for PERS. Mortality rates were based on the *RP-2000* report's "Combined Healthy Table" and "Combined Disabled Table," which the Society of Actuaries publishes. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetimes.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the *2007-2012 Experience Study Report* and the *2015 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of

the 2016 actuarial valuation report.

JRF is operated on a pay-as-you-go basis; therefore, the long-term expected rate of return on pension plan investments is 3.58%, equal to the Municipal Bond Index.

JRF balances are split into two investment portfolios by OST, a liquidity pool and a core portfolio. The liquidity pool is managed like a money market fund. The core portfolio is invested like a short-term bond fund, with an average maturity of about 1.75 years. The core portfolio is invested in government and agency fixed-income products. The asset allocation between these two pools has generally been 40% liquidity pool and 60% core portfolio. Over time, as OST projections for cash needs dictate, money will flow between these two portfolios.

Discount Rate: Contributions are made to JRF to ensure cash is available to make benefit payments. Since this plan is operated on a pay-as-you-go basis, the discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 3.58% for the June 30, 2017, measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the employers calculated using the discount rate of 3.58% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current rate.

JRF			
Dollars in Thousands			
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Employers' Net Pension Liability	\$ 2,273	\$ 2,165	\$ 2,063

¹ The WSIB provided the CMAs and expected rates of return. OSA relied on the CMAs in its selection of the long-term expected rate of return for purposes of GASB Statement No. 67.

Notes to the Financial Statements (cont.)

Recent Legislation Affecting Pension Systems/Plans			
DRS-Administered During Fiscal Year 2017			
Arranged Chronologically by Effective Date — Page 1 of 2			
Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 22, Laws of 2013 (SB 5046)	7/28/2013	PERS	The mandatory retirement criteria for district court judges was changed to require retirement after the end of the term of office in which they turn age 75, instead of at the end of the calendar year in which they turn age 75.
Chapter 287, Laws of 2013 (SHB 1868)	7/28/2013	LEOFF 2	This law allows catastrophically disabled LEOFF Plan 2 members to be reimbursed for premiums of medical insurance other than those the employer, COBRA, or Medicare A and/or B provide. The reimbursement is limited to payments made after June 30, 2013, that do not exceed the premium reimbursement amounts COBRA authorized.
Chapter 95, Laws of 2014 (SB 6321)	6/12/2014	PERS 3, SERS 3 and TRS 3	This law removes annual rate flexibility in Plans 3. A TRS 3 member no longer has the option to change contribution rates each year during the month of January. This bill amends RCW 41.34.040, removing the annual change option, and became effective after January 2015. Even though this statutory option applies to PERS 3 and SERS 3 members as well, it has never been implemented in those plans. This modification is deemed necessary by the Internal Revenue Service to ensure Plans 3 retain favorable tax qualification.
Chapter 145, Laws of 2014 (HB 2456)	6/12/2014	LEOFF	This law eliminates the expiration date on the statutory provision in the LEOFF definition of "fire fighter" that includes emergency medical technicians (EMTs). This correction allows EMTs continued eligibility for membership in LEOFF.
Chapter 91, Laws of 2014 (SB 6201)	6/12/2014	LEOFF 2	This law allows LEOFF Plan 2 members to use funds from certain tax-qualified plans to purchase life annuities from the LEOFF Plan 2 trust fund at the time of retirement.
Chapter 172, Laws of 2014 (SB 6328)	6/12/2014	Deferred Compensation Program	This law allows the state and other local government authorizing entities the option to allow employees participating in the employer-sponsored Deferred Compensation Program to purchase individual securities within the plan investment options. It does not require plans to make this option available; it only allows it.
Chapter 75, Laws of 2015 (HB 1168)	7/24/2015	PERS 2 and 3	ESHB 1981 of the 2011 session modified the return-to-work rules for PERS retirees. This law corrects some unintended consequences of those statute changes to ensure: <ul style="list-style-type: none"> • PERS retirees who return to work in ineligible positions would not be subject to the 867-hour limitation • PERS Plans 2 and 3 retirees who return to work in eligible positions covered by other DRS-administered systems would be eligible to work up to 867 hours before their benefits are suspended
Chapter 111, Laws of 2015 (SB 5210)	7/24/2015	WSPRS	This law allows WSPRS members to use funds from certain tax-qualified plans to purchase life annuities from the WSPRS trust fund at the time of retirement.
Chapter 78, Laws of 2015 (HB 1194)	7/24/2015	LEOFF 2 and WSPRS	A surviving spouse of a LEOFF Plan 2 or WSPRS member who is killed in the line of duty is entitled to receive a monthly benefit of at least 60% of the member's wages from the state workers' compensation program. However, this benefit was terminated if the survivor remarries. This legislation allows the surviving spouse of a LEOFF Plan 2 or WSPRS member killed in the course of employment to remarry and continue receiving a workers' compensation survivor benefit.
Chapter 241, Laws of 2016 (SB 6194)	4/3/2016	TRS	This law allows charter school employees to be members of the state retirement systems as long as DRS receives determination from the Internal Revenue Service that the inclusion of those employees won't jeopardize the status of the systems as government plans.
Chapter 112, Laws of 2016 (SB 5435)	6/9/2016	All systems and plans	This law provides for the automatic enrollment of new state employees in the Washington State Deferred Compensation Program (DCP) with a default contribution rate of 3%. Employees have the opportunity to opt out or set their own contribution rates. The law also gives DRS the option to offer a 401(a) money-purchase retirement savings plan.
Chapter 211, Laws of 2016 (SB 6091)	6/9/2016	All systems and plans	This law clarifies the definition of "slayer" to include people found not guilty by reason of insanity. A slayer isn't entitled to receive a retirement benefit from the person he or she killed.
Chapter 236, Laws of 2016 (SB 6523)	6/9/2016	PERS	This law allows an employee providing emergency medical services to a consortium of local governments in Snohomish County to choose to establish service credit in PERS for service performed before July 23, 2003. The employee must pay both the employer and employee contributions, as DRS calculates, within five years of choosing to establish service credit.
Chapter 233, Laws of 2016 (SB 6455)	6/9/2016	TRS 2 and 3	This law allows TRS members who retired using the 2008 Early Retirement Factors (ERFs) to return to work as substitute teachers for up to 867 hours without suspending their benefits. This provision is in effect from June 9, 2016, through July 31, 2020.

Notes to the Financial Statements (cont.)

Recent Legislation Affecting Pension Systems/Plans			
DRS-Administered During Fiscal Year 2017			
Arranged Chronologically by Effective Date — Page 2 of 2			
Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 120, Laws of 2016 (SB 5873)	6/9/2016	LEOFF 1	This law gives a LEOFF Plan 1 retiree a chance to name as survivor a spouse he or she married after retiring. To qualify, the marriage needs to have spanned at least two years before Sept. 1, 2015.
Chapter 115, Laws of 2016 (SB 6263)	6/9/2016	LEOFF 2	This law impacts LEOFF Plan 2 members who are called into eligible federal service to respond to natural disasters or other federal emergencies. It provides them with benefit protections similar to the ones provided to members of the National Guard or military reserves who are called during a time of war.
Chapter 222, Laws of 2016 (SB 6264)	6/9/2016	LEOFF and WSPRS	This law allows retirees of LEOFF and WSPRS a six-month window to purchase annuities. The annuities may be purchased between January 1 and June 1, 2017.
Chapter 188, Laws of 2017 (SB 5661)	7/23/2017	LEOFF 2	This law instructs the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to study the issue of interruptive military service credit for veterans who leave employment to serve in a specific conflict but who do not receive a campaign badge or medal.
Chapter 309, Laws of 2017 (HB 2202)	7/23/2017	LEOFF 2	This law changes the definition of "employer" for LEOFF Plan 2 to include public corporations that provide emergency medical services. It narrows the definition of "emergency medical technicians" in LEOFF Plan 2 to require they be physician-trained, advanced EMTs or paramedics whose duties include providing emergency medical services. The law allows EMTs meeting certain eligibility criteria to establish service credit in LEOFF Plan 2 for qualifying services provided between July 24, 2005, and the bill's effective date.
Chapter 181, Laws of 2017 (SB 5274)	7/23/2017	WSPRS	This law amends the definition of "salary" in the WSPRS to include voluntary overtime earned after July 1, 2017. This would result in voluntary overtime of 70 hours or less per year being considered earnable compensation, which is used when calculating a retiree's Average Final Salary and, therefore, his or her monthly benefit amount.
Chapter 143, Laws of 2017 (HB 1709)	7/23/2017	PERS and PSERS	This law allows PERS members who meet certain eligibility criteria to transfer their PERS service credit into PSERS as long as they pay the difference between the PERS and PSERS employee contribution rates for the affected service credit. Their employers would also have to pay the difference between the PERS and PSERS employer contribution rates.

Notes to the Financial Statements (cont.)

C. Funding Policy

All employers are required to contribute at the level the Legislature established. Plan-specific tables presented in Note 2 Section B provide the required contribution rates for each plan at the close of fiscal year 2017.

PERS: Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6%. 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 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 between 5% and 15%.

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 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 between 5% and 15%.

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 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 6%. 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 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 between 5% and 15%.

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

LEOFF: Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Since July 1, 2000, Plan 1 employers and employees contribute 0%, as long as the plan remains fully funded. Plan 2 employers and employees pay at the rate the LEOFF Plan 2 Retirement Board adopts.

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 Office of the State Actuary and the LEOFF Plan 2 Retirement Board.

This special funding situation is not mandated by the state Constitution and could be changed by statute. For fiscal year 2017, the state contributed \$62.1 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.

Notes to the Financial Statements (cont.)

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

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

JRS: No active members are in the Judicial Retirement System. The state guarantees the solvency of JRS on a pay-as-you-go basis. Each biennium, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For fiscal year 2017, the state contributed \$9.3 million.

JRF: No active members are in the Judges' Retirement Fund. The state guarantees the solvency of JRF on a pay-as-you-go basis. Each biennium, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For fiscal year 2017, the state contributed \$0.5 million

D. 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 the state of Washington Administrative Office of the Courts administers under the direction of the Board for Judicial Administration. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals and superior courts who are members of PERS for their services as a judge. Vesting is full and immediate.

Since January 1, 2007, any newly elected or appointed Supreme Court justice, Court of Appeals judge or superior court judge may no longer participate in JRA. As of June 30, 2017, three active members and 123 inactive members were in JRA. The state is the sole participating employer in JRA.

JRA plan members are required to contribute 2.5% of covered salary. The state, as employer, contributes an equal amount on a monthly basis. The employer and

employee obligations to contribute are established in Chapter 2.14 RCW. Plan provisions and contribution requirements are established in state statute, and only the state Legislature can amend them.

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

The administrator of JRA has entered into an agreement for services with DRS and with the Washington State Investment Board (WSIB). Under this agreement, DRS is responsible for all recordkeeping, accounting and reporting of member accounts and 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.

E. Deferred Compensation Program

The state of Washington offers participation to its employees and employees of those political subdivisions that elect to participate in the 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. DRS administers DCP.

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

Employers of active participants may contribute to the participant's DCP account, but the participant and employer combined contributions may not exceed the

Notes to the Financial Statements (cont.)

annual contribution limit set within Internal Revenue Code Section 457.

The state's DCP does not allow for loans to participants from their DCP accounts. However, as of June 30, 2017, DCP assets included a small receivable balance for loan payments because of new employers joining DCP and transferring their former plan's assets to the state's program.

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

The program offers two investment options: the One-Step Investing option and the Build and Monitor option.

The One-Step Investing option is designed for those who do not have the desire, comfort level and/or time to select, monitor or rebalance 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 and continuing for 15 years beyond the person's target date.

The funds in this option include:

- Retirement Maturity 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
- 2060 Retirement Strategy

The Build and Monitor option requires the participant to:

- Select any or all of the following 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 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 accounts or leaving their balances 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 70½ years old, whichever comes later.

The WSIB holds in trust all amounts of compensation deferred through the program, all property and rights purchased with those amounts, and all income attributable to those amounts, as set forth under RCW 43.33A.030, for the exclusive benefit of DCP participants and their beneficiaries. Neither a 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 from the program. These payments and rights are nonassignable and nontransferable.

Required Supplementary Information: Schedules of Changes in Net Pension Liability

PERS Plan 1				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 24,727	\$ 28,936	\$ 28,685	\$ 37,503
Interest	896,682	914,606	933,977	945,296
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	22,964	3,713	27,130	—
Changes in Assumptions	(28)	(36,416)	23,339	—
Benefit Payments, Including Refunds of Member Contributions	(1,199,219)	(1,203,209)	(1,202,994)	(1,193,715)
Net Change in Total Pension Liability	(254,874)	(292,370)	(189,863)	(210,916)
Total Pension Liability — Beginning	12,496,872	12,789,242	12,979,104	13,190,019
Total Pension Liability — Ending (a)	\$ 12,241,998	\$ 12,496,872	\$ 12,789,241	\$ 12,979,103
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 609,287	\$ 595,982	\$ 462,100	\$ 448,895
Contributions — Member	15,430	18,457	21,617	28,087
Net Investment Income	945,300	157,070	336,310	1,311,995
Benefit Payments, Including Refunds of Member Contributions	(1,199,219)	(1,203,209)	(1,202,994)	(1,193,715)
Administrative Expense	(258)	(301)	(269)	(506)
Other	(21)	90	(9)	36
Net Change in Plan Fiduciary Net Position	370,519	(431,911)	(383,245)	594,792
Plan Fiduciary Net Position — Beginning	7,126,401	7,558,312	7,941,557	7,346,765
Plan Fiduciary Net Position — Ending (b)	\$ 7,496,920	\$ 7,126,401	\$ 7,558,312	\$ 7,941,557
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 4,745,078	\$ 5,370,471	\$ 5,230,929	\$ 5,037,546

PERS Plan 2/3				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 944,842	\$ 893,404	\$ 864,319	\$ 934,401
Interest	2,717,410	2,506,824	2,302,453	2,057,556
Changes of Benefit Terms	(1,379)	—	—	—
Differences Between Expected and Actual Experience	226,712	(218,153)	491,528	—
Changes in Assumptions	1,798	62,968	7,450	—
Benefit Payments, Including Refunds of Member Contributions	(931,603)	(812,514)	(700,905)	(600,862)
Net Change in Total Pension Liability	2,957,780	2,432,529	2,964,845	2,391,095
Total Pension Liability — Beginning	35,517,545	33,085,016	30,120,170	27,729,076
Total Pension Liability — Ending (a)	\$ 38,475,325	\$ 35,517,545	\$ 33,085,015	\$ 30,120,171
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 621,927	\$ 563,328	\$ 446,127	\$ 430,345
Contributions — Member	518,566	497,274	374,825	368,251
Net Investment Income	4,312,919	725,439	1,295,301	4,444,930
Benefit Payments, Including Refunds of Member Contributions	(931,603)	(812,514)	(700,905)	(600,862)
Administrative Expense	(491)	(759)	(581)	(617)
Other	(3,139)	(2,103)	(1,617)	(2,299)
Net Change in Plan Fiduciary Net Position	4,518,179	970,665	1,413,150	4,639,748
Plan Fiduciary Net Position — Beginning	30,482,624	29,511,959	28,098,809	23,459,061
Plan Fiduciary Net Position — Ending (b)	\$ 35,000,803	\$ 30,482,624	\$ 29,511,959	\$ 28,098,809
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 3,474,522	\$ 5,034,921	\$ 3,573,056	\$ 2,021,362

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data. Before 2015, interest on service cost was included in the service cost category.

Required Supplementary Information: Schedules of Changes in Net Pension Liability (cont.)

SERS Plan 2/3				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 154,925	\$ 139,744	\$ 128,806	\$ 138,228
Interest	378,480	343,917	311,044	277,012
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	86,086	18,707	66,049	—
Changes in Assumptions	4	10,258	600	—
Benefit Payments, Including Refunds of Member Contributions	(133,266)	(115,248)	(99,075)	(83,948)
Net Change in Total Pension Liability	486,229	397,378	407,424	331,292
Total Pension Liability — Beginning	4,870,806	4,473,428	4,066,004	3,734,712
Total Pension Liability — Ending (a)	\$ 5,357,035	\$ 4,870,806	\$ 4,473,428	\$ 4,066,004
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 134,727	\$ 115,480	\$ 97,386	\$ 88,783
Contributions — Member	52,401	47,155	35,445	31,856
Net Investment Income	597,913	100,201	178,038	607,982
Benefit Payments, Including Refunds of Member Contributions	(133,266)	(115,248)	(99,075)	(83,948)
Administrative Expense	(21)	(21)	(20)	(30)
Other	(2,233)	(806)	(580)	(462)
Net Change in Plan Fiduciary Net Position	649,521	146,762	211,194	644,181
Plan Fiduciary Net Position — Beginning	4,214,039	4,067,277	3,856,083	3,211,902
Plan Fiduciary Net Position — Ending (b)	\$ 4,863,560	\$ 4,214,039	\$ 4,067,277	\$ 3,856,083
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 493,475	\$ 656,767	\$ 406,151	\$ 209,921

PSERS Plan 2				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 47,292	\$ 44,090	\$ 40,546	\$ 42,679
Interest	36,641	31,038	24,554	17,264
Changes of Benefit Terms	1,379	—	—	—
Differences Between Expected and Actual Experience	(1,513)	266	19,950	—
Changes in Assumptions	35	84	131	—
Benefit Payments, Including Refunds of Member Contributions	(3,778)	(3,277)	(3,056)	(2,450)
Net Change in Total Pension Liability	80,056	72,201	82,125	57,493
Total Pension Liability — Beginning	443,214	371,013	288,888	231,395
Total Pension Liability — Ending (a)	\$ 523,270	\$ 443,214	\$ 371,013	\$ 288,888
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 23,238	\$ 20,058	\$ 18,704	\$ 17,124
Contributions — Member	23,698	21,148	18,664	17,446
Net Investment Income	59,852	10,096	15,081	45,143
Benefit Payments, Including Refunds of Member Contributions	(3,778)	(3,277)	(3,056)	(2,450)
Administrative Expense	(5)	(9)	(2)	(8)
Other	(44)	(61)	1	5
Net Change in Plan Fiduciary Net Position	102,961	47,955	49,392	77,260
Plan Fiduciary Net Position — Beginning	400,716	352,761	303,369	226,109
Plan Fiduciary Net Position — Ending (b)	\$ 503,677	\$ 400,716	\$ 352,761	\$ 303,369
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 19,593	\$ 42,498	\$ 18,252	\$ (14,481)

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data. Before 2015, interest on service cost was included in the service cost category.

Required Supplementary Information: Schedules of Changes in Net Pension Liability (cont.)

TRS Plan 1				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 9,370	\$ 12,608	\$ 15,630	\$ 21,933
Interest	645,151	660,865	676,915	690,297
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	39,299	25,314	23,516	—
Changes in Assumptions	(2)	(9,700)	6,552	—
Benefit Payments, Including Refunds of Member Contributions	(912,314)	(925,560)	(928,571)	(928,237)
Net Change in Total Pension Liability	(218,496)	(236,473)	(205,958)	(216,007)
Total Pension Liability — Beginning	9,001,257	9,237,730	9,443,688	9,659,695
Total Pension Liability — Ending (a)	\$ 8,782,761	\$ 9,001,257	\$ 9,237,730	\$ 9,443,688
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 348,968	\$ 315,934	\$ 223,886	\$ 200,674
Contributions — Member	6,907	8,802	10,324	14,626
Net Investment Income	728,988	118,296	269,742	1,079,804
Benefit Payments, Including Refunds of Member Contributions	(912,314)	(925,560)	(928,571)	(928,237)
Administrative Expense	(76)	(41)	(28)	(143)
Other	—	—	1	51
Net Change in Plan Fiduciary Net Position	172,473	(482,568)	(424,646)	366,775
Plan Fiduciary Net Position — Beginning	5,587,020	6,069,588	6,494,234	6,127,459
Plan Fiduciary Net Position — Ending (b)	\$ 5,759,493	\$ 5,587,020	\$ 6,069,588	\$ 6,494,234
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 3,023,268	\$ 3,414,237	\$ 3,168,142	\$ 2,949,454

TRS Plan 2/3				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 410,975	\$ 373,617	\$ 352,316	\$ 374,258
Interest	947,283	857,073	776,944	684,861
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	173,667	(74,782)	163,251	—
Changes in Assumptions	115	16,463	896	—
Benefit Payments, Including Refunds of Member Contributions	(257,731)	(220,982)	(186,052)	(151,510)
Net Change in Total Pension Liability	1,274,309	951,389	1,107,355	907,609
Total Pension Liability — Beginning	12,172,222	11,220,833	10,113,479	9,205,870
Total Pension Liability — Ending (a)	\$ 13,446,531	\$ 12,172,222	\$ 11,220,834	\$ 10,113,479
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 364,106	\$ 316,022	\$ 267,038	\$ 249,342
Contributions — Member	81,378	68,587	52,713	44,012
Net Investment Income	1,539,461	258,942	453,524	1,539,895
Benefit Payments, Including Refunds of Member Contributions	(257,731)	(220,982)	(186,052)	(151,510)
Administrative Expense	(93)	(67)	(64)	(76)
Other	(2,458)	(608)	(618)	(401)
Net Change in Plan Fiduciary Net Position	1,724,663	421,894	586,541	1,681,262
Plan Fiduciary Net Position — Beginning	10,798,925	10,377,031	9,790,490	8,109,228
Plan Fiduciary Net Position — Ending (b)	\$ 12,523,588	\$ 10,798,925	\$ 10,377,031	\$ 9,790,490
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 922,943	\$ 1,373,297	\$ 843,803	\$ 322,989

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data. Before 2015, interest on service cost was included in the service cost category.

Required Supplementary Information: Schedules of Changes in Net Pension Liability (cont.)

LEOFF Plan 1 Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 1,600	\$ 2,238	\$ 3,269	\$ 4,279
Interest	307,156	315,653	319,945	326,717
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	(69,993)	(21,215)	(65,557)	—
Changes in Assumptions	—	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(360,068)	(361,022)	(358,745)	(355,988)
Net Change in Total Pension Liability	(121,305)	(64,346)	(101,088)	(24,992)
Total Pension Liability — Beginning	4,340,582	4,404,928	4,506,015	4,531,007
Total Pension Liability — Ending (a)	\$ 4,219,277	\$ 4,340,582	\$ 4,404,927	\$ 4,506,015
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ —	\$ —	\$ 60	\$ 98
Contributions — Member	1,908	837	1,016	844
Net Investment Income	723,820	120,945	248,793	934,123
Benefit Payments, Including Refunds of Member Contributions	(360,068)	(361,022)	(358,745)	(355,988)
Administrative Expense	(31)	(41)	(18)	(44)
Other	—	—	237	—
Net Change in Plan Fiduciary Net Position	365,629	(239,281)	(108,657)	579,033
Plan Fiduciary Net Position — Beginning	5,370,868	5,610,149	5,718,806	5,139,773
Plan Fiduciary Net Position — Ending (b)	\$ 5,736,497	\$ 5,370,868	\$ 5,610,149	\$ 5,718,806
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ (1,517,220)	\$ (1,030,286)	\$ (1,205,222)	\$ (1,212,791)

LEOFF Plan 2 Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 311,736	\$ 302,652	\$ 286,031	\$ 301,625
Interest	732,837	678,563	609,818	536,534
Changes of Benefit Terms	—	25,205	34,746	—
Differences Between Expected and Actual Experience	(58,105)	8,409	107,309	—
Changes in Assumptions	—	4	3,232	—
Benefit Payments, Including Refunds of Member Contributions	(227,007)	(190,712)	(160,027)	(133,949)
Net Change in Total Pension Liability	759,461	824,121	881,109	704,210
Total Pension Liability — Beginning	9,628,990	8,804,869	7,923,759	7,219,549
Total Pension Liability — Ending (a)	\$ 10,388,451	\$ 9,628,990	\$ 8,804,868	\$ 7,923,759
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 95,920	\$ 92,049	\$ 89,122	\$ 85,532
Contributions — State	62,155	60,375	58,339	55,551
Contributions — Member	187,978	173,871	165,772	151,041
Net Investment Income	1,448,376	244,028	430,403	1,456,267
Benefit Payments, Including Refunds of Member Contributions	(227,007)	(190,712)	(160,027)	(133,949)
Administrative Expense	(1,920)	(1,683)	(1,504)	(1,268)
Other	5	23	(238)	241
Net Change in Plan Fiduciary Net Position	1,565,507	377,951	581,867	1,613,415
Plan Fiduciary Net Position — Beginning	10,210,620	9,832,669	9,250,802	7,637,387
Plan Fiduciary Net Position — Ending (b)	\$ 11,776,127	\$ 10,210,620	\$ 9,832,669	\$ 9,250,802
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ (1,387,676)	\$ (581,630)	\$ (1,027,801)	\$ (1,327,043)

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data. Before 2015, interest on service cost was included in the service cost category.

Required Supplementary Information: Schedules of Changes in Net Pension Liability (cont.)

WSPRS Plan 1/2				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ 18,474	\$ 16,534	\$ 16,633	\$ 18,041
Interest	90,560	83,373	80,037	75,249
Changes of Benefit Terms	4,830	1,947	2,258	—
Differences Between Expected and Actual Experience	23,702	(10,430)	8,883	—
Changes in Assumptions	20,921	2	17	—
Benefit Payments, Including Refunds of Member Contributions	(56,821)	(54,160)	(50,075)	(47,510)
Net Change in Total Pension Liability	101,666	37,266	57,753	45,780
Total Pension Liability — Beginning	1,167,443	1,130,177	1,072,424	1,026,644
Total Pension Liability — Ending (a)	\$ 1,269,109	\$ 1,167,443	\$ 1,130,177	\$ 1,072,424
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ 7,587	\$ 7,044	\$ 6,679	\$ 6,587
Contributions — Member	10,454	8,895	6,323	6,555
Net Investment Income	151,021	25,352	49,046	176,856
Benefit Payments, Including Refunds of Member Contributions	(56,821)	(54,160)	(50,075)	(47,510)
Administrative Expense	(53)	(60)	(67)	(84)
Other	524	429	293	509
Net Change in Plan Fiduciary Net Position	112,712	(12,499)	12,199	142,913
Plan Fiduciary Net Position — Beginning	1,098,127	1,110,626	1,098,427	955,514
Plan Fiduciary Net Position — Ending (b)	\$ 1,210,839	\$ 1,098,127	\$ 1,110,626	\$ 1,098,427
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 58,270	\$ 69,316	\$ 19,551	\$ (26,003)

JRS				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ —	\$ —	\$ —	\$ —
Interest	2,874	3,704	4,382	4,319
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	1,047	20	1,590	—
Changes in Assumptions	(6,329)	8,737	4,334	—
Benefit Payments, Including Refunds of Member Contributions	(8,723)	(9,131)	(9,336)	(9,480)
Net Change in Total Pension Liability	(11,131)	3,330	970	(5,161)
Total Pension Liability — Beginning	104,642	101,312	100,341	105,502
Total Pension Liability — Ending (a)	\$ 93,511	\$ 104,642	\$ 101,311	\$ 100,341
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ —	\$ —	\$ —	\$ —
Contributions — State	9,300	9,500	10,600	10,600
Contributions — Member	—	—	—	—
Net Investment Income	45	74	38	25
Benefit Payments, Including Refunds of Member Contributions	(8,723)	(9,131)	(9,336)	(9,480)
Administrative Expense	—	(1)	—	—
Other	—	—	—	—
Net Change in Plan Fiduciary Net Position	622	442	1,302	1,145
Plan Fiduciary Net Position — Beginning	6,775	6,333	5,031	3,886
Plan Fiduciary Net Position — Ending (b)	\$ 7,397	\$ 6,775	\$ 6,333	\$ 5,031
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 86,114	\$ 97,867	\$ 94,978	\$ 95,310

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data. Before 2015, interest on service cost was included in the service cost category.

Required Supplementary Information: Schedules of Changes in Net Pension Liability (cont.)

JRF				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability				
Service Cost	\$ —	\$ —	\$ —	\$ —
Interest	88	116	138	137
Changes of Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	194	123	182	—
Changes in Assumptions	(129)	181	95	—
Benefit Payments, Including Refunds of Member Contributions	(402)	(440)	(444)	(444)
Net Change in Total Pension Liability	(249)	(20)	(29)	(307)
Total Pension Liability — Beginning	3,097	3,117	3,146	3,453
Total Pension Liability — Ending (a)	\$ 2,848	\$ 3,097	\$ 3,117	\$ 3,146
Plan Fiduciary Net Position¹				
Contributions — Employer	\$ —	\$ —	\$ —	\$ —
Contributions — State	499	501	—	—
Contributions — Member	—	—	—	—
Net Investment Income	4	6	4	7
Benefit Payments, Including Refunds of Member Contributions	(402)	(440)	(444)	(444)
Administrative Expense	—	—	—	—
Other	—	—	—	—
Net Change in Plan Fiduciary Net Position	101	67	(440)	(437)
Plan Fiduciary Net Position — Beginning	582	515	955	1,392
Plan Fiduciary Net Position — Ending (b)	\$ 683	\$ 582	\$ 515	\$ 955
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 2,165	\$ 2,515	\$ 2,602	\$ 2,191

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

This schedule will be built prospectively until it contains 10 years of data. Before 2015, interest on service cost was included in the service cost category.

Required Supplementary Information: Schedules of Net Pension Liability

PERS Plan 1				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 12,241,998	\$ 12,496,872	\$ 12,789,242	\$ 12,979,104
Plan Fiduciary Net Position ¹	7,496,920	7,126,401	7,558,312	7,941,557
Plan Net Pension Liability (Asset)	\$ 4,745,078	\$ 5,370,471	\$ 5,230,930	\$ 5,037,547
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.24%	57.03%	59.10%	61.19%
Covered-Employee Payroll	\$ 12,435,701	\$ 11,744,250	\$ 11,151,288	\$ 10,803,971
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	38.16%	45.73%	46.91%	46.63%

PERS Plan 2/3				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 38,475,325	\$ 35,517,545	\$ 33,085,016	\$ 30,120,170
Plan Fiduciary Net Position ¹	35,000,803	30,482,624	29,511,959	28,098,809
Plan Net Pension Liability (Asset)	\$ 3,474,522	\$ 5,034,921	\$ 3,573,057	\$ 2,021,361
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.97%	85.82%	89.20%	93.29%
Covered-Employee Payroll	\$ 9,856,106	\$ 9,323,463	\$ 8,876,898	\$ 8,607,757
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	35.25%	54.00%	40.25%	23.48%

SERS Plan 2/3				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 5,357,035	\$ 4,870,806	\$ 4,473,428	\$ 4,066,004
Plan Fiduciary Net Position ¹	4,863,560	4,214,039	4,067,277	3,856,083
Plan Net Pension Liability (Asset)	\$ 493,475	\$ 656,767	\$ 406,151	\$ 209,921
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.79%	86.52%	90.92%	94.84%
Covered-Employee Payroll	\$ 2,040,005	\$ 1,877,907	\$ 1,720,489	\$ 1,616,447
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	24.19%	34.97%	23.61%	12.99%

PSERS Plan 2				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 523,270	\$ 443,214	\$ 371,013	\$ 288,888
Plan Fiduciary Net Position ¹	503,677	400,716	352,761	303,369
Plan Net Pension Liability (Asset)	\$ 19,593	\$ 42,498	\$ 18,252	\$ (14,481)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.26%	90.41%	95.08%	105.01%
Covered-Employee Payroll	\$ 357,285	\$ 324,850	\$ 293,007	\$ 270,102
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	5.48%	13.08%	6.23%	(5.36)%

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data.

Required Supplementary Information: Schedules of Net Pension Liability (cont.)

TRS Plan 1				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 8,782,761	\$ 9,001,257	\$ 9,237,730	\$ 9,443,688
Plan Fiduciary Net Position ¹	5,759,493	5,587,020	6,069,588	6,494,234
Plan Net Pension Liability (Asset)	\$ 3,023,268	\$ 3,414,237	\$ 3,168,142	\$ 2,949,454
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.58%	62.07%	65.70%	68.77%
Covered-Employee Payroll	\$ 5,530,315	\$ 5,138,262	\$ 4,794,824	\$ 4,585,022
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	54.67%	66.45%	66.07%	64.33%

TRS Plan 2/3				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 13,446,531	\$ 12,172,222	\$ 11,220,833	\$ 10,113,479
Plan Fiduciary Net Position ¹	12,523,588	10,798,925	10,377,031	9,790,490
Plan Net Pension Liability (Asset)	\$ 922,943	\$ 1,373,297	\$ 843,802	\$ 322,989
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.14%	88.72%	92.48%	96.81%
Covered-Employee Payroll	\$ 5,466,408	\$ 5,054,071	\$ 4,681,511	\$ 4,436,592
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	16.88%	27.17%	18.02%	7.28%

LEOFF Plan 1				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 4,219,277	\$ 4,340,582	\$ 4,404,928	\$ 4,506,015
Plan Fiduciary Net Position ¹	5,736,497	5,370,868	5,610,149	5,718,806
Plan Net Pension Liability (Asset)	\$ (1,517,220)	\$ (1,030,286)	\$ (1,205,221)	\$ (1,212,791)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	135.96%	123.74%	127.36%	126.91%
Covered-Employee Payroll	\$ 5,438	\$ 7,932	\$ 10,583	\$ 13,888
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	(27,900.33)%	(12,988.98)%	(11,388.27)%	(8,732.65)%

LEOFF Plan 2				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 10,388,451	\$ 9,628,990	\$ 8,804,869	\$ 7,923,759
Plan Fiduciary Net Position ¹	11,776,127	10,210,620	9,832,669	9,250,802
Plan Net Pension Liability (Asset)	\$ (1,387,676)	\$ (581,630)	\$ (1,027,800)	\$ (1,327,043)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.36%	106.04%	111.67%	116.75%
Covered-Employee Payroll	\$ 1,882,667	\$ 1,804,024	\$ 1,744,180	\$ 1,674,432
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	(73.71)%	(32.24)%	(58.93)%	(79.25)%

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data.

Required Supplementary Information: Schedules of Net Pension Liability (cont.)

WSPRS Plan 1/2				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 1,269,109	\$ 1,167,443	\$ 1,130,177	\$ 1,072,424
Plan Fiduciary Net Position ¹	1,210,839	1,098,127	1,110,626	1,098,427
Plan Net Pension Liability (Asset)	\$ 58,270	\$ 69,316	\$ 19,551	\$ (26,003)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.41%	94.06%	98.27%	102.42%
Covered-Employee Payroll	\$ 93,053	\$ 86,669	\$ 84,379	\$ 83,282
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	62.62%	79.98%	23.17%	(31.22)%

JRS				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 93,511	\$ 104,642	\$ 101,312	\$ 100,341
Plan Fiduciary Net Position ¹	7,397	6,775	6,333	5,031
Plan Net Pension Liability (Asset)	\$ 86,114	\$ 97,867	\$ 94,979	\$ 95,310
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	7.91%	6.47%	6.25%	5.01%
Covered-Employee Payroll	\$ –	\$ –	\$ –	\$ –
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	n/a	n/a	n/a	n/a

JRF				
Dollars in Thousands				
	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 2,848	\$ 3,097	\$ 3,117	\$ 3,146
Plan Fiduciary Net Position ¹	683	582	515	955
Plan Net Pension Liability (Asset)	\$ 2,165	\$ 2,515	\$ 2,602	\$ 2,191
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	23.98%	18.79%	16.52%	30.36%
Covered-Employee Payroll	\$ –	\$ –	\$ –	\$ –
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	n/a	n/a	n/a	n/a

¹ Plan fiduciary net position does not include the administrative fund allocations to the trust funds noted in Note 1, Section G, of the Financial Section.

These schedules will be built prospectively until they contain 10 years of data.

Required Supplementary Information: Schedules of Employer Contributions

PERS Plan 1										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 604,541	\$ 573,784	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Actuarially Determined Contributions (ADC)²	656,655	623,404	454,010	439,067	534,200	508,000	439,300	627,800	620,200	453,100
Employer Contributions PERS Plan 1	27,300	33,777	26,173	33,864	31,884	31,833	30,827	34,921	59,820	46,306
Employer Plan 1 UAAL Contributions³										
PERS Plan 2/3	467,648	461,048	355,512	343,790	194,740	185,185	93,015	93,993	218,147	146,176
SERS Plan 2/3	97,441	85,835	68,719	60,431	33,726	34,810	19,092	22,429	41,260	25,711
PSERS Plan 2	16,898	15,322	11,696	10,810	5,920	5,369	2,651	2,680	6,021	3,594
Contributions in Relation to ADC	609,287	595,982	462,100	448,895	266,270	257,197	145,585	154,023	325,248	221,787
Contribution Deficiency (Excess)	\$ 47,368	\$ 27,422	\$ (8,090)	\$ (9,828)	\$ 267,930	\$ 250,803	\$ 293,715	\$ 473,777	\$ 294,952	\$ 231,313
Covered Payroll										
PERS Plan 1	182,305	218,029	260,894	309,665	352,909	399,564	493,559	571,969	654,711	713,421
PERS Plan 2/3	9,856,106	9,323,463	8,876,898	8,607,757	8,265,361	8,125,656	8,139,901	8,151,255	8,108,034	7,697,892
SERS Plan 2/3	2,040,005	1,877,908	1,720,489	1,616,447	1,549,224	1,638,675	1,650,375	1,619,245	1,585,931	1,515,966
PSERS Plan 2	357,285	324,850	293,007	270,102	249,022	236,495	232,044	232,826	222,044	178,767
Covered-Employee Payroll⁴	12,435,701	11,744,250	11,151,288	10,803,971	10,416,516	10,400,390	10,515,879	10,575,295	10,570,720	10,106,046
Contributions as a Percentage of Covered-Employee Payroll	4.90%	5.07%	4.14%	4.15%	2.56%	2.47%	1.38%	1.46%	3.08%	2.19%

Portions of the above contributions were assessed on the covered payrolls of PERS Plan 2/3, SERS Plan 2/3 and PSERS Plan 2.

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts were presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ DRS collects portions of the employer retirement contributions of PERS Plan 2/3, SERS Plan 2/3 and PSERS Plan 2 and applies them toward the Unfunded Actuarial Accrued Liability of PERS Plan 1.

⁴ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedules of Employer Contributions (cont.)

PERS Plan 2/3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 614,035	\$ 580,852	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	700,769	662,898	462,098	441,677	408,300	407,700	408,600	383,100	369,700	363,300
Contributions in Relation to ADC	621,927	563,328	446,127	430,345	389,020	385,253	328,258	327,460	439,744	318,740
Contribution Deficiency (Excess)	\$ 78,842	\$ 99,570	\$ 15,971	\$ 11,332	\$ 19,280	\$ 22,447	\$ 80,342	\$ 55,640	\$ (70,044)	\$ 44,560
Covered-Employee Payroll³	9,856,106	9,323,463	8,876,898	8,607,757	8,265,361	8,125,656	8,139,901	8,151,255	8,108,034	7,697,892
Contributions as a Percentage of Covered-Employee Payroll	6.31%	6.04%	5.03%	5.00%	4.71%	4.74%	4.03%	4.02%	5.42%	4.14%

SERS Plan 2/3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 135,252	\$ 124,505	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	157,080	144,599	94,736	90,064	86,600	85,200	88,600	82,300	71,500	75,800
Contributions in Relation to ADC	134,727	115,480	97,386	88,783	78,400	74,640	62,316	62,090	63,526	52,139
Contribution Deficiency (Excess)	\$ 22,353	\$ 29,119	\$ (2,650)	\$ 1,281	\$ 8,200	\$ 10,560	\$ 26,284	\$ 20,210	\$ 7,974	\$ 23,661
Covered-Employee Payroll³	2,040,005	1,877,908	1,720,489	1,616,447	1,549,224	1,638,675	1,650,375	1,619,245	1,585,931	1,515,966
Contributions as a Percentage of Covered-Employee Payroll	6.60%	6.15%	5.66%	5.49%	5.06%	4.55%	3.78%	3.83%	4.01%	3.44%

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts re presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedules of Employer Contributions (cont.)

PSERS Plan 2										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 23,545	\$ 21,408	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Actuarially Determined Contributions (ADC)²	24,617	22,382	18,545	17,053	15,100	14,700	14,700	14,800	14,300	12,400
Contributions in Relation to ADC	23,238	20,058	18,704	17,124	15,650	15,285	15,591	15,238	14,510	11,700
Contribution Deficiency (Excess)	\$ 1,379	\$ 2,324	\$ (159)	\$ (71)	\$ (550)	\$ (585)	\$ (891)	\$ (438)	\$ (210)	\$ 700
Covered-Employee Payroll³	357,285	324,850	293,007	270,102	249,022	236,495	232,044	232,826	222,044	178,767
Contributions as a Percentage of Covered-Employee Payroll	6.50%	6.17%	6.38%	6.34%	6.28%	6.46%	6.72%	6.54%	6.53%	6.54%

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts were presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedules of Employer Contributions (cont.)

TRS Plan 1										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 348,833	\$ 325,771	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	387,043	361,481	218,542	208,119	275,400	254,000	205,900	406,100	391,000	294,700
Employer Contributions TRS Plan 1	7,444	22,417	11,864	17,306	17,518	16,706	18,470	24,826	34,734	27,835
Employer Plan 1 UAAL Contributions³										
TRS Plan 2/3	341,524	293,517	212,022	183,368	101,051	95,231	78,333	87,905	144,116	85,254
Contributions in Relation to ADC	348,968	315,934	223,886	200,674	118,569	111,937	96,803	112,731	178,850	113,089
Contribution Deficiency (Excess)	\$ 38,075	\$ 45,547	\$ (5,344)	\$ 7,445	\$ 156,831	\$ 142,063	\$ 109,097	\$ 293,369	\$ 212,150	\$ 181,611
Covered Payroll										
TRS Plan 1	63,907	84,192	113,313	148,430	192,532	280,366	349,660	418,353	480,118	525,223
TRS Plan 2/3	5,466,408	5,054,070	4,681,511	4,436,592	4,203,893	4,162,779	4,171,447	4,056,271	3,950,376	3,664,646
Covered-Employee Payroll⁴	5,530,315	5,138,262	4,794,824	4,585,022	4,396,425	4,443,145	4,521,107	4,474,624	4,430,494	4,189,869
Contributions as a Percentage of Covered-Employee Payroll	6.31%	6.15%	4.67%	4.38%	2.70%	2.52%	2.14%	2.52%	4.04%	2.70%

Portions of the above contributions were assessed on the covered payrolls of TRS Plan 2/3.

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts were presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ DRS collects a portion of the employer retirement contributions of TRS Plan 2/3 and applies it toward the Unfunded Actuarial Accrued Liability of TRS Plan 1.

⁴ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedules of Employer Contributions (cont.)

TRS Plan 2/3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 367,343	\$ 339,634	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Actuarially Determined Contributions (ADC)²	413,260	382,088	269,160	255,277	231,600	232,200	232,300	221,100	186,900	208,900
Contributions in Relation to ADC	364,106	316,022	267,038	249,341	228,974	213,852	168,264	164,959	160,793	109,523
Contribution Deficiency (Excess)	\$ 49,154	\$ 66,066	\$ 2,122	\$ 5,936	\$ 2,626	\$ 18,348	\$ 64,036	\$ 56,141	\$ 26,107	\$ 99,377
Covered-Employee Payroll³	5,466,408	5,054,070	4,681,511	4,436,592	4,203,893	4,162,779	4,171,447	4,056,271	3,950,376	3,664,646
Contributions as a Percentage of Covered-Employee Payroll	6.66%	6.25%	5.70%	5.62%	5.45%	5.14%	4.03%	4.07%	4.07%	2.99%

LEOFF Plan 1										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Actuarially Determined Contributions (ADC)²	–	–	–	–	–	–	–	–	–	–
Contributions in Relation to ADC	–	–	60	98	555	2	3	49	216	8
Contribution Deficiency (Excess)	\$ –	\$ –	\$ (60)	\$ (98)	\$ (555)	\$ (2)	\$ (3)	\$ (49)	\$ (216)	\$ (8)
Covered-Employee Payroll³	5,438	7,932	10,583	13,888	16,521	21,456	27,171	32,110	41,040	41,384
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.57%	0.71%	3.36%	0.01%	0.01%	0.15%	0.53%	0.02%

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts were presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedules of Employer Contributions (cont.)

LEOFF Plan 2										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ 158,332	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	150,049	151,718	147,438	141,696	94,700	97,300	84,000	112,200	105,300	102,100
Contributions in Relation to ADC	158,075	152,424	147,461	141,082	136,643	133,250	131,757	128,374	128,986	119,290
Contribution Deficiency (Excess)	\$ (8,026)	\$ (706)	\$ (23)	\$ 614	\$ (41,943)	\$ (35,950)	\$ (47,757)	\$ (16,174)	\$ (23,686)	\$ (17,190)
Covered-Employee Payroll³	1,882,667	1,804,024	1,744,180	1,674,432	1,605,364	1,569,051	1,542,269	1,515,925	1,455,623	1,343,558
Contributions as a Percentage of Covered-Employee Payroll	8.40%	8.45%	8.45%	8.43%	8.51%	8.49%	8.54%	8.47%	8.86%	8.88%

WSPRS Plan 1/2										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	8,179	7,618	6,810	6,677	2,500	2,900	2,300	6,600	5,000	6,800
Contributions in Relation to ADC	7,587	7,044	6,679	6,587	6,478	6,454	5,251	5,271	6,371	6,064
Contribution Deficiency (Excess)	\$ 592	\$ 574	\$ 131	\$ 90	\$ (3,978)	\$ (3,554)	\$ (2,951)	\$ 1,329	\$ (1,371)	\$ 736
Covered-Employee Payroll³	93,053	86,669	84,379	83,282	81,895	81,578	81,882	82,764	82,719	78,781
Contributions as a Percentage of Covered-Employee Payroll	8.15%	8.13%	7.92%	7.91%	7.91%	7.91%	6.41%	6.37%	7.70%	7.70%

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts were presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedules of Employer Contributions (cont.)

JRS										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	8,761	8,999	9,132	9,205	21,700	22,600	18,600	20,400	21,200	26,600
Contributions in Relation to ADC	9,300	9,500	10,600	10,600	10,112	8,131	10,906	11,649	10,305	9,712
Contribution Deficiency (Excess)	\$ (539)	\$ (501)	\$ (1,468)	\$ (1,395)	\$ 11,588	\$ 14,469	\$ 7,694	\$ 8,751	\$ 10,895	\$ 16,888
Covered-Employee Payroll³	—	—	—	—	160	407	611	1,053	1,394	1,496
Contributions as a Percentage of Covered-Employee Payroll	n/a	n/a	n/a	n/a	6,320.00%	1,997.79%	1,784.94%	1,106.27%	739.24%	649.20%

JRF										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Contractually Required Contributions (CRC)¹	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Actuarially Determined Contributions (ADC)²	439	444	539	425	400	300	100	—	—	—
Contributions in Relation to ADC	499	501	—	—	—	—	—	—	—	300
Contribution Deficiency (Excess)	\$ (60)	\$ (57)	\$ 539	\$ 425	\$ 400	\$ 300	\$ 100	\$ —	\$ —	\$ (300)
Covered-Employee Payroll³	—	—	—	—	—	—	—	—	—	—
Contributions as a Percentage of Covered-Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ See the "Notes to Required Supplementary Information" on page 99 for an explanation of how the CRC and ADC were calculated. The CRC was the same as the ADC in years when no data for the CRC is displayed.

² Prior to 2014, the annual required contribution (ARC) amounts were presented for the actuarially determined contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

³ "Covered-employee payroll" includes employee compensation, as defined by statute, that employers reported to DRS. Employer-reported employee compensation is also used to calculate retirement contributions due to the retirement systems. Total salary or wages employers pay to employees eligible for retirement-system coverage might not be reportable to DRS.

Required Supplementary Information: Schedule of Investment Returns

Annual Money-Weighted Rates of Return Net of Investment Expenses				
Plan	6/30/2017	6/30/2016	6/30/2015	6/30/2014
PERS Plan 1	13.84%	2.19%	4.45%	18.76%
PERS Plan 2/3	14.11%	2.47%	4.63%	18.94%
SERS Plan 2/3	14.13%	2.49%	4.64%	18.96%
PSERS Plan 2	14.14%	2.75%	4.76%	18.91%
TRS Plan 1	14.45%	2.09%	4.41%	18.73%
TRS Plan 2/3	14.10%	2.51%	4.65%	18.96%
LEOFF Plan 1	13.95%	2.25%	4.51%	18.82%
LEOFF Plan 2	14.14%	2.48%	4.64%	18.93%
WSPRS Plan 1/2	14.03%	2.34%	4.56%	18.87%
JRS	0.71%	0.62%	0.40%	0.16%
JRF	0.71%	0.62%	0.40%	0.16%

This schedule will be built prospectively until it contains 10 years of data.

Notes to Required Supplementary Information for the Year Ended June 30, 2017

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions for PERS, PSERS, SERS, TRS, LEOFF and WSPRS: The Office of the State Actuary (OSA) calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined in Chapter 41.45 RCW.

Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2015, valuation date, completed in the fall of 2016, determines the ADC for the period beginning July 1, 2017, and ending June 30, 2019.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions for JRS and JRF: OSA calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation and sets it equal to the expected benefit payments from the plan. Consistent with the state's funding policy defined in Chapters 2.10.90 and 2.12.60 RCW, the Legislature makes biennial appropriations to ensure the fund is solvent so it can make the necessary benefit payments.

Additional Considerations on ADC for All Plans: OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies. For instance, for the period beginning July 1, 2015, and ending June 30, 2017, the contribution rates the Pension Funding Council adopted, which the Legislature did not change, reflect a phasing in of the increase to contribution rates that resulted from a change to the mortality assumption. The increase is expected to be phased in over three biennia for PERS Plans 1, 2 and 3; TRS Plans 1, 2 and 3; SERS Plans 2 and 3; PSERS Plan 2; and WSPRS Plans 1 and 2.

CRC for All Cost-Sharing Plans (All Plans Other Than WSPRS 1/2, JRS and JRF): For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC except the CRC reflect the adopted contribution rates for the time period shown, which might differ from the contribution rates produced for the ADC.

Additional plan-specific actuarial method and assumption information is located in Note 2, Section B, of the Financial Section.

Supporting Schedules

Schedule of Administrative Expenses For the Year Ended June 30, 2017 — Dollars in Thousands

	Retirement Pension Trust Funds	Deferred Compensation Pension Trust Fund	Totals June 30, 2017	Totals June 30, 2016
Current Personnel				
Salaries and Wages	\$ 13,519	\$ 1,061	\$ 14,580	\$ 14,061
Employee Benefits	4,927	392	5,319	5,073
Personal Service Contracts	7,234	375	7,609	3,859
Total Personnel Expenses	25,680	1,828	27,508	22,993
Goods and Services				
Actuary Services	2,309	—	2,309	1,739
Archives and Records Management	32	2	34	35
Attorney General Services	139	17	156	146
Audit Services	308	5	313	479
Bad Debts Expense	26	—	26	46
Collections	54	—	54	51
Communications	417	13	430	372
Data Processing Services	2,161	123	2,284	2,315
Employee Professional Development and Training	118	4	122	157
Facilities and Services	332	7	339	340
Insurance	11	1	12	11
Legal Fees	1,619	2	1,621	1,724
LEOFF 2 Board Governance	1,235	—	1,235	1,142
Medical Consultant Services	43	—	43	36
Other Contractual Services	264	10	274	940
Other Goods and Services	25	—	25	12
Personnel Services	37	3	40	44
Printing and Reproduction	125	4	129	187
Rental and Leases	1,455	101	1,556	1,491
Repairs and Alterations	156	9	165	138
Subscriptions	40	—	40	31
Supplies and Materials	44	2	46	46
Utilities	133	8	141	126
Total Goods and Services	11,083	311	11,394	11,608
Miscellaneous Expenses				
Noncapitalized Equipment	879	40	919	705
Travel	97	29	126	158
Total Miscellaneous Expenses	976	69	1,045	863
Total Current Expenses	37,739	2,208	39,947	35,464
Capital Outlays				
Furnishings, Equipment and Software	55	—	55	66
Total Capital Outlays	55	—	55	66
Depreciation and Loss — Capital Assets	69	—	69	79
Total Administrative Expenses	\$ 37,863	\$ 2,208	\$ 40,071	\$ 35,609

Supporting Schedules (cont.)

Schedule of Investment Expenses — Pension Trust Funds For the Year Ended June 30, 2017 — Dollars in Thousands

	Fees Paid	Netted Fees ¹	Total Fees and Expenses
Equity Securities			
Public Equity Active Management	\$ 57,335	\$ 412	\$ 57,747
Public Equity Passive Management	2,446	920	3,366
Alternative Investments			
Private Equity	204,920	2,149	207,069
Real Estate	45,591	10,585	56,176
Tangible Assets	53,491	9,135	62,626
Cash Management	2,345	—	2,345
Debt Securities	—	—	—
Other Fees			
Consultants and Accounting	908	—	908
Legal Fees	994	—	994
Research Services	2,275	—	2,275
Securities Lending Rebates and Fees	6,173	—	6,173
Miscellaneous Fees	257	—	257
DCP Management Fees	5,023	—	5,023
JRA Management Fees	14	—	14
PERS Plan 3 Management Fees	1,204	—	1,204
SERS Plan 3 Management Fees	509	—	509
TRS Plan 3 Management Fees	3,346	—	3,346
WSIB Operating Costs	15,632	—	15,632
Total Investment Expenses	\$ 402,463	\$ 23,201	\$ 425,664

¹ Netted fees are included in unrealized gains (losses) in the accompanying financial statements.

Supporting Schedules (cont.)

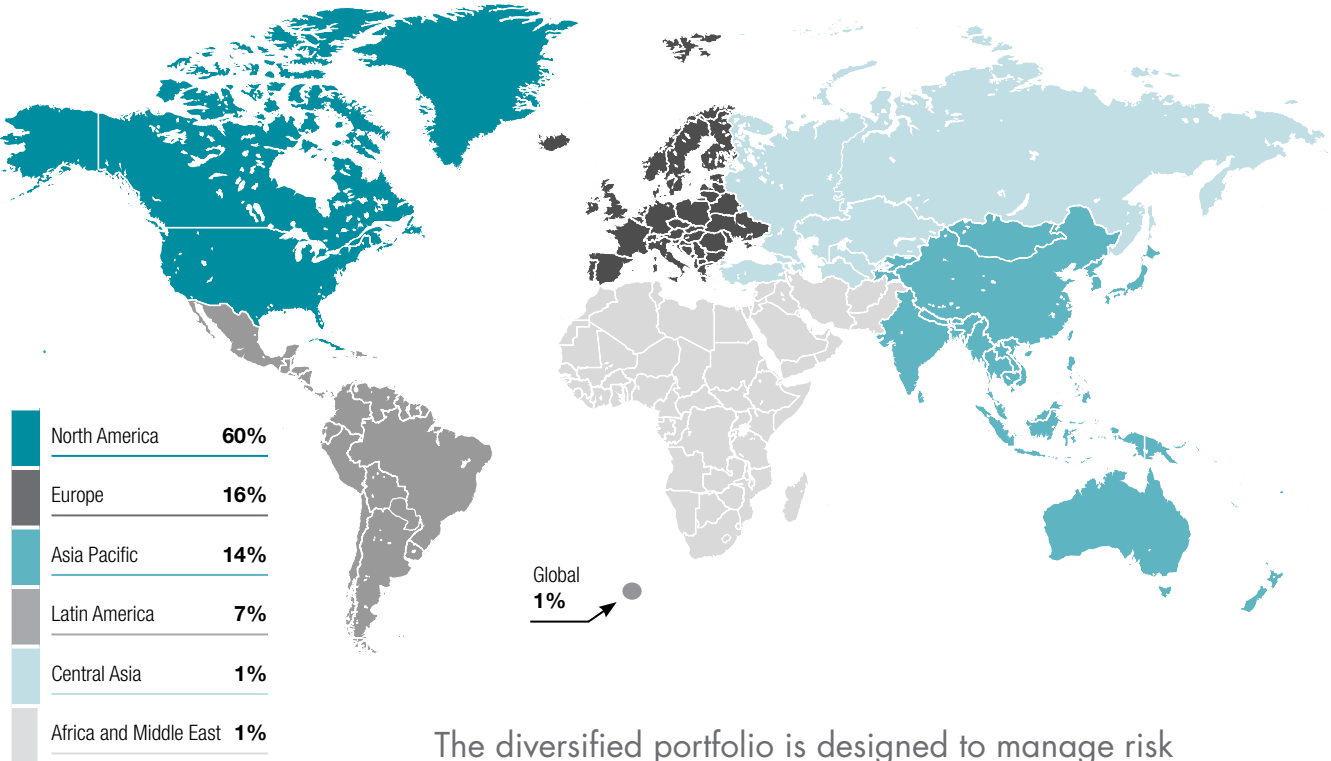
Schedule of Payments to Consultants For the Year Ended June 30, 2017 — Dollars in Thousands	
	Commission/Fee
Computer/Technology	
Aetea Information Technology Inc.	\$ 188
Bizagi	3,463
Elyon Enterprise Strategies Inc.	41
Martin Analysis & Programming Inc.	553
Total Computer/Technology	<u>4,245</u>
Legal	
Freimund Jackson Tardif & Benedict Garratt PLLC	157
Gallitano & O'Connor LLP	17
Ice Miller LLP	37
Stoel Rives LLP	9
Total Legal	<u>220</u>
Management	
CEM Benchmarking Inc.	45
Charles W. Cammack Associates Inc.	56
CliftonLarsonAllen LLP	233
Milliman Inc.	145
The Caughlin Group	10
Total Management	<u>489</u>
Recordkeeping	
Great-West Life & Annuity	3,290
Total Recordkeeping	<u>3,290</u>
Total Payments to Consultants	<u>\$ 8,244</u>

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

INVESTMENTS by the Numbers

Commingled Trust Fund (CTF) Diversification

This chart illustrates where the Washington State Investment Board (WSIB) invests monies pooled in the CTF. As of June 30, 2017, DRS' investment in the CTF was valued at \$93.3 billion.



The diversified portfolio is designed to manage risk across different market conditions around the globe.

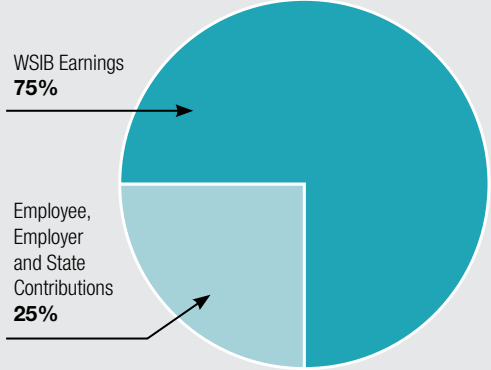
\$93.3 BILLION IN INVESTMENTS

13.4% CTF RETURN IN FISCAL YEAR 2017

99.7% OF CTF COMPOSED OF RETIREMENT FUNDS FROM DRS SYSTEMS

Sources of Pension Dollars

For the next 40 years, the WSIB is expected to earn through its investments 75 cents of every pension dollar retirees will receive, according to 2015 Office of the State Actuary projections.



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 the WSIB invests.

The retirement funds, collectively called the Commingled Trust Fund (CTF), increased in value by \$10.6 billion to \$93.3 billion during fiscal year 2017. The CTF return was 13.4% for the fiscal year.

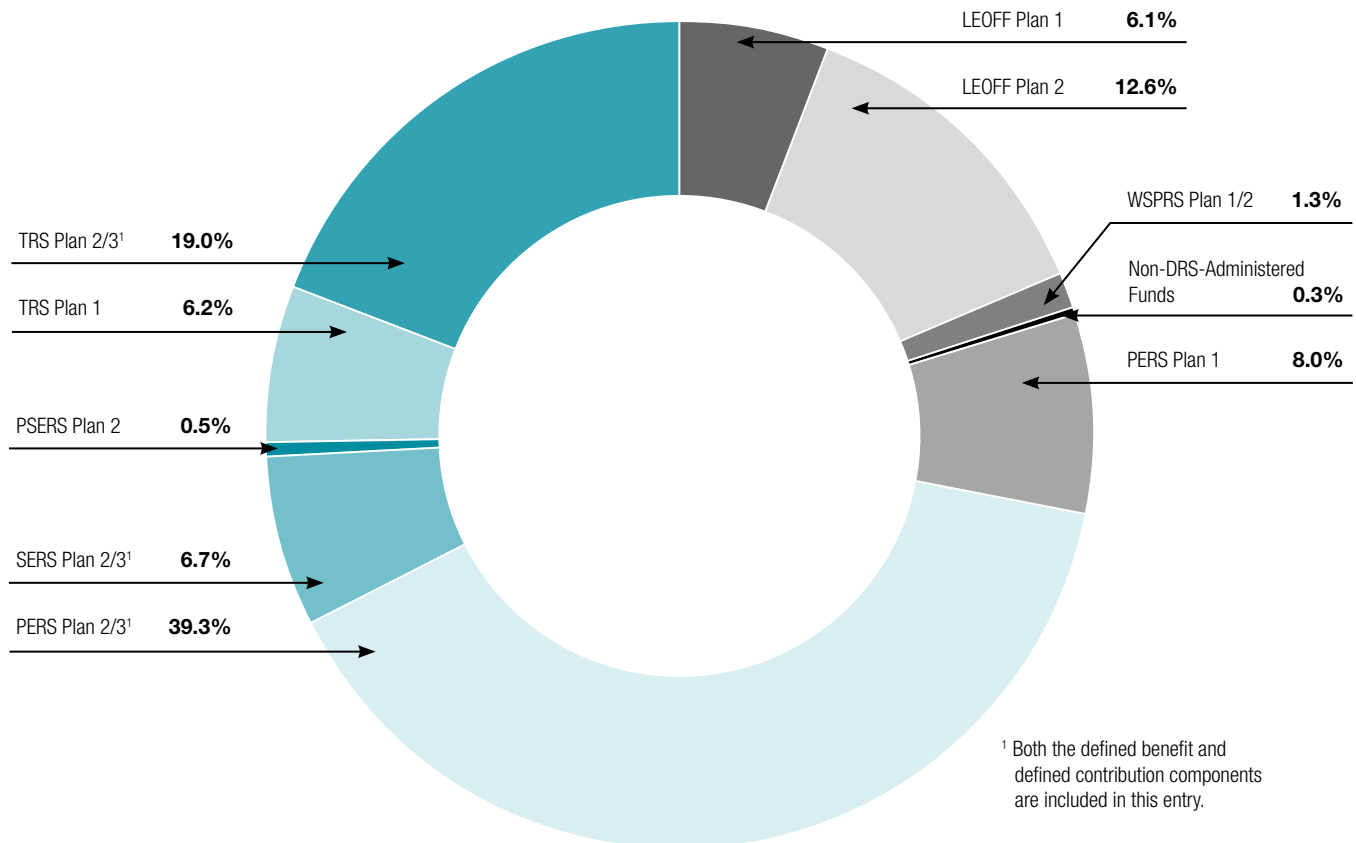
Established on July 1, 1992, the CTF is a diversified pool of investments that is invested in fixed income,

public equity, private equity, real estate and tangible assets. Additional general information about the CTF includes:

- **Participant Concentration:** The DRS retirement funds make up 99.7% of the CTF. The chart below illustrates their respective concentrations.
- **External Managers:** The WSIB engages about 145 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.

Makeup of the Commingled Trust Fund (CTF)

This chart illustrates retirement fund participation as of June 30, 2017. The DRS retirement funds comprise 99.7% of the CTF.



Report on Investment Activity (cont.)

- **Leverage:** The WSIB does not leverage the CTF portfolio as a whole. Individual securities within the CTF do have leverage; however, the WSIB does not capture this information on a total basis.
- **Earnings:** The CTF does not distribute earnings directly to the owner funds. The retirement fund plans are allowed to purchase or sell units in the pool, based on the fair value of the underlying assets, on the first business day of each month. The net asset value includes interest and dividend income, which is recognized on a trade-date basis, and purchases and sales of investments, which are recorded on a trade-date basis.
- **Expense:** The CTF's expense ratio for the year ended June 30, 2017, was 0.42952%.
- **Yield:** The CTF's fixed income portfolio has a yield of 3.27%.
- **Weighted Average Maturity:** The CTF fixed income portfolio has a weighted average maturity of 7.6 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 publicly traded securities, limited partnerships, private equity limited partnerships and real estate limited partnerships.

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. Those determinations are 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, changes in value of foreign currency and published market prices for certain securities. Independent auditors audit the limited partnerships' annual financial statements.

Private Equity Limited Partnerships: The fair value of individual capital account balances is based on the valuations private equity partnerships report 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, or earnings before interest, taxes, depreciation and amortization) 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

Report on Investment Activity (cont.)

to five years, depending on 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 time-weighted rates of return for the CTF on a total fund basis as well as by asset class. Appropriate benchmark returns are provided for comparison purposes.

Returns for the CTF Based on Total Fund and Asset Class — Periods Ending June 30, 2017				
	1-Year	3-Year	5-Year	10-Year
Total Fund	13.44%	6.91%	9.95%	5.47%
Passive Benchmark	13.38%	4.56%	8.54%	4.61%
Fixed Income	2.42%	2.48%	2.83%	5.35%
Barclays Capital Universal	0.91%	2.76%	2.73%	4.73%
Tangible	16.27%	6.14%	4.29%	n/a
CPI Lagged One Quarter + 400 bp	6.38%	5.09%	5.27%	n/a
Real Estate	10.12%	11.60%	13.11%	6.11%
8% Return Over Rolling 10 Years	n/a	n/a	n/a	8.00%
NCREIF Lagged One Quarter (for Comparison Purposes)	7.27%	10.58%	10.69%	6.72%
Public Equity	18.95%	5.50%	11.44%	4.19%
Dow Jones Wilshire Global Index	19.39%	5.20%	11.09%	4.25%
Private Equity	16.81%	10.80%	13.14%	7.90%
Russell 3000 Lagged One Quarter + 300 bp	18.74%	8.40%	11.89%	7.09%
Innovation	(11.33)%	(8.88)%	6.53%	0.20%
Custom Benchmark	5.83%	(2.79)%	0.82%	(0.74)%
Cash	0.80%	0.40%	0.30%	0.75%
90-Day T-Bills	0.50%	0.25%	0.19%	0.62%

Performance information is compiled by the custodian, State Street Bank. Performance numbers are reported

net of management fees and are prepared using a time-weighted rate of return based on the current market value.

Asset Allocation

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

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. Its 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, 2017, as well as the long-term target allocations.

Current Asset Allocation and Long-Term Target Allocations — As of June 30, 2017		
Asset Type	Target Allocation	Actual Allocation
Fixed Income	20.00%	19.31%
Tangible Assets	5.00%	3.81%
Real Estate	15.00%	16.99%
Public Equity	37.00%	39.38%
Private Equity	23.00%	20.40%
Innovation	0.00%	0.03%
Cash	0.00%	0.08%
Total	100.00%	100.00%

Public Equity

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

Report on Investment Activity (cont.)

stocks” and “international stocks” have become increasingly blurred. The WSIB believes 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.

The WSIB employs both passive U.S. equity and passive international equity 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’ 10 Largest Public Equities As of June 30, 2017			
	Holdings	Exposure by Country	
Apple Inc.	1.62%	United States	55.80%
Alphabet Inc.	1.36%	Japan	7.00%
Microsoft Corp.	1.13%	United Kingdom	6.51%
Facebook Inc.	0.80%	France	3.03%
Oracle Corp.	0.77%	Switzerland	2.92%
Wells Fargo & Co.	0.75%	Germany	2.86%
Amazon.com Inc.	0.74%	Canada	2.09%
Nestle SA	0.69%	China	1.85%
Sanofi	0.62%	Australia	1.49%
Exxon Mobil Corp.	0.62%	Hong Kong	1.43%

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 composed of all U.S. domiciled common equities for which pricing information is readily available and currently represents about 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 34% 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 MSCI All Country World Index Investable Market Index with U.S. Gross. Approximately 28% of the public equity portfolio is invested in global equity strategies, which includes U.S. and non-U.S. markets. External managers employing active strategies manage these strategies.

Fixed Income

WSIB staff members internally manage the fixed income portfolio using 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 June 30, 2017

Investment Type	WSIB Fixed Income	Barclays Capital Universal Index
Cash	0.84%	0.00%
Treasury Inflation Protected Securities (TIPS)	0.00%	0.00%
U.S. Treasury	30.40%	30.72%
U.S. Agency	0.00%	1.58%
U.S. Credit	63.29%	42.03%
Pass-Through Mortgages	4.86%	23.65%
Collateral Mortgage Obligations (CMO)	0.24%	0.00%
Commercial Mortgage-Backed Securities (CMBS)	0.38%	1.62%
Asset-Backed Securities (ABS)	0.00%	0.40%

Private Equity

The private equity portfolio, originated in 1981, is primarily invested in partnerships that acquire or create

Report on Investment Activity (cont.)

ongoing businesses or operating companies. The WSIB has investments in all stages of the business life cycle, from private startup 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. Because this is a new asset class, the WSIB is still working toward 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), as authorized by statute, has 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

The WSIB establishes asset allocation targets that must be considered at all times when making investment decisions. The asset mix might deviate from the target.

Deviations greater than predetermined, acceptable levels require rebalancing back to the target. If an asset class exceeds its range, the goal of rebalancing is to meet the target allocation within consideration of the other remaining asset classes.

Retirement funds are invested in the Commingled Trust Fund (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.

The WSIB periodically reviews the asset allocation in relation to the established ranges.

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 the WSIB's allocation to illiquid markets and investment structures in other strategies and/or asset classes
- 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.

Policy constrains the portfolio 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 from the duration of the Universal Index. In addition, the major sector allocations are limited to the following ranges:

Range Limitations of Major Sector Allocations	
U.S. Treasuries and Government Agencies	10-45%
Credit Bonds	10-80%
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 that has the potential for returns superior to traditional investment opportunities and that is not prohibited by law or the WSIB's policies.

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.

Summary of Investment Policies (cont.)

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. 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. Second, real estate capital is diversified among a host of partners with varying investment styles. Third, partnership assets are invested in numerous economic regions, including foreign markets, and in various property types. Fourth, the WSIB's partners invest at different points within the properties' capital structures and life cycles.

The WSIB's current benchmark for real estate is an 8% return over a rolling 10 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 that demonstrates acceptable risk-adjusted returns as long as law and board policy do not prohibit such opportunities. The WSIB seeks 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 members make best efforts to obtain significant co-investment from their investment partners to improve alignment of interests.

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

Investment Professionals

For the Year Ended June 30, 2017 — Page 1 of 2

These investment professionals provided services for the retirement funds during fiscal year 2017:

Private Equity Partners

Accel Partners
Actis
Advent International
Affinity Equity Partners
Alta Communications
Ampersand Ventures
Apax Partners
Apex Investment Partners
Austin Ventures
Avenue Capital Group
Banc Funds
Battery Ventures
BC Partners
Blackstone Group
Bridgepoint Capital
Butler Capital Partners
Canaan Partners
Capital Resource Partners
CDH Investments
Charterhouse Capital Partners
Cinven Ltd.
Clayton, Dubilier & Rice
Code, Hennessy & Simmons
Collinson Howe & Lennox
Cypress Group
Denham Capital
Doughty Hanson & Co.
Edgewater Funds
EIG Global Energy Partners
El Dorado Ventures
Elevation Partners
Endeavour Capital
Essex Woodlands
Evergreen Pacific Partners
First Reserve Corp.
Fisher Lynch Capital
Fortress Investment Group
FountainVest Partners
Francisco Partners
Frazier & Co.

Private Equity Partners (cont.)

Friedman Fleischer & Lowe
GGV Capital
GI Partners
Gilbert Global Equity Partners
Great Hill Partners
GTCR
H.I.G. Ventures
HarbourVest Partners
Hellman & Friedman
Insight Venture Partners
Intersouth Partners
JMI Equity
Kohlberg Kravis Roberts & Co.
KSL Capital Partners
Leonard Green & Partners
M/C Venture Partners
Madison Dearborn Partners
MatlinPatterson Global Advisors
Menlo Ventures
Mobius Venture Capital
Morgan Stanley Venture Partners
New Enterprise Associates
Nordic Capital
Oak Investment Partners
Oaktree Capital Management
OVP Venture Partners
PAG Asia Capital
Palamon Capital Partners
Permira
Polaris Venture Partners
Providence Equity Partners
Rhone Capital
Roark Capital Group
Silver Lake Partners
Southern Cross Group
Spark Management Partners
Stone Point Capital
TA Associates
Tailwind Capital Partners

Private Equity Partners (cont.)

Technology Crossover Ventures
The Riverside Co.
Three Arch Partners
TowerBrook Capital Partners
TPG Partners
Trident Capital Partners
Triton Partners
U.S. Venture Partners
Union Square Ventures
Unitas Capital
VantagePoint Venture Partners
Vestar Capital Partners
Vivo Ventures
Warburg Pincus

Real Estate Partners

Aevitas Property Partners
Calzada Capital Partners
Cherokee
Emerging Markets Fund of Funds
Evergreen Investment Advisors
Fillmore Capital Partners
Global Co-Investment
Hemisferio Sul
Hudson Advisors
Morgan Stanley
Pacific Realty
Principal Enterprise Capital
Proprium
Warburg Pincus

Tangible Partners

Agriculture Capital Management
Alinda Capital Partners
Barings
EnerVest Ltd.
Geronimo Energy

Investment Professionals (cont.)

For the Year Ended June 30, 2017 — Page 2 of 2

Tangible Partners (cont.)

Global Infrastructure Partners
Highstar Capital
Homestead Capital
I Squared Capital
International Farming Corp.
Laguna Bay Pastoral Co.
Lime Rock Resource
Orion Resource Partners
Prostar Capital
Reservoir Resource Partners
Sheridan Production Partners
Silver Creek Advisory Partners
Stonepeak Advisors
Teays River Investments
UBS Farmland Investors
Warwick Management Co.

Public Equity Fund Managers

Aberdeen Asset Management PLC
AQR Capital Management
Arrowstreet Capital LP
BlackRock Institutional Trust Co.
Brandes Investment Partners
D.E. Shaw Investment
Management
Lazard Asset Management LLC
Longview Partners
Magellan Asset Management Ltd.
Mondrian Investment Partners Ltd.
State Street Global Advisors
William Blair & Co.

Overlay

State Street Global Advisors

Schedule of Investment Management Fees and Commissions

For the Year Ended June 30, 2017				
Dollars in Thousands				
	Fees Paid	Netted Fees ¹	Total Fees and Expenses	Net Assets Under Management
Equity Securities				
Public Equity Active Management	\$ 57,335	\$ 412	\$ 57,747	\$ 16,428,804
Public Equity Passive Management	2,446	920	3,366	19,015,269
Alternative Investments				
Private Equity	204,920	2,149	207,069	19,435,555
Real Estate	45,591	10,585	56,176	16,305,848
Tangible Assets	53,491	9,135	62,626	3,478,120
Cash Management	2,345	—	2,345	1,453,739
Debt Securities	—	—	—	16,948,266
Other Fees				
Consultants and Accounting	908	—	908	n/a
Legal Fees	994	—	994	n/a
Research Services	2,275	—	2,275	n/a
Securities Lending Rebates and Fees	6,173	—	6,173	n/a
Miscellaneous Fees	257	—	257	n/a
DCP Management Fees	5,023	—	5,023	n/a
JRA Management Fees	14	—	14	n/a
PERS Plan 3 Management Fees	1,204	—	1,204	n/a
SERS Plan 3 Management Fees	509	—	509	n/a
TRS Plan 3 Management Fees	3,346	—	3,346	n/a
WSIB Operating Costs	15,632	—	15,632	n/a
Total Investment Expenses	\$ 402,463	\$ 23,201	\$ 425,664	\$ 93,065,601

¹ Netted fees are included in unrealized gains (losses) in the accompanying financial statements.

Schedule of Broker Volume and Equity Commissions Paid

For the Year Ended June 30, 2017

Dollars in Thousands — Page 1 of 5

Broker	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commission	Long-Term Volume Transacted	Short-Term Volume Transacted
Auerbach Grayson & Co. Inc.	\$ 111	\$ 5,561	\$ —	\$ 3	\$ —	\$ —
Banco Itau SA	1,174	5,810	1,230	6	—	—
Banco Pactual SA	1,071	159	3,028	6	—	—
Banco Santander Brasil SA	—	—	—	—	66,717	—
Banco Santander Central Hispano	5,376	3,740	563	6	—	—
Bank of America Intl. NY United States	—	—	—	—	168,862	—
Bank of America/LaSalle Bank NA	—	—	—	—	299,136	—
Bank of New York	—	—	—	—	16,951	—
Bank of New York/Barclays London	—	—	—	—	51,850	—
Bank of Nova Scotia	101	823	—	1	—	—
Barclays Bank PLC	—	—	—	—	234,057	—
Barclays Bank PLC London Branch	—	—	—	—	95,667	—
Barclays Capital	1,888	44,311	72,771	62	—	—
Barclays Capital Inc.	—	—	—	—	462,664	—
Barclays Capital Inc./LE	17,357	425,394	413,328	3	—	—
Barclays Capital LE	421	12,602	863	11	—	—
BBVA Securities NY	—	—	—	—	12,963	—
Bloomberg Tradebook Europe Ltd.	2,417	6,108	2,036	3	—	—
Bloomberg Tradebook LLC	5,178	7,298	—	4	—	—
BMO Nesbitt Burns Trading Corp. SA	—	—	—	—	149,568	—
BNP Paribas Securities Corp./Fixed Income	—	—	—	—	26,922	—
BNP Paribas Securities India Pvt. Ltd.	608	2,192	—	5	—	—
BNP Paribas Securities Services	2,241	12,662	5,026	12	—	—
BNP Paribas Securities Services SA	474	221	138	1	—	—
Bony/Toronto Dominion Securities Inc.	—	—	—	—	31,908	—
Bradesco SA CTVM	4,542	15,320	9,423	16	—	—
Broadcort Capital Corp.	15	—	2,827	—	—	—
BTG Capital Corp.	16	—	410	1	—	—
BTIG LLC	3	—	339	—	—	—
Calyon Securities (USA) Inc.	—	—	—	—	89,741	—
Canaccord Genuity Ltd.	75	39	621	—	—	—
Cantor Fitzgerald & Co.	434	176	7,557	13	16,951	—
Cantor Fitzgerald/Cantor Clearing Services	5	—	273	—	—	—
Carnegie Investment Bank AB	252	10,983	—	9	—	—
Carnegie Securities Finland	13	—	349	—	—	—
Celfin Capital SA Corredores de Bolsa	1,775	2,037	824	5	—	—
China Intl. Capital Co.	29,009	13,065	11,985	11	—	—
Citibank NA	—	—	—	—	272,214	—
Citigroup Global Market Korea Securities Ltd.	840	31,031	20,030	36	—	—
Citigroup Global Markets Australia Pty. Ltd.	129	1,206	—	—	—	—
Citigroup Global Markets Inc.	39,430	388,411	362,522	174	153,167	—
Citigroup Global Markets Inc. Salomon Brothers	—	—	—	—	822,350	—
Citigroup Global Markets India	2,339	4,709	6,871	11	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2017

Dollars in Thousands — Page 2 of 5

Broker	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commission	Long-Term Volume Transacted	Short-Term Volume Transacted
Citigroup Global Markets Ltd.	\$ 37,713	\$ 110,728	\$ 88,554	\$ 120	\$ —	\$ —
Citigroup Global Markets Taiwan	3,205	404	7,816	5	—	—
Citigroup Global Markets UK Equity Ltd.	60	—	3,283	—	—	—
CL Securities Taiwan Co. Ltd.	2,728	—	5,970	4	—	—
CLSA Australia Pty. Ltd.	54	319	293	—	—	—
CLSA Securities Korea Ltd.	63	2,277	4,631	6	—	—
CLSA Singapore Pte. Ltd.	15,007	20,808	33,449	29	—	—
Concordia SA CVMCC	309	1,030	117	1	—	—
Convergex Execution Solutions LLC	22,805	95,584	125,656	64	—	—
Cowen & Co. LLC	2	38	—	—	—	—
Credit Lyonnais Securities (India)	1,969	13,457	7,378	16	—	—
Credit Lyonnais Securities (Asia)	17,267	11,289	15,029	19	—	—
Credit Suisse (USA) LLC	2	—	193	—	—	—
Credit Suisse First Boston	17,717	8,055	11,284	5	—	—
Credit Suisse First Boston (Europe)	1,410	24,608	17,405	12	—	—
Credit Suisse First Boston SA CTVM	6,844	16,529	17,389	7	—	—
Credit Suisse Securities (India) Pte. Ltd.	170	2,493	—	6	—	—
Credit Suisse Securities (Europe) Ltd.	6,090	63,920	10,465	35	—	—
Credit Suisse Securities (USA) LLC	124,348	473,640	432,130	171	458,291	—
CS First Boston (Hong Kong) Ltd.	961	34,274	24,544	7	—	—
CSFB Australia Equities Ltd.	1,055	2,002	1,120	2	—	—
Daewoo Securities Co. Ltd.	35	1,948	—	4	—	—
Daiwa Securities (Hong Kong) Ltd.	9,567	70,745	39,448	28	—	—
Daiwa Securities America Inc.	180	—	13,427	8	—	—
Daiwa Securities Co. Ltd.	74	1,581	1,526	6	—	—
Daiwa Securities SB Capital Markets	146	13,243	—	12	—	—
Davy Stockbrokers	15	1,776	—	3	—	—
DBS Vickers Securities (Singapore)	2	—	24	—	—	—
Deutsche Bank AG London	3,739	49,813	38,803	29	—	—
Deutsche Bank Securities Inc.	2,229	30,170	2,573	13	8,974	—
Deutsche Equities India Pvt. Ltd. DB	56	1,682	—	2	—	—
Deutsche Securities Asia Ltd.	453	—	3,461	9	—	—
DSP Merrill Lynch Ltd.	21,135	60,016	30,343	87	—	—
Edelweiss Securities Pvt. Ltd.	620	—	5,709	4	—	—
EFG Eurobank Securities SA	39	349	—	1	—	—
Exane SA	2,793	21,078	15,035	13	—	—
Goldman Sachs (Asia) LLC	1,335	14,113	22,606	15	—	—
Goldman Sachs (India)	105	266	807	1	—	—
Goldman Sachs & Co.	1,032,743	1,492,004	1,523,802	231	264,007,294	—
Goldman Sachs do Brasil Corretora	2,376	8,799	3,066	8	—	—
Goldman Sachs Intl.	19,024	29,410	19,880	16	—	—
Goodbody Stockbrokers	45	204	10	—	—	—
Hoare Govett Summit Securities Ltd. Singapore	17	331	—	—	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2017

Dollars in Thousands — Page 3 of 5

Broker	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commission	Long-Term Volume Transacted	Short-Term Volume Transacted
Hongkong & Shanghai Banking Corp.	\$ 6,983	\$ 10,244	\$ 10,177	\$ 13	\$ —	\$ —
HSBC Bank Brasil SA Banco Multiplo	410	618	682	1	—	—
HSBC Bank PLC	44,180	200,906	156,580	114	—	—
HSBC Brokerage (USA) Inc.	218	1,574	228	5	—	—
HSBC Securities	277	2,010	—	1	—	—
HSBC Securities (USA) Inc.	32,733	356,214	320,130	166	56,836	—
HSBC Securities India Holdings	202	1,691	—	—	—	—
ICBC Financial Services	14	74	305	—	—	—
ICICI Brokerage Services	4,793	7,141	15,473	23	—	—
India Infoline Ltd.	259	1,810	2,029	5	—	—
Instinet	1,799	21,145	29,781	3	—	—
Instinet Australia Clearing Services Pty. Ltd.	6,334	26,618	15,246	11	—	—
Instinet LLC	50,275	261,172	227,639	136	—	—
Instinet Pacific Ltd.	140,228	107,499	100,178	108	—	—
Instinet Singapore Services Pte.	203	1,560	—	—	—	—
Instinet UK Ltd.	67,981	498,158	342,260	247	—	—
Investec Securities Ltd.	107	931	—	1	—	—
Investment Technology Group Inc.	20,231	327,518	283,771	139	—	—
Investment Technology Group Ltd.	34,993	265,916	261,368	160	—	—
ITAU Chile Corredor de Bolsa Ltd.	3,481	1,033	3,292	5	—	—
ITG Australia Ltd.	3,242	21,415	19,118	17	—	—
ITG Canada	5,389	31,023	27,202	14	—	—
ITG Inc.	1,475	1,057	601	1	—	—
ITG Securities (HK) Ltd.	28,683	36,183	18,503	22	—	—
JPMorgan Chase/JPMorgan Intl.	—	—	—	—	37,891	—
JPMorgan India Pte. Ltd.	1,117	1,235	4,277	6	—	—
JPMorgan Securities Inc.	7,994	42,113	33,621	44	—	—
JPMorgan Clearing Corp.	7,842	127,588	143,387	54	—	—
JPMorgan Securities (Taiwan) Ltd.	773	—	3,199	2	—	—
JPMorgan Securities Ltd.	27	—	1,620	4	694,380	—
JPMorgan Securities (Far East) Ltd. Seoul	147	4,659	8,536	8	—	—
Janney Montgomery Scott LLC	106	6,614	2,494	5	—	—
Jefferies & Co. Inc.	4,079	6,539	4,292	10	119,654	—
Jefferies Intl. Ltd.	483	2,894	2,157	1	—	—
Joh. Berenberg, Gossler & Co.	195	4,077	—	6	—	—
JonesTrading Institutional Services LLC	252	—	6,872	8	—	—
JPMorgan Chase Bank/HSBC SI	—	—	—	—	387,880	—
JPMorgan Securities Australia Ltd.	1,644	8,164	3,604	3	—	—
JPMorgan Securities PLC	31,869	193,508	188,551	128	—	—
JPMorgan Securities Singapore	315	1,683	42	2	—	—
JPMorgan Chase Bank	—	—	—	—	25,325	—
JPMorgan Chase Bank/RBS Securities Inc.	—	—	—	—	518,502	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2017

Dollars in Thousands — Page 4 of 5

Broker	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commission	Long-Term Volume Transacted	Short-Term Volume Transacted
JPMorgan Securities (Asia Pacific) Ltd.	\$ 47,956	\$ 25,601	\$ 32,171	\$ 23	\$ —	\$ —
KCG Americas LLC	217	668	2,386	4	—	—
Keefe, Bruyette & Woods Inc.	2	55	—	—	—	—
Kepler Equities Paris	92	—	8,717	13	—	—
Knight Securities Intl.	285	3,116	—	1	—	—
Korea Investment & Securities Co. Ltd.	—	313	—	—	—	—
Larrain Vial	1,851	415	1,541	4	—	—
Liberum Capital Inc.	174	3,731	—	6	—	—
Liquidnet Canada Inc.	100	980	654	2	—	—
Liquidnet Europe Ltd.	—	—	49	—	—	—
Liquidnet Inc.	4,104	153,405	120,724	93	—	—
Loop Capital Markets	15,091	235,414	302,551	124	—	—
Macquarie Bank Ltd.	17,321	85,536	53,715	37	—	—
Macquarie Capital (Europe) Ltd.	1,114	2,381	—	1	—	—
Macquarie Securities (NZ) Ltd.	79	253	4	—	—	—
Macquarie Securities (India) Pvt. Ltd.	486	3,274	2,117	10	—	—
Macquarie Securities (Singapore)	607	2,905	—	4	—	—
Macquarie Securities (USA) Inc.	84	—	8,221	3	—	—
Macquarie Securities (Korea) Ltd.	22	771	25,483	26	—	—
MainFirst Bank DE	33	3,988	—	3	—	—
Merrill Lynch Canada Inc.	420	7,440	7,656	—	—	—
Merrill Lynch Intl.	140,577	271,756	207,602	180	—	—
Merrill Lynch, Pierce, Fenner & Smith Inc.	41,535	512,702	402,439	321	366,945	—
Mirae Asset Daewoo Co. Ltd.	65	1,312	3,302	9	—	—
Mitsubishi UFJ Securities (USA) Inc.	—	—	—	—	997	—
Mizuho Securities USA Inc.	422	—	435	1	—	—
Mizuho Securities USA/Fixed Income	—	—	—	—	20,940	—
Morgan Stanley & Co. Intl.	10,649	62,920	55,797	57	—	—
Morgan Stanley & Co. Inc.	74,660	77,822	43,792	65	245,654	—
Morgan Stanley DW Inc.	1,117	—	27,868	47	—	—
Morgan Stanley India Co. Pvt. Ltd.	432	3,173	712	5	—	—
Morrison Jenkins & Co. Inc.	11	—	15	—	—	—
National Financial Services Corp.	204	85	8,547	7	89,741	—
Nesbitt Burns	45	482	—	1	—	—
NH Investment & Securities Co. Ltd.	153	3,618	3,434	4	—	—
Nomura Securities Intl. Inc.	—	—	—	—	3,988	—
Nomura Securities/Fixed Income	—	—	—	—	143,585	—
Panmure Gordon & Co. Ltd.	153	—	2,545	2	—	—
Pavilion Global Markets Ltd.	8,037	149,485	131,989	65	—	—
Peel Hunt LLP	58	—	4,896	7	—	—
Penserra Securities LLC	14,971	214,899	294,334	117	—	—
Pershing LLC	1,141	7,812	9,916	12	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2017

Dollars in Thousands — Page 5 of 5

Broker	Equity				Fixed Income	
	Volume Transacted	Buy Cost	Proceeds	Commission	Long-Term Volume Transacted	Short-Term Volume Transacted
Pershing Securities Ltd.	\$ 409	\$ 6,017	\$ 3,049	\$ 2	\$ —	\$ —
RBC Dominion Securities Co.	1	—	53	—	—	—
Raymond James & Associates Inc.	1,408	19,480	17,166	14	—	—
RBC Capital Markets	24	—	1,783	1	43,873	—
RBC Capital Markets LLC	52	3,641	652	1	—	—
RBC Dominion Securities Inc.	640	6,714	14,400	27	—	—
Redburn Partners LLP	151	9,279	—	9	—	—
Royal Bank of Canada Europe Ltd.	363	11,544	11,399	18	—	—
Sanford C. Bernstein & Co. LLC	25,777	362,006	408,389	200	—	—
Sanford C. Bernstein Ltd.	27,707	159,599	96,594	88	—	—
Santander Investment Securities	4	38	—	—	—	—
Scotia Capital (USA) Inc.	239	2,372	241	2	99,712	—
Scotia Capital Markets	27	1,238	—	1	—	—
SG Americas Securities LLC	16,618	274,479	323,575	127	—	—
SG Asia Securities (India) Pvt. Ltd.	580	573	1,935	3	—	—
SG Securities HK	23,476	89,877	75,066	53	—	—
Sinopac Securities Corp.	1,884	2,480	335	2	—	—
SMBC Securities Inc.	11	—	176	—	—	—
Societe Generale London Branch	20,577	158,917	152,197	158	—	—
Standard CT AIG	—	—	—	—	49,856	—
State Street Bank & Trust	—	—	—	—	—	21,248,490
State Street Global Markets LLC	293	1,062	1,022	1	—	—
Stifel, Nicolaus & Co. Inc.	730	3,288	—	—	—	—
Tera Menkul Degerler AS	5,847	9,322	2,609	12	—	—
Topline Securities Pvt. Ltd.	1,237	1,323	—	6	—	—
Toronto Dominion Securities Inc.	342	1,025	11,816	8	—	—
UBS AG	11,680	51,770	48,801	32	—	—
UBS Financial Services Inc.	144	861	—	—	—	—
UBS Ltd.	19,039	179,174	182,509	162	—	—
UBS Securities Asia Ltd.	74,368	79,180	37,904	35	—	—
UBS Securities Canada Inc.	1,706	14,999	17,484	9	—	—
UBS Securities India Pvt. Ltd.	168	1,131	—	2	—	—
UBS Securities LLC	11,978	304,528	296,425	94	178,734	—
UBS Securities Pte. Ltd	258	—	1,689	—	—	—
UBS Securities Pte. Ltd. Seoul	3	55	5,407	7	—	—
UBS Warburg Australia Equities	1,912	2,728	5,982	3	—	—
US Bancorp Investments Inc.	—	—	—	—	14,957	—
Weeden & Co.	13,945	248,118	293,989	123	—	—
Wells Fargo Securities LLC	8	—	130	—	—	—
Williams Capital Group LP (The)	3	—	60	—	—	—
XP Investimentos CCTVM SA	676	2,905	656	2	—	—
Total	\$ 2,633,687	\$ 10,101,460	\$ 9,464,560	\$ 5,327	\$ 270,545,697	\$ 21,248,490

Summary of Investments Owned — Pension Trust Funds

Schedule of Investments Owned as of June 30, 2017

Dollars in Thousands — Page 1 of 7

Description	Rate	Maturity	Market Value	% of Total Market Value
Residential Mortgage-Backed Securities				
FNMA Pool AL5255	2.50	7/1/2028	\$ 59,544	0.06%
FNMA Pool AS8276	3.00	11/1/2046	48,102	0.05%
FED HM LN PC Pool G08721	3.00	9/1/2046	47,457	0.05%
FED HM LN PC Pool G08715	3.00	8/1/2046	47,096	0.05%
FNMA TBA 15 YR 2.5	2.50	2/25/2032	43,160	0.04%
GNMA II TBA 30 YR 3.5	3.50	12/20/2046	42,898	0.04%
FNMA Pool AS6932	3.00	4/1/2046	42,253	0.04%
FNMA Pool AS6815	3.00	3/1/2046	40,825	0.04%
FNMA TBA 30 YR 4	4.00	5/25/2046	38,803	0.04%
FNMA Pool AB8447	2.50	2/1/2028	37,255	0.04%
Other	—	—	552,977	0.54%
Total Residential Mortgage-Backed Securities			1,000,370	0.99%
Commercial Mortgage-Backed Securities				
Fannie Mae	2.50	7/25/2028	23,240	0.02%
GS Mortgage Securities Trust	3.52	6/10/2047	15,758	0.02%
Freddie Mac	3.00	10/15/2040	15,060	0.01%
Citigroup Commercial Mortgage	2.79	3/10/2047	13,125	0.01%
Morgan Stanley BAML Trust	3.33	5/15/2049	11,615	0.01%
UBS Barclays Commercial Mortgage	3.09	8/10/2049	10,211	0.01%
Wells Fargo Commercial Mortgage	3.17	2/15/2048	10,014	0.01%
GS Mortgage Securities Trust	3.68	8/10/2043	1,714	0.00%
Wells Fargo Commercial Mortgage	3.35	11/15/2043	1,323	0.00%
Residential Asset Securitization Trust	4.25	2/25/2034	702	0.00%
Other	—	—	792	0.00%
Total Commercial Mortgage-Backed Securities			103,554	0.09%
Corporate Bonds — Domestic Dollar Denominated				
Verizon Communications	5.15	9/15/2023	72,029	0.07%
Reliance Holdings USA	4.50	10/19/2020	57,756	0.06%
Anheuser Busch Inbev Worldwide	6.88	11/15/2019	55,381	0.05%
JPMorgan Chase & Co.	1.70	3/1/2018	49,880	0.05%
Bank of America Corp.	3.88	8/1/2025	46,340	0.05%
Citigroup Inc.	4.00	8/5/2024	41,006	0.04%
Bayer U.S. Finance LLC	3.38	10/8/2024	40,640	0.04%
Goldman Sachs Group Inc.	2.60	12/27/2020	40,158	0.04%
HSBC USA Inc.	1.70	3/5/2018	39,897	0.04%
Glencore Funding LLC	4.63	4/29/2024	36,456	0.04%
Other	—	—	1,449,830	1.41%
Total Corporate Bonds — Domestic Dollar Denominated			1,929,373	1.89%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2017

Dollars in Thousands — Page 2 of 7

Description	Rate	Maturity	Market Value	% of Total Market Value
Corporate Bonds — Foreign Nondollar Denominated				
SACI Falabella	6.50	4/30/2023	\$ 27,541	0.03%
Petroleos Mexicanos	7.19	9/12/2024	27,158	0.03%
America Movil SAB de CV	8.46	12/18/2036	20,523	0.02%
Ambev International Finance Co. Ltd.	9.50	7/24/2017	17,912	0.02%
Petroleos Mexicanos	7.65	11/24/2021	17,171	0.02%
Empresas Public Medellin	7.63	9/10/2024	15,914	0.02%
BRF SA	7.75	5/22/2018	13,207	0.01%
Cosan Luxembourg SA	9.50	3/14/2018	11,752	0.01%
Turkiye Garanti Bankasi	7.38	3/7/2018	10,909	0.01%
Akbank TAS	7.50	2/5/2018	10,394	0.01%
Other	—	—	25,518	0.02%
Total Corporate Bonds — Foreign Nondollar Denominated			197,999	0.20%
Corporate Bonds — Foreign Dollar Denominated				
Banco de Bogota SA	6.25	5/12/2026	84,940	0.08%
Perusahaan Gas Negara	5.13	5/16/2024	80,282	0.08%
Inversiones CMPC SA	6.13	11/5/2019	69,962	0.07%
Petronas Capital Ltd.	3.50	3/18/2025	67,052	0.07%
APT Pipelines Ltd.	4.20	3/23/2025	61,859	0.06%
Banco Bradesco (Cayman)	5.75	3/1/2022	55,452	0.05%
Ecopetrol SA	7.63	7/23/2019	55,080	0.05%
Bank of Nova Scotia	2.05	6/5/2019	54,951	0.05%
TransCanada Pipelines	4.63	3/1/2034	54,635	0.05%
Vale SA	5.63	9/11/2042	54,154	0.05%
Other	—	—	6,138,664	5.98%
Total Corporate Bonds — Foreign Dollar Denominated			6,777,031	6.59%
U.S. Government Treasuries				
U.S. Treasury N/B	1.25	10/31/2018	448,237	0.44%
U.S. Treasury N/B	1.13	5/31/2019	446,693	0.44%
U.S. Treasury N/B	2.38	8/15/2024	440,426	0.43%
U.S. Treasury N/B	2.00	8/15/2025	416,621	0.41%
U.S. Treasury N/B	1.75	9/30/2019	251,119	0.24%
U.S. Treasury N/B	2.63	8/15/2020	205,717	0.20%
U.S. Treasury N/B	1.63	11/15/2022	196,128	0.19%
U.S. Treasury N/B	1.63	5/15/2026	189,099	0.18%
U.S. Treasury N/B	1.50	5/31/2019	149,926	0.15%
U.S. Treasury N/B	0.75	4/15/2018	139,056	0.14%
Other	—	—	2,247,769	2.19%
Total U.S. Government Treasuries			5,130,791	5.01%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2017				
Dollars in Thousands — Page 3 of 7				
Description	Rate	Maturity	Market Value	% of Total Market Value
Foreign Government and Agencies — Dollar Denominated				
Provincia de Buenos Aires	7.88	6/15/2027	\$ 72,343	0.07%
Republic of Indonesia	5.38	10/17/2023	55,376	0.05%
Socialist Republic of Vietnam	4.80	11/19/2024	50,292	0.05%
Provincia de Cordoba	7.13	8/1/2027	49,705	0.05%
Province of Manitoba	2.13	6/22/2026	37,894	0.04%
Republic of Argentina	6.88	1/26/2027	36,106	0.04%
Republic of Peru	4.13	8/25/2027	32,537	0.03%
City of Buenos Aires	7.50	6/1/2027	32,286	0.03%
Kommunalbanken AS	1.75	9/15/2020	31,849	0.03%
Republic of Indonesia	4.35	1/8/2027	31,265	0.03%
Other	—	—	569,751	0.55%
Total Foreign Government and Agencies — Dollar Denominated			999,404	0.97%
Foreign Government and Agencies — Nondollar Denominated				
Republica Orient Uruguay	4.38	12/15/2028	54,487	0.05%
Malaysia Government	4.01	9/15/2017	48,863	0.05%
Nota do Tesouro Nacional	10.00	1/1/2023	44,670	0.04%
Queensland Treasury Corp.	4.25	7/21/2023	41,667	0.04%
Queensland Treasury Corp.	6.00	9/14/2017	38,573	0.04%
Republic of Colombia	4.38	3/21/2023	37,805	0.04%
Republic of Chile	5.50	8/5/2020	35,917	0.03%
Federal Republic of Brazil	10.25	1/10/2028	35,132	0.03%
New S. Wales Treasury Corp.	5.00	8/20/2024	22,030	0.02%
Federal Republic of Brazil	8.50	1/5/2024	20,961	0.02%
Other	—	—	188,462	0.18%
Total Foreign Government and Agencies — Nondollar Denominated			568,567	0.54%
Supranational — Nondollar Denominated				
International Bank for Reconstruction & Development	5.75	10/21/2019	41,324	0.04%
International American Development Bank	6.50	8/20/2019	25,032	0.02%
International Finance Corp.	8.25	6/10/2021	24,961	0.02%
International Finance Corp.	8.00	10/20/2019	24,146	0.02%
Asian Development Bank	2.85	10/21/2020	12,777	0.01%
Total Supranational — Nondollar Denominated			128,240	0.11%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2017		
Dollars in Thousands — Page 4 of 7		
Description	Market Value	% of Total Market Value
Equity Securities — Domestic Dollar Denominated		
Apple Inc.	\$ 235,439	0.23%
Oracle Corp.	202,681	0.20%
Microsoft Corp.	174,618	0.17%
Wells Fargo & Co.	147,737	0.14%
Visa Inc. Class A Shares	135,248	0.13%
UnitedHealth Group Inc.	131,833	0.13%
HCA Healthcare Inc.	131,509	0.13%
Alphabet Inc. Class C Shares	126,923	0.12%
Facebook Inc.	123,381	0.12%
Alphabet Inc. Class A Shares	106,235	0.10%
Other	5,566,311	5.42%
Total Equity Securities — Domestic Dollar Denominated	7,081,915	6.89%
Equity Securities — Domestic Nondollar Denominated		
ResMed Inc. CDI	1,042	0.00%
Total Equity Securities — Domestic Nondollar Denominated	1,042	0.00%
Equity Securities — Foreign Nondollar Denominated		
Nestle SA-Reg	237,494	0.23%
Sanofi	220,593	0.21%
Novartis AG-Reg	212,193	0.21%
Lloyds Banking Group PLC	159,559	0.16%
SAP SE	119,395	0.12%
Roche Holding AG-Genusschein	118,619	0.12%
AIA Group Ltd.	113,660	0.11%
British American Tobacco PLC	112,499	0.11%
Samsung Electronics Co. Ltd.	108,006	0.10%
Compass Group PLC	100,294	0.10%
Other	12,499,451	12.18%
Total Equity Securities — Foreign Nondollar Denominated	14,001,763	13.65%
Equity Securities — Foreign Dollar Denominated		
Aon PLC	107,592	0.10%
Delphi Automotive PLC	76,417	0.07%
Taiwan Semiconductor SP ADR	74,988	0.07%
Willis Towers Watson PLC	67,975	0.07%
Accenture PLC CL-A	61,227	0.06%
Banco Bradesco ADR	54,547	0.05%
Fomento Economico Mex-SP ADR	47,842	0.05%
Alibaba Group Holding SP ADR	47,595	0.05%
Jardine Matheson Holdings Ltd.	43,700	0.04%
Schlumberger Ltd.	42,228	0.04%
Other	683,667	0.67%
Total Equity Securities — Foreign Dollar Denominated	1,307,778	1.27%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2017		
Dollars in Thousands — Page 5 of 7		
Description	Market Value	% of Total Market Value
Commingled Index Funds — Domestic		
BlackRock MSCI U.S. IMI	\$ 11,513,479	11.21%
Total Commingled Index Funds — Domestic	11,513,479	11.21%
Commingled Index Funds — Foreign		
Lazard Freres Capital Management	478,873	0.47%
BlackRock MSCI EM IMI Index Fund	429,426	0.42%
SPDR S&P 500 ETF Trust	1,821	0.00%
P2P Global Investments PLC	387	0.00%
Total Commingled Index Funds — Foreign	910,507	0.89%
Cash and Money Market		
State Street Bank & Trust	1,893,567	1.84%
BlackRock Liquidity Funds	222,859	0.22%
U.S. Dollar	24,295	0.02%
Total Cash and Money Market	2,140,721	2.08%
Private Equity		
Warburg Pincus Private Equity XI LP	791,487	0.77%
KKR 2006 Fund LP	713,105	0.69%
KKR North America Fund XI LP	590,505	0.58%
Hellman & Friedman Capital Partners VII LP	574,419	0.56%
Fisher Lynch Co-Investment Partnership II LP	507,640	0.49%
KKR Asian Fund II LP	449,314	0.44%
Advent International GPE VII-B LP	430,920	0.42%
Permira V LP	423,139	0.41%
TPG Partners VI LP	409,285	0.40%
Warburg Pincus Private Equity X LP	400,381	0.39%
Other	14,131,797	13.77%
Total Private Equity	19,421,992	18.92%
Real Estate		
Evergreen Real Estate Partners LP	3,990,584	3.89%
Calzada Capital Partners LLC	3,922,535	3.82%
Principal Enterprise Capital Holdings	3,439,944	3.35%
Fillmore Strategic Investors	1,260,524	1.23%
Zocalo Special Situations LLC	831,401	0.81%
Aevidas Property Partners LLC	781,244	0.76%
Union Square LP	611,406	0.60%
PacTrust Realty Association	349,086	0.34%
Emerging Markets Fund of Funds	252,050	0.25%
Morgan Stanley Special Situations Fund III LP	134,189	0.13%
Other	719,929	0.70%
Total Real Estate	16,292,892	15.88%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2017

Dollars in Thousands — Page 6 of 7

Description	Market Value	% of Total Market Value
Tangible Asset		
Teays River Investments LLC	\$ 334,482	0.33%
Alinda Infrastructure Fund II LP	325,962	0.32%
Stonepeak Infrastructure Fund II LP	247,139	0.24%
Global Infrastructure Partners II LP	243,814	0.24%
Stonepeak Infrastructure Fund LP	220,828	0.22%
Twin Creeks Timber	180,143	0.18%
Orion Mine Finance I	166,309	0.16%
EnerVest Fund XIV LP	141,534	0.14%
Warwick Partners III LP	114,709	0.11%
Orion Mine Finance II	112,362	0.11%
Other	1,390,848	1.35%
Total Tangible Asset	3,478,130	3.40%
Foreign Currency		
Canadian Dollar	16,159	0.02%
Pound Sterling	14,658	0.01%
Japanese Yen	14,571	0.01%
Euro	11,303	0.01%
Australian Dollar	8,928	0.01%
Hong Kong Dollar	7,059	0.01%
South Korean Won	5,546	0.01%
Swedish Krona	2,329	0.00%
Mexican Peso	1,519	0.00%
Indian Rupee	1,486	0.00%
Other	6,041	0.01%
Total Foreign Currency	89,599	0.09%
Return Swap Contracts		
Total Return Swap Contracts	250	0.00%
Total Return Swap Contracts	250	0.00%
In Plan 3 Defined Contribution and Deferred Compensation Program: Retirement Strategy Funds (Target Date Funds)		
Retirement Strategy 2020	941,240	0.92%
Retirement Strategy 2025	898,446	0.88%
Retirement Strategy 2030	620,522	0.60%
Retirement Strategy 2015	519,962	0.51%
Retirement Strategy 2035	432,938	0.42%
Retirement Strategy 2040	244,598	0.24%
Retirement Strategy 2010	178,510	0.17%
Retirement Strategy 2045	142,909	0.14%
Retirement Strategy 2050	81,844	0.08%
Other	175,216	0.17%
Total Return Swap Contracts	4,236,185	4.13%

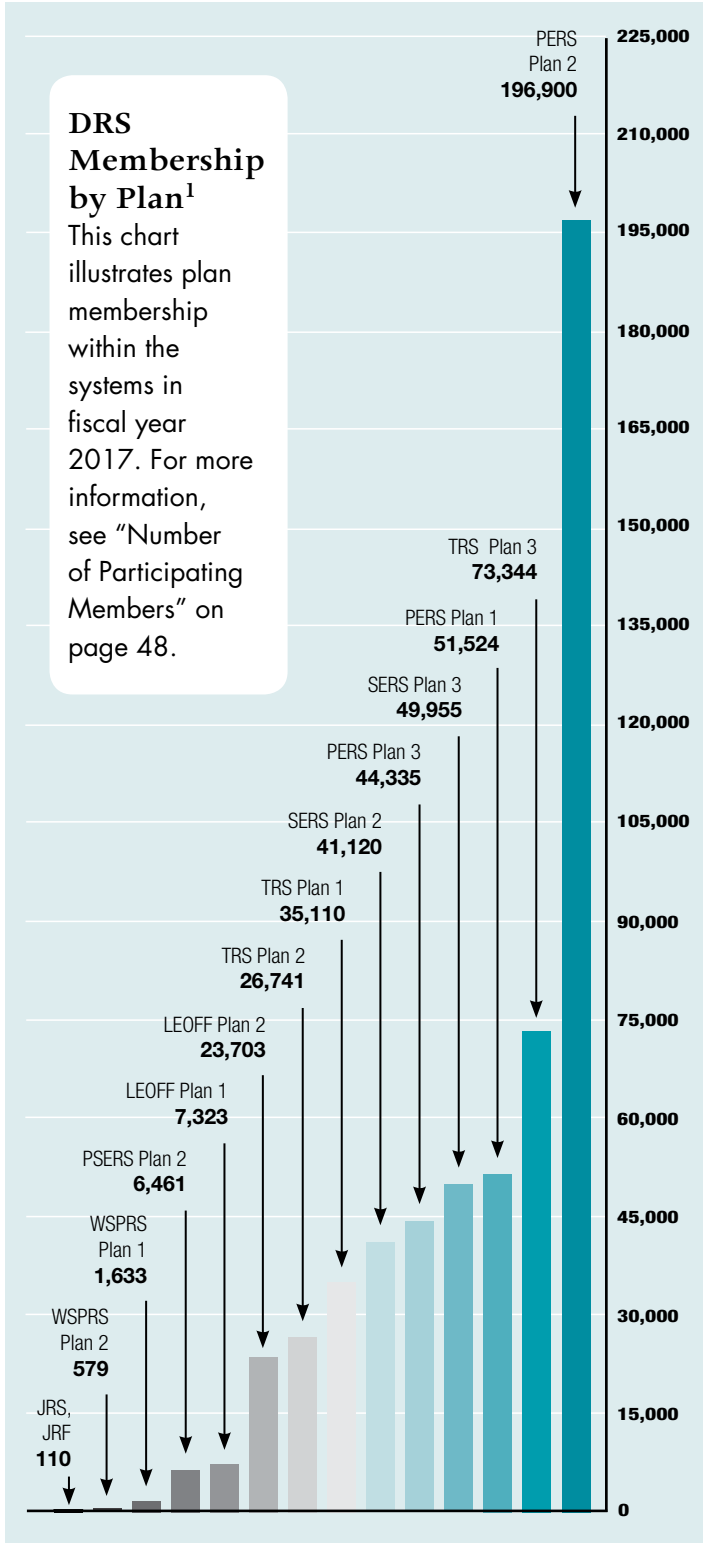
Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2017		
Dollars in Thousands — Page 7 of 7		
Description	Market Value	% of Total Market Value
Equity Index Funds		
U.S. Large Cap Equity Index	\$ 1,388,294	1.35%
U.S. Small Cap Value Equity Index	466,299	0.45%
Global Equity Index	304,079	0.30%
Emerging Market Index	146,517	0.14%
Total Equity Index Funds	2,305,189	2.24%
Guaranteed Investment Contracts		
Savings Pool	871,816	0.85%
Total Guaranteed Investment Contracts	871,816	0.85%
Bond Funds		
Washington State Bond Fund	673,409	0.66%
U.S. Socially Responsible Fund	275,889	0.27%
Total Bond Funds	949,298	0.93%
Short-Term Investment Funds (in Defined Contribution Plans)		
WSIB Short-Term Investment Fund	507,858	0.49%
Short-Term Contribution Interest Fund	185	0.00%
Total Short-Term Investment Funds (in Defined Contribution Plans)	508,043	0.49%
Securities Under Lending Agreements		
Collateral Held Under Securities Lending Agreements	712,665	0.69%
Total Securities Under Lending Agreements	712,665	0.69%
Total Investments	\$ 102,658,593	100.00%

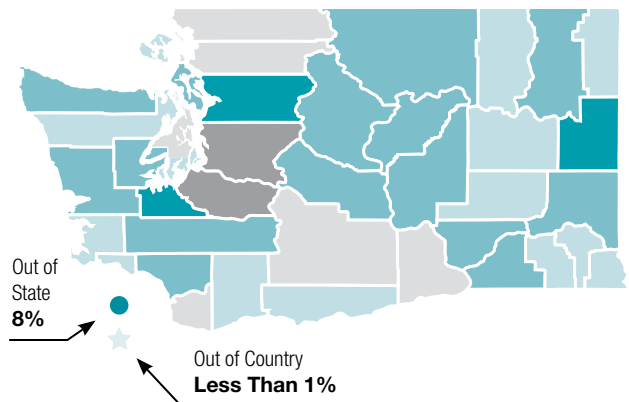
758,000 PUBLIC EMPLOYEES ARE BEING SERVED IN WASHINGTON

CURRENT AND FORMER

DRS Membership by Plan¹
 This chart illustrates plan membership within the systems in fiscal year 2017. For more information, see "Number of Participating Members" on page 48.



Membership Density by County²
 This map illustrates the counties in which inactive, active and retired members lived in fiscal year 2017.



Membership Density	County	Percentage	
Less Than 1%	Adams	0%	
	Asotin	0%	
	Columbia	0%	
	Ferry	0%	
	Garfield	0%	
	Jefferson	0%	
	Klickitat	0%	
	Lincoln	0%	
	Pacific	0%	
	Pend Orielle	0%	
	San Juan	0%	
	Skamania	0%	
	Wahkiakum	0%	
	1%-2%	Chelan	1%
		Clallam	1%
Cowlitz		1%	
Douglas		1%	
Franklin		1%	
Grant		1%	
2%-5%	Benton	3%	
	Clark	4%	
	Kitsap	3%	
	Skagit	2%	
	Whatcom	2%	
	Yakima	3%	
	6%-10%	Spokane	6%
		Snohomish	8%
		Thurston	8%
	11%+	King	24%
Pierce		11%	

¹ Excludes inactive, nonvested members

² Due to rounding, combined total membership might not equal 100%.

Actuarial Section



Office of the State Actuary

"Supporting financial security for generations."

September 29, 2017

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

SUBJECT: ACTUARIAL CERTIFICATION LETTER

Dear Ms. Guerin:

At your request, we prepared the following information for inclusion in the *2017 Comprehensive Annual Financial Report (CAFR)*:

1. Introductory Section.
 - ❖ Financial Information – Funding Paragraph.
2. Financial Section.
 - ❖ Components for the Schedule of Changes in Net Pension Liability (NPL):
 - Service Cost; Interest; Changes of Benefit Terms; Differences between Expected and Actual Experience; Changes in Assumptions.
 - ❖ Total Pension Liability (TPL) component for the Schedule of NPL.
 - ❖ Actuarially Determined Contributions and Contractually Required Contributions components for the Schedule of Contributions.
 - ❖ Note 2B: Actuarial components of the Governmental Accounting Standards Board (GASB) statement number 67 requirements.
 - Including the TPL component of the Sensitivity of the NPL to Changes in the Discount Rate.
 - ❖ GASB 67 Notes for Required Supplementary Information:
 - Methods and Assumptions.
3. Actuarial Section.
 - ❖ Funded Status and Funding Progress (one year).

State Actuary's Certification Letter (cont.)



Actuarial Certification Letter Page 2 of 4

- ❖ Schedules of Funding Progress.
 - ❖ Additional Information for the Defined Benefit Plans.
 - ❖ Schedules of Active Member Valuation Data.
 - ❖ Schedules of Retirees and Beneficiaries Added to and Removed from Rolls.
 - ❖ Summary of Actuarial Assumptions and Methods.
 - ❖ Solvency Tests.
 - ❖ Analyses of Selected Experience.
4. Statistical Section.
- ❖ Distribution of Membership.
 - ❖ Schedule of Benefit Recipients by Type of Benefit.
 - ❖ Schedule of Average Benefit Payments to Service Retirees in Year of Retirement.

The primary purpose of this information is to satisfy the actuarial reporting requirements of GASB and the Government Finance Officers Association (GFOA). Readers should not use this information for other purposes. Please replace this information with more recent information from next year's CAFR when available.

We also prepare annual actuarial valuations for determining contribution requirements and funding progress (a "funding" valuation) consistent with the state's funding policy. The funding valuations serve a different purpose from accounting valuations or measurements, and the results of the funding valuations may not match these accounting disclosures.

We performed the most recent actuarial valuation in 2017 with a valuation date of June 30, 2016. The TPL was calculated as of the valuation date and projected to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's service cost (using the Entry Age cost method), assumed interest, and actual benefit payments.

GASB 67 requires an "asset sufficiency test" to determine whether (or how long) we can use the long-term expected rate of return on assets to measure the present value of accrued plan liabilities for accounting purposes. For this test, we made the following assumptions to determine projected employee and employer contributions:

- ❖ A 7.7 percent long-term discount rate to determine funding liabilities consistent with current law for calculating future contribution rate requirements for all plans, except the Law Enforcement Officers' and Fire Fighters' Plan 2 which uses a 7.5 percent assumption.
 - The Judicial Retirement System (JRS) and Judges are funded on a "pay-as-you-go" basis.

State Actuary's Certification Letter (cont.)



Actuarial Certification Letter Page 3 of 4

- ❖ We reflected actual asset returns through June 30, 2017, and assumed a 7.5 percent rate of investment return on invested assets thereafter, consistent with the long-term expected rate of return (for all plans except JRS and Judges). Please see the [2015 Report on Financial Condition and Economic Experience Study](#) (RFC and EES) on the Office of the State Actuary's website for additional background on how we selected this assumption.
- ❖ With the exception of determining future Plan 1 Unfunded Actuarial Accrued Liability (UAAL) contributions from employers of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS), and the Public Safety Employees' Retirement System (PSERS), we assumed no new entrants for purposes of the asset sufficiency test.
- ❖ Consistent with current law, employers of PERS, TRS, SERS, and PSERS would continue to pay the minimum Plan 1 UAAL contribution rate until the applicable Plan 1 is fully funded.
- ❖ The Legislature would continue the current contribution rate phase-in for the new mortality assumptions until the beginning of the 2019-21 Biennium.

For the asset sufficiency test, we also reviewed the resulting contribution projections for reasonability and found them to be reasonable for purposes of performing this test.

Otherwise, we used the same data, assumptions, and methods for the asset sufficiency test as we disclosed in our [2016 Actuarial Valuation Report](#) (AVR).

As of this measurement, all plans—with the exception of JRS and Judges (“pay-as-you-go” plans)—are expected to retain sufficient assets to pay all future benefits for current members using current assumptions, current plan provisions, and assuming the continuation of current state funding policy in Chapter 41.45 RCW (the actuarial funding chapter).

During the preparation of the 2017 CAFR information, our office published the 2017 RFC and EES. The study contains our updated best estimate for key economic assumptions including future investment returns, general salary growth, and inflation. The study resulted in lowering our best estimate of the assumed rate of investment return from 7.5 percent to 7.4 percent. We also lowered our general salary growth and inflation assumptions from 3.75 percent to 3.50 percent and 3 percent to 2.75 percent, respectively. Reflecting these three assumption changes would have decreased the June 30, 2017, TPL, across all plans, by approximately 1 percent. We do not believe the results of the asset sufficiency test would change under these new assumptions. We will update our assumptions to reflect the results of the 2017 RFC and EES in next year's CAFR information.

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

State Actuary's Certification Letter (cont.)



Actuarial Certification Letter Page 4 of 4

all the information provided as complete and accurate. In our opinion, this information is adequate and substantially complete for purposes of this valuation. Please see the Actuarial Certification Letter in the 2016 AVR for additional information on the certification of the latest actuarial valuation results.

We prepared the required accounting disclosures in accordance with GASB Statement 67. Please see the Department of Retirement Systems' *2017 Participating Employer Financial Information Report* for our actuarial certification of disclosures that are unique to GASB 68. We relied on the same participant data, assumptions, and methods for the GASB 67 disclosures as we did for the GASB 68 disclosures.

At your request, we also prepared accounting disclosures under the prior GASB Statements 25, 27, and 50. We prepared all the financial reporting disclosures outlined in this letter in accordance with generally accepted actuarial principles and Actuarial Standards of Practice (ASOPs) as of the date of this letter.

We certify, to the best of our knowledge, that the actuarial submissions in the 2017 CAFR meet the GFOA standards for actuarial reporting as of the date of this letter.

The undersigned, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. We are available to provide extra advice and explanations as needed.

Sincerely,

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

Luke Masselink, ASA, EA, MAAA
Senior Actuary

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Summary of Plan Provisions

A narrative summary of retirement plans DRS manages 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, 2017, is provided below.

As of June 30, 2017 — Page 1 of 2				
Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
PERS Plan 1	State employees, elected officials, employees of local governments, legislative committee employees, community/technical college employees, classified employees of school districts, district/municipal court judges, and some employees of the Supreme Court, Court of Appeals and superior courts (by 9/30/1977)	After five years of eligible service	After 30 years of service, 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 Judicial Benefit Multiplier (JBM) participants: 3.5% of AFC per year of service, capped at 75% of AFC
PERS Plan 2	New members who met the same employer membership eligibility requirements as PERS Plan 1 and were hired on or after 10/1/77, new state agency and higher education members hired on or after 3/1/2002 who chose Plan 2, and new members for all other employers hired on or after 9/1/2002 who chose Plan 2 PERS Plan 2 excludes classified employees of school districts.	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 ¹	New members who met the same employer membership eligibility requirements as PERS Plan 2, new state agency and higher education members hired on or after 3/1/2002 who chose Plan 3, new members for all other employers hired on or after 9/1/2002 who chose Plan 3, and PERS Plan 2 members hired on or after 10/1/1977 who met transfer eligibility requirements and made a permanent choice to transfer to PERS 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 8/31/2000 and employees on or after 7/1/2007 with no past PERS Plan 2 service who chose Plan 2)	After five years of eligible service	After 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 ¹	All classified employees of school districts or educational service districts (on or after 9/1/2000 and employees on or after 7/1/2007 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 the cities of Seattle, Spokane and Tacoma (on or after 7/1/2006)	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 3% for each year younger than age 60	2% of AFC per year of service

Summary of Plan Provisions (cont.)

As of June 30, 2017 — Page 2 of 2				
Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
TRS Plan 1	All certificated public school employees who worked in an instructional, administrative or supervisory capacity (by 9/30/1977)	After five years of eligible service	Any age with 30 years of service, at age 60 with five years of service or at age 55 with 25 years of service	2% of AFC per year of service, capped at 60% of AFC JBM participants: 3.5% of AFC per year of service, capped at 75% of AFC
TRS Plan 2	All certificated public school employees who worked in an instructional, administrative or supervisory capacity (on or after 10/1/1977 and by 6/30/1996 and employees on or after 7/1/2007 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 ¹	All certificated public school employees who worked in an instructional, administrative or supervisory capacity (on or after 7/1/1996 and employees on or after 7/1/2007 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 9/30/1977)	After five years of eligible service	At age 50 with five years of service	20 or more 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 10/1/1977)	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 younger than age 53	2% of FAS per year of service
WSPRS Plan 1	Commissioned employees of the Washington State Patrol (on or after 8/1/1947 and by 12/31/2002)	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	Commissioned employees of the Washington State Patrol (on or after 1/1/2003)	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, Court of Appeals and superior courts (on or after 8/9/1971 and by 6/30/1988; new judges on or after 7/1/1988 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
JRF	Judges elected or appointed to the Supreme Court, Court of Appeals and superior courts (by 8/8/1971)	After 12 years of service	At age 70 with 10 years of service or any age with 18 years of service	Half the monthly salary

¹ Members who are eligible to choose PERS, SERS or TRS Plan 2 or Plan 3 who do not make a plan choice within 90 days of hire default into PERS, SERS or TRS Plan 3.

Note: DRS publishes handbooks describing the rights and benefits for each system and plan, including disability and survivor benefits. They are available on the DRS website at drs.wa.gov.

Summary of Actuarial Assumptions and Methods

1. Actuarial Assumptions and Method Selection

Economic Assumptions and Methods: These were developed in accordance with Washington state law and the Pension Funding Council.

Demographic Assumptions and Methods: These were derived from Washington’s Office of the State Actuary and are based on the 2007-2012 Experience Studies (adopted July 2014). Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report.

2. Investment Return

The assumed investment return is 7.7% per annum for

all systems except LEOFF Plan 2 (7.5%) and JRS/JRF (3.75%).

3. Mortality Tables

Mortality rates are based on the *RP-2000* report’s Combined Healthy Table and Combined Disabled Table (except LEOFF Plan 1), which the Society of Actuaries publishes. JRS uses the PERS mortality rates.

The healthy and disabled mortality rates displayed by system have been projected to the valuation date for illustrative purposes only. We use the *RP-2000* report’s mortality rates combined with 100% of Scale BB on a generational basis in the valuation.

Age	<i>RP-2000</i> Mortality Rates				100% Scale BB	
	Combined Healthy		Disabled		Male	Female
	Male	Female	Male	Female		
20	0.0345%	0.0191%	2.2571%	0.7450%	0.3000%	0.3000%
25	0.0376%	0.0207%	2.2571%	0.7450%	0.3000%	0.3000%
30	0.0444%	0.0264%	2.2571%	0.7450%	0.3000%	0.3000%
35	0.0773%	0.0475%	2.2571%	0.7450%	0.3000%	0.3000%
40	0.1079%	0.0706%	2.2571%	0.7450%	0.3000%	0.3000%
45	0.1508%	0.1124%	2.2571%	0.7450%	0.3000%	0.3000%
50	0.2138%	0.1676%	2.8975%	1.1535%	0.3000%	0.3000%
55	0.3624%	0.2717%	3.5442%	1.6544%	0.3000%	0.5000%
60	0.6747%	0.5055%	4.2042%	2.1839%	0.7000%	1.0000%
65	1.2737%	0.9706%	5.0174%	2.8026%	1.2000%	1.2000%
70	2.2206%	1.6742%	6.2583%	3.7635%	1.5000%	1.2000%
75	3.7834%	2.8106%	8.2067%	5.2230%	1.5000%	1.2000%
80	6.4368%	4.5879%	10.9372%	7.2312%	1.5000%	1.2000%
85	11.0757%	7.7446%	14.1603%	10.0203%	1.5000%	1.2000%
90	18.3408%	13.1682%	18.3408%	14.0049%	1.1000%	1.1000%
95	26.7491%	19.4509%	26.7491%	19.4509%	0.6000%	0.6000%
100	34.4556%	23.7467%	34.4556%	23.7467%	0.3000%	0.3000%
105	39.7886%	29.3116%	39.7886%	29.3116%	0.0000%	0.0000%
110	40.0000%	36.4617%	40.0000%	36.4617%	0.0000%	0.0000%
115	40.0000%	40.0000%	40.0000%	40.0000%	0.0000%	0.0000%
120	100.0000%	100.0000%	100.0000%	100.0000%	0.0000%	0.0000%

Summary of Actuarial Assumptions and Methods (cont.)

3. Mortality Tables (cont.)

Healthy Mortality Projected to 2016							
	PERS, SERS, PSERS Plans		TRS Plans		LEOFF, WSPRS Plans		
Offsets	-1	-1	-3	-2	-1	1	
Age	Male	Female	Male	Female	Male	Female	
20	0.0315%	0.0181%	0.0287%	0.0179%	0.0315%	0.0183%	
25	0.0358%	0.0192%	0.0349%	0.0188%	0.0358%	0.0204%	
30	0.0393%	0.0236%	0.0364%	0.0224%	0.0393%	0.0293%	
35	0.0669%	0.0415%	0.0536%	0.0376%	0.0669%	0.0490%	
40	0.0973%	0.0618%	0.0862%	0.0570%	0.0973%	0.0738%	
45	0.1331%	0.0981%	0.1158%	0.0893%	0.1331%	0.1166%	
50	0.1901%	0.1477%	0.1653%	0.1367%	0.1901%	0.1765%	
55	0.3046%	0.2237%	0.2542%	0.2037%	0.3046%	0.2852%	
60	0.5313%	0.3781%	0.4194%	0.3340%	0.5313%	0.4950%	
65	0.9299%	0.7105%	0.7219%	0.6305%	0.9299%	0.9030%	
70	1.5549%	1.2250%	1.2622%	1.1083%	1.5549%	1.5316%	
75	2.6618%	2.0986%	2.1421%	1.8935%	2.6618%	2.5527%	
80	4.5484%	3.4215%	3.6831%	3.0991%	4.5484%	4.1860%	
85	7.8346%	5.7306%	6.3198%	5.1527%	7.8346%	7.1204%	
90	13.9427%	9.9827%	11.3977%	8.9899%	13.9427%	12.1149%	
95	22.7680%	16.6018%	19.6721%	15.4787%	22.7680%	18.6525%	
100	31.4709%	22.0527%	28.5778%	21.3436%	31.4709%	23.3343%	
105	39.2003%	27.9055%	37.1685%	26.6044%	39.2003%	30.7811%	
110	40.0000%	35.1544%	40.0000%	33.7441%	40.0000%	37.6246%	
115	40.0000%	39.8308%	40.0000%	39.3507%	40.0000%	40.0000%	
120	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	

Disabled Mortality Projected to 2016					
	All Plans Except LEOFF Plan 1		LEOFF Plan 1 ¹		
Offsets	0	0	2	2	
Age	Male	Female	Male	Female	
20	2.1512%	0.7100%	0.0349%	0.0185%	
25	2.1512%	0.7100%	0.0364%	0.0213%	
30	2.1512%	0.7100%	0.0536%	0.0334%	
35	2.1512%	0.7100%	0.0862%	0.0528%	
40	2.1512%	0.7100%	0.1158%	0.0812%	
45	2.1512%	0.7100%	0.1653%	0.1264%	
50	2.7615%	1.0994%	0.2542%	0.1923%	
55	3.3779%	1.5269%	0.4473%	0.3210%	
60	3.7573%	1.8595%	0.7826%	0.5668%	
65	4.1361%	2.3103%	1.3251%	1.0027%	
70	4.9140%	3.1024%	2.1421%	1.7035%	
75	6.4439%	4.3056%	3.6831%	2.8114%	
80	8.5879%	5.9610%	6.3198%	4.6406%	
85	11.1187%	8.2602%	10.6821%	7.9415%	
90	15.3659%	11.7333%	18.1472%	13.2052%	
95	24.2936%	17.6653%	27.2326%	19.5481%	
100	32.8384%	22.6321%	35.4240%	24.2553%	
105	39.7886%	29.3116%	40.0000%	32.2725%	
110	40.0000%	36.4617%	40.0000%	38.6015%	
115	40.0000%	40.0000%	40.0000%	40.0000%	
120	100.0000%	100.0000%	100.0000%	100.0000%	

¹ LEOFF 1 uses the *RP-2000* healthy mortality table.

Summary of Actuarial Assumptions and Methods (cont.)

4. Retirement

Probability of Service Retirement — Members Hired Before May 1, 2013													
Age	PERS Plan 1		PERS Plan 2/3				SERS Plan 2/3				PSERS 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	
			Male	Female	Male	Female	Male	Female	Male	Female			
45	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
46	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
47	46%	54%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
48	55%	46%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
49	50%	38%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
50	45%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
51	40%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
52	40%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
53	40%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%
54	40%	40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%
55	17%	28%	2%	2%	12%	12%	1%	2%	12%	12%	2%	2%	2%
56	17%	16%	3%	2%	12%	12%	2%	2%	12%	12%	5%	4%	4%
57	17%	16%	4%	2%	12%	12%	3%	2%	12%	12%	8%	6%	6%
58	17%	16%	5%	2%	12%	12%	4%	3%	12%	12%	11%	8%	8%
59	20%	30%	6%	4%	16%	24%	5%	4%	16%	25%	14%	10%	10%
60	16%	16%	7%	6%	12%	12%	6%	5%	12%	12%	30%	34%	34%
61	23%	21%	8%	13%	20%	20%	15%	13%	21%	20%	26%	26%	26%
62	30%	26%	24%	20%	28%	28%	24%	21%	30%	28%	30%	34%	34%
63	22%	20%	22%	18%	26%	26%	22%	20%	28%	26%	50%	52%	52%
64	28%	28%	56%	56%	56%	56%	56%	52%	57%	48%	70%	70%	70%
65	34%	36%	40%	40%	40%	40%	39%	36%	39%	36%	50%	35%	35%
66	30%	22%	24%	24%	24%	24%	22%	24%	22%	24%	30%	35%	35%
67	26%	22%	24%	24%	24%	24%	22%	23%	22%	23%	30%	35%	35%
68	22%	22%	24%	24%	24%	24%	22%	22%	22%	22%	30%	35%	35%
69	22%	22%	24%	24%	24%	24%	22%	21%	22%	21%	30%	35%	35%
70	22%	22%	24%	24%	24%	24%	22%	20%	22%	20%	100%	100%	100%
71	22%	22%	24%	24%	24%	24%	20%	19%	20%	19%	100%	100%	100%
72	22%	22%	24%	24%	24%	24%	18%	18%	18%	18%	100%	100%	100%
73	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
74	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
75	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
76	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
77	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
78	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
79	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%	100%
80	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Summary of Actuarial Assumptions and Methods (cont.)

4. Retirement (cont.)

Probability of Service Retirement — Members Hired Before May 1, 2013															
Age	TRS Plan 1				TRS Plan 2/3						LEOFF Plan 1		LEOFF Plan 2	WSPRS 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	
45	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	
46	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	33%	
47	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	33%	
48	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	33%	
49	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	30%	
50	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	12%	3%	27%	
51	0%	0%	0%	30%	0%	0%	0%	0%	0%	0%	7%	12%	4%	24%	
52	0%	20%	36%	30%	0%	0%	0%	0%	0%	0%	7%	12%	5%	24%	
53	22%	20%	36%	30%	0%	0%	0%	0%	0%	0%	7%	12%	10%	24%	
54	22%	20%	36%	30%	0%	0%	0%	0%	0%	0%	10%	16%	10%	24%	
55	22%	20%	36%	30%	2%	2%	22%	19%	13%	12%	10%	20%	10%	20%	
56	22%	20%	36%	30%	2%	3%	22%	21%	15%	14%	10%	20%	10%	20%	
57	22%	20%	36%	30%	2%	4%	22%	23%	17%	16%	13%	20%	10%	20%	
58	22%	20%	39%	30%	2%	5%	28%	25%	19%	18%	13%	20%	15%	20%	
59	22%	26%	42%	30%	4%	6%	34%	27%	21%	22%	13%	20%	15%	33%	
60	22%	20%	42%	30%	6%	7%	41%	29%	23%	20%	23%	25%	15%	33%	
61	22%	23%	42%	40%	14%	15%	48%	41%	25%	22%	23%	25%	19%	33%	
62	35%	26%	56%	50%	22%	23%	55%	53%	36%	32%	23%	25%	23%	33%	
63	30%	22%	48%	46%	20%	21%	50%	49%	33%	30%	23%	25%	20%	33%	
64	25%	29%	40%	46%	55%	48%	55%	53%	55%	49%	23%	25%	20%	33%	
65	36%	36%	70%	55%	48%	40%	48%	40%	48%	40%	23%	25%	25%	100%	
66	36%	36%	70%	55%	41%	32%	41%	32%	41%	32%	23%	25%	25%	100%	
67	32%	28%	70%	55%	34%	24%	34%	24%	34%	24%	23%	25%	25%	100%	
68	28%	28%	70%	55%	27%	24%	27%	24%	27%	24%	23%	25%	25%	100%	
69	28%	28%	70%	55%	27%	42%	27%	42%	27%	42%	23%	25%	25%	100%	
70	22%	28%	100%	55%	27%	30%	27%	30%	27%	30%	100%	100%	100%	100%	
71	22%	28%	100%	55%	41%	30%	41%	30%	41%	30%	100%	100%	100%	100%	
72	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
73	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
74	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
75	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
76	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
77	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
78	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
79	22%	21%	100%	100%	55%	30%	55%	30%	55%	30%	100%	100%	100%	100%	
80	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

Summary of Actuarial Assumptions and Methods (cont.)

4. Retirement (cont.)

Probability of Service Retirement — Members Hired on or After May 1, 2013														
Age	PERS Plan 2/3				SERS Plan 2/3				TRS Plan 2/3					
	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		Service Less Than 30 Years		Service Equal to 30 Years		Service Greater Than 30 Years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
45	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
46	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
47	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
48	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
49	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
50	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
51	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
52	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
53	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
54	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
55	2%	2%	9%	9%	1%	2%	8%	9%	2%	2%	16%	14%	9%	9%
56	3%	2%	9%	8%	2%	2%	8%	8%	2%	3%	15%	15%	10%	10%
57	4%	2%	9%	8%	3%	2%	9%	8%	2%	4%	14%	16%	11%	11%
58	5%	2%	9%	8%	4%	3%	9%	8%	2%	5%	17%	17%	12%	13%
59	6%	4%	12%	15%	5%	4%	11%	16%	4%	6%	21%	18%	14%	15%
60	7%	6%	10%	9%	6%	5%	9%	9%	6%	7%	25%	19%	15%	14%
61	8%	13%	15%	17%	15%	13%	18%	17%	14%	15%	33%	29%	20%	19%
62	24%	20%	26%	24%	24%	21%	27%	25%	22%	23%	40%	39%	30%	28%
63	22%	18%	24%	22%	22%	20%	25%	23%	20%	21%	35%	35%	27%	26%
64	56%	56%	56%	56%	56%	52%	56%	50%	55%	48%	55%	50%	55%	48%
65	40%	40%	40%	40%	39%	36%	39%	36%	48%	40%	48%	40%	48%	40%
66	24%	24%	24%	24%	22%	24%	22%	24%	41%	32%	41%	32%	41%	32%
67	24%	24%	24%	24%	22%	23%	22%	23%	34%	24%	34%	24%	34%	24%
68	24%	24%	24%	24%	22%	22%	22%	22%	27%	24%	27%	24%	27%	24%
69	24%	24%	24%	24%	22%	21%	22%	21%	27%	42%	27%	42%	27%	42%
70	24%	24%	24%	24%	22%	20%	22%	20%	27%	30%	27%	30%	27%	30%
71	24%	24%	24%	24%	20%	19%	20%	19%	41%	30%	41%	30%	41%	30%
72	24%	24%	24%	24%	18%	18%	18%	18%	55%	30%	55%	30%	55%	30%
73	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
74	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
75	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
76	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
77	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
78	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
79	24%	24%	24%	24%	16%	17%	16%	17%	55%	30%	55%	30%	55%	30%
80	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Summary of Actuarial Assumptions and Methods (cont.)

5. Disablement

Probability of Disablement — Table 1 of 2										
Age	PERS Plan 1 ¹		PERS Plan 2/3		SERS Plan 2/3		PSERS Plan 2			
	Male	Female	Male	Female	Male	Female	Service Less Than 10 Years		Service Greater Than 10 Years	
							Male	Female	Male	Female
20	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
25	0.0000%	0.0000%	0.0100%	0.0000%	0.0000%	0.0000%	0.0100%	0.0000%	0.0100%	0.0000%
30	0.0000%	0.0000%	0.0100%	0.0100%	0.0000%	0.0000%	0.0100%	0.0100%	0.0100%	0.0100%
35	0.0300%	0.0300%	0.0200%	0.0200%	0.0100%	0.0200%	0.0200%	0.0200%	0.0200%	0.0200%
40	0.0800%	0.0700%	0.0200%	0.0300%	0.0300%	0.0200%	0.0200%	0.0300%	0.0300%	0.0300%
45	0.1500%	0.1400%	0.0500%	0.0500%	0.0500%	0.0200%	0.0500%	0.0500%	0.0600%	0.0600%
50	0.2500%	0.3000%	0.0900%	0.1000%	0.1200%	0.0600%	0.0900%	0.1000%	0.1200%	0.1300%
55	0.8200%	0.6400%	0.2600%	0.2800%	0.2800%	0.1700%	0.2600%	0.2800%	0.3400%	0.3600%
60	0.7500%	0.3500%	0.7900%	0.7700%	0.6400%	0.5000%	0.7900%	0.7700%	0.0000%	0.0000%
65	0.2200%	0.0400%	0.6100%	0.5300%	0.5900%	0.4100%	0.6100%	0.5300%	0.0000%	0.0000%
70	0.0600%	0.0000%	0.1400%	0.1300%	0.1300%	0.1800%	0.0000%	0.0000%	0.0000%	0.0000%
75	0.0200%	0.0000%	0.0300%	0.0300%	0.0300%	0.0800%	0.0000%	0.0000%	0.0000%	0.0000%
80	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

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

Probability of Disablement — Table 2 of 2							
Age	TRS Plan 1		TRS Plan 2/3		LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2
	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female
20	0.0000%	0.0000%	0.0000%	0.0000%	0.1000%	0.0100%	0.0100%
25	0.0100%	0.0100%	0.0000%	0.0000%	0.1000%	0.0200%	0.0100%
30	0.0200%	0.0200%	0.0000%	0.0000%	0.8000%	0.0500%	0.0200%
35	0.0300%	0.0300%	0.0100%	0.0100%	1.4900%	0.0800%	0.0300%
40	0.0400%	0.0400%	0.0100%	0.0100%	2.3500%	0.1400%	0.0600%
45	0.0900%	0.1000%	0.0200%	0.0200%	4.0000%	0.1800%	0.1000%
50	0.1600%	0.1700%	0.0400%	0.0300%	7.0000%	0.3200%	0.1800%
55	0.3300%	0.3400%	0.1100%	0.0800%	9.0000%	0.5500%	0.3200%
60	0.4700%	0.4800%	0.2500%	0.1900%	10.0000%	0.9500%	0.0600%
65	0.5600%	0.5700%	0.2400%	0.1600%	10.0000%	1.6200%	0.0000%
70	0.1500%	0.1500%	0.0300%	0.0300%	0.0000%	0.0000%	0.0000%
75	0.0400%	0.0400%	0.0000%	0.0100%	0.0000%	0.0000%	0.0000%
80	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Rates have been rounded for display purposes.

Summary of Actuarial Assumptions and Methods (cont.)

6. Other Terminations of Employment

Probability of Termination										
Years of Service	PERS		SERS		PSERS		TRS		LEOFF	WSPRS
	Male	Female	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female
0	26.2400%	26.2400%	24.4800%	19.9000%	26.2400%	26.2400%	11.1000%	11.1300%	10.7000%	4.2300%
1	15.4500%	16.7700%	15.8800%	13.1300%	15.4500%	16.7700%	9.0300%	9.4600%	4.8100%	2.0000%
2	10.0700%	11.7000%	11.6900%	10.2900%	10.0700%	11.7000%	5.9800%	7.1700%	2.4500%	2.0000%
3	7.5200%	9.2900%	9.9500%	7.8600%	7.5200%	9.2900%	4.5100%	6.1300%	1.9400%	2.0000%
4	6.3100%	7.6000%	8.1100%	6.7600%	6.3100%	7.6000%	4.1400%	5.3100%	1.8700%	2.0000%
5	5.4400%	6.6500%	6.6400%	6.2400%	5.4400%	6.6500%	3.6800%	4.7100%	1.8100%	2.0000%
6	4.4900%	5.7900%	6.0800%	5.5600%	4.4900%	5.7900%	2.9500%	4.0900%	1.7400%	1.9000%
7	4.1800%	5.3300%	5.5600%	5.2600%	4.1800%	5.3300%	2.7200%	3.6700%	1.6800%	1.7000%
8	3.8900%	4.9100%	5.0900%	4.9700%	3.8900%	4.9100%	2.5100%	3.3000%	1.6100%	1.6000%
9	3.6200%	4.5200%	4.6500%	4.7500%	3.6200%	4.5200%	2.3100%	2.9600%	1.5500%	1.5100%
10	3.3700%	4.1700%	4.2600%	4.5700%	3.3700%	4.1700%	2.1300%	2.6600%	1.4800%	1.3400%
11	3.1400%	3.8400%	3.8900%	4.4800%	3.1400%	3.8400%	1.9700%	2.3900%	1.4200%	1.2000%
12	2.9200%	3.5400%	3.5600%	4.4200%	2.9200%	3.5400%	1.8200%	2.1400%	1.3500%	1.0800%
13	2.7200%	3.2600%	3.2600%	4.4000%	2.7200%	3.2600%	1.6700%	1.9300%	1.2900%	0.9700%
14	2.5300%	3.0000%	2.9800%	4.2600%	2.5300%	3.0000%	1.5400%	1.7300%	1.2200%	0.8700%
15	2.3600%	2.7700%	2.7300%	4.2700%	2.3600%	2.7700%	1.4200%	1.6000%	1.1600%	0.7800%
16	2.2000%	2.5500%	2.5000%	3.9200%	2.2000%	2.5500%	1.3100%	1.5500%	1.0900%	0.7000%
17	2.0400%	2.3500%	2.4500%	3.6400%	2.0400%	2.3500%	1.2100%	1.5000%	1.0300%	0.6300%
18	1.9000%	2.1600%	2.4000%	3.4600%	1.9000%	2.1600%	1.1500%	1.4500%	0.9600%	0.5600%
19	1.7700%	1.9900%	2.3500%	3.2200%	1.7700%	1.9900%	1.1300%	1.4000%	0.9000%	0.5000%
20	1.5300%	1.8000%	2.3000%	3.0000%	1.5300%	1.8000%	1.0000%	1.3000%	0.8300%	0.4400%
21	1.3200%	1.5800%	2.2500%	2.8000%	1.3200%	1.5800%	0.9500%	1.2600%	0.7700%	0.3800%
22	1.1500%	1.3900%	2.2000%	2.7000%	1.1500%	1.3900%	0.9300%	1.1800%	0.7000%	0.3300%
23	0.9900%	1.2200%	2.0900%	2.6000%	0.9900%	1.2200%	0.9000%	1.1100%	0.6400%	0.2800%
24	0.8600%	1.0700%	1.8200%	2.4800%	0.8600%	1.0700%	0.8800%	1.0400%	0.5700%	0.2300%
25	0.7400%	0.9400%	1.5900%	2.2500%	0.7400%	0.9400%	0.8200%	0.9800%	0.5100%	0.0000%
26	0.6400%	0.8300%	1.3800%	2.0500%	0.6400%	0.8300%	0.7700%	0.9200%	0.4400%	0.0000%
27	0.5500%	0.7200%	1.2100%	1.8700%	0.5500%	0.7200%	0.7100%	0.8600%	0.3800%	0.0000%
28	0.4800%	0.6400%	1.0500%	1.7000%	0.4800%	0.6400%	0.6700%	0.8100%	0.3100%	0.0000%
29	0.4200%	0.5600%	0.9200%	1.5500%	0.4200%	0.5600%	0.6200%	0.7600%	0.2500%	0.0000%
30+	0.3600%	0.4900%	0.8000%	1.4100%	0.3600%	0.4900%	0.5800%	0.7200%	0.1800%	0.0000%

Rates have been rounded for display purposes.

Summary of Actuarial Assumptions and Methods (cont.)

7. Future Salaries

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	
	% Increase	Salary Ratio	% Increase	Salary Ratio	% Increase	Salary Ratio	% Increase	Salary Ratio	% Increase	Salary Ratio	% Increase	Salary Ratio
0	6.00%	1.367	6.60%	1.382	6.00%	1.367	5.10%	1.573	10.70%	1.827	10.70%	1.827
1	6.00%	1.290	6.60%	1.297	6.00%	1.290	5.10%	1.496	10.70%	1.650	10.70%	1.650
2	4.70%	1.217	3.90%	1.217	4.70%	1.217	3.90%	1.424	7.50%	1.491	7.50%	1.491
3	3.60%	1.162	2.80%	1.171	3.60%	1.162	3.90%	1.370	5.90%	1.387	5.90%	1.387
4	2.90%	1.122	2.30%	1.139	2.90%	1.122	3.50%	1.319	3.70%	1.310	3.70%	1.310
5	2.20%	1.090	2.10%	1.113	2.20%	1.090	3.00%	1.274	2.60%	1.263	2.60%	1.263
6	1.50%	1.067	1.60%	1.090	1.50%	1.067	2.70%	1.237	1.80%	1.231	1.80%	1.231
7	1.20%	1.051	1.20%	1.073	1.20%	1.051	2.70%	1.205	1.40%	1.209	1.40%	1.209
8	0.90%	1.039	1.20%	1.061	0.90%	1.039	2.60%	1.173	1.30%	1.192	1.30%	1.192
9	0.70%	1.029	0.90%	1.048	0.70%	1.029	2.40%	1.143	1.20%	1.177	1.20%	1.177
10	0.50%	1.022	0.90%	1.039	0.50%	1.022	2.20%	1.116	1.70%	1.163	1.70%	1.163
11	0.40%	1.017	0.70%	1.029	0.40%	1.017	2.00%	1.092	1.20%	1.144	1.20%	1.144
12	0.30%	1.013	0.50%	1.022	0.30%	1.013	1.80%	1.071	1.20%	1.130	1.20%	1.130
13	0.30%	1.010	0.40%	1.017	0.30%	1.010	1.50%	1.052	1.20%	1.117	1.20%	1.117
14	0.20%	1.007	0.30%	1.013	0.20%	1.007	1.20%	1.037	1.20%	1.104	1.20%	1.104
15	0.20%	1.005	0.20%	1.010	0.20%	1.005	0.90%	1.024	1.20%	1.090	1.20%	1.090
16	0.20%	1.003	0.20%	1.008	0.20%	1.003	0.50%	1.015	1.00%	1.078	1.00%	1.078
17	0.10%	1.001	0.20%	1.006	0.10%	1.001	0.20%	1.010	1.00%	1.067	1.00%	1.067
18	0.00%	1.000	0.20%	1.004	0.00%	1.000	0.10%	1.008	1.00%	1.056	1.00%	1.056
19	0.00%	1.000	0.10%	1.002	0.00%	1.000	0.10%	1.007	1.00%	1.046	1.00%	1.046
20	0.00%	1.000	0.10%	1.001	0.00%	1.000	0.10%	1.006	1.00%	1.036	1.00%	1.036
21	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.005	0.50%	1.025	0.50%	1.025
22	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.004	0.50%	1.020	0.50%	1.020
23	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.003	0.50%	1.015	0.50%	1.015
24	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.002	0.50%	1.010	0.50%	1.010
25	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.001	0.50%	1.005	0.50%	1.005
26	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000
27	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000
28	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000
29	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000
30+	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000

Summary of Actuarial Assumptions and Methods (cont.)

7. Future Salaries (cont.)

Relative Salary Values				
	PERS, SERS, PSERS	TRS	LEOFF	WSPRS
Annual % Increase	4.74%	5.05%	5.05%	4.74%
Attributed to Growth in Active Group Size	0.95%	1.25%	1.25%	0.95%
Attributed to Effects of Inflation on Salaries	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 4.0%
- **TRS Plan 1:** Up to 0.75%
- **LEOFF Plan 1:** Up to 4.5%
- **WSPRS Plan 1:** Up to 7.0%

Post-retirement Cost-of-Living Adjustments (COLAs) are assumed to be a 3.0% increase each year for all plans, including:

- **LEOFF Plan 1:** 3.0%
- **Qualifying PERS Plan 1 and TRS Plan 1 members:** COLA on minimum benefit levels

LEOFF Plan 2 members are assumed to become disabled or die due to duty-related injury or illness at a rate that 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, being married, military service, a single-life annuity refund upon 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 updated WSPRS salary assumptions to model legislation signed during the 2016 legislative session (C 28 L 16). This law includes two one-time salary increases that took effect July 1, 2016 and 2017, and future salaries that remain competitive with other law enforcement agencies in the state. To reflect this law, we updated our general salary growth assumption to include two short-term increases of 5% and approximately 11% in 2016 and 2017, respectively. Additionally, we used the existing LEOFF service-based salary growth assumption table as a proxy for competitive salary growth.

We updated the TRS system growth assumption in light of increased state funding for basic education in response to SHB 2776, which passed during the 2010 legislative session. This change does not impact plan liability. However, it does impact the TRS Plan 1 employer contribution rate, beginning with the adopted 2017-2019 contribution rate.

Method Changes: For all plans except LEOFF Plan 1, we corrected how we value terminated and vested member benefits. Prior to this correction, we applied early retirement factors and the percentage of survivors who select annuities at the time of termination rather than at the time of death.

We improved how we value the Basic Minimum COLA in PERS Plan 1 and TRS Plan 1 for legal-order payees (third-party benefit recipients).

Summary of Actuarial Assumptions and Methods (cont.)

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 JRF use the market value of assets for valuation assets.

PERS Plan 1, TRS Plan 1, LEOFF Plan 1, JRS and JRF 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 unfunded actuarially accrued liability (UAAL) has been developed in the valuation as a level percentage of expected future covered payrolls, which will amortize the UAAL over a rolling 10-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. 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 LEOFF Plan 1 is fully funded. JRS and JRF are funded on a pay-as-you-go basis.

PERS Plan 2/3, SERS Plan 2/3, TRS Plan 2/3, PSERS Plan 2, LEOFF Plan 2 and WSPRS Plan 1/2: The aggregate actuarial cost method is used to calculate 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 on 80% of the entry age normal cost rate (EANC). WSPRS 1/2 minimum contribution rates are based on 70% of the EANC. Similarly, LEOFF Plan 2 minimum contribution rates are based on 90% of the EANC.

11. Change in Funding Policy

None.

12. Material Changes in Benefit Provisions and Contribution Rates

The contribution rates for the 2017-19 biennium are based on the actuarial valuations as of June 30, 2015.

The following laws enacted in 2017 had an impact on the latest actuarial valuation (i.e., legislation that produced supplemental contribution rate impacts):

- **Revised definition of pensionable overtime (C 181 L 17):** This law allows voluntary overtime to be included in salaries for purposes of calculating retirement benefits in WSPRS.
- **Retroactive plan membership exception (C 143 L 17):** This law creates a limited exception to PSERS membership rules and allows certain PERS members to transfer their service to PSERS under limited circumstances.

Schedules of Active Member Valuation Data

PERS Plan 1						
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay		Annualized % Increase in Average Pay
6/30/2016	3,227	\$	197.4	\$	61,171	4.1%
6/30/2015	3,927		230.7		58,748	1.5%
6/30/2014	4,782		276.8		57,884	3.0%
6/30/2013	5,653		317.8		56,224	0.6%
6/30/2012	6,635		370.8		55,878	0.1%
6/30/2011	7,733		431.8		55,842	(0.9)%
6/30/2010	9,007		507.3		56,324	0.5%
6/30/2009	10,354		580.2		56,034	2.4%
6/30/2008	11,663		638.5		54,743	5.0%
6/30/2007	12,975		676.4		52,130	2.1%

PERS Plan 2						
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay		Annualized % Increase in Average Pay
6/30/2016	119,677	\$	7,569.5	\$	63,249	3.4%
6/30/2015	117,768		7,204.6		61,176	1.9%
6/30/2014	116,985		7,023.3		60,036	2.8%
6/30/2013	115,751		6,758.5		58,388	1.2%
6/30/2012	115,877		6,688.2		57,718	1.2%
6/30/2011	117,096		6,679.4		57,042	1.3%
6/30/2010	119,826		6,748.3		56,317	2.0%
6/30/2009	121,800		6,723.9		55,204	4.1%
6/30/2008	123,285		6,537.5		53,028	6.5%
6/30/2007	120,625		6,004.6		49,779	2.9%

PERS Plan 3						
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay		Annualized % Increase in Average Pay
6/30/2016	33,240	\$	1,931.6	\$	58,110	3.2%
6/30/2015	31,602		1,779.8		56,320	2.0%
6/30/2014	30,694		1,695.4		55,235	2.4%
6/30/2013	29,302		1,580.8		53,948	0.7%
6/30/2012	28,078		1,504.4		53,579	0.6%
6/30/2011	27,588		1,468.9		53,245	1.1%
6/30/2010	27,693		1,458.0		52,647	1.2%
6/30/2009	27,081		1,408.4		52,006	4.3%
6/30/2008	26,720		1,331.7		49,840	5.7%
6/30/2007	24,422		1,152.0		47,172	1.5%

Schedules of Active Member Valuation Data (cont.)

SERS Plan 2						
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay	
6/30/2016	25,950	\$	817.2	\$	31,493	5.0%
6/30/2015	24,479		734.3		29,998	2.8%
6/30/2014	22,950		670.0		29,195	2.0%
6/30/2013	21,760		622.8		28,620	0.4%
6/30/2012	20,846		594.0		28,494	0.1%
6/30/2011	20,784		591.4		28,453	0.6%
6/30/2010	20,358		576.0		28,293	0.8%
6/30/2009	20,197		567.0		28,072	3.5%
6/30/2008	19,264		522.4		27,118	2.2%
6/30/2007	17,767		471.4		26,531	4.3%

SERS Plan 3						
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay	
6/30/2016	32,314	\$	1,042.8	\$	32,269	5.0%
6/30/2015	31,326		962.5		30,725	2.9%
6/30/2014	30,832		920.7		29,861	2.3%
6/30/2013	30,535		891.5		29,195	1.3%
6/30/2012	30,712		884.8		28,810	1.1%
6/30/2011	31,548		898.6		28,483	1.3%
6/30/2010	31,981		899.0		28,110	0.9%
6/30/2009	32,277		899.5		27,869	5.7%
6/30/2008	32,510		857.1		26,364	7.4%
6/30/2007	33,058		811.4		24,544	2.7%

PSERS Plan 2						
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay	
6/30/2016	5,483	\$	327.3	\$	59,700	2.7%
6/30/2015	5,202		302.3		58,115	1.8%
6/30/2014	4,820		275.3		57,115	1.9%
6/30/2013	4,513		253.1		56,075	0.1%
6/30/2012	4,250		238.0		55,999	0.7%
6/30/2011	4,187		232.8		55,597	3.0%
6/30/2010	4,210		227.4		54,003	4.9%
6/30/2009	4,340		223.4		51,476	2.5%
6/30/2008	3,981		200.0		50,231	3.1%
6/30/2007	2,755		134.2		48,710	(2.0)%

Schedules of Active Member Valuation Data (cont.)

TRS Plan 1					
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay	
6/30/2016	967	\$ 80.7	\$ 83,405	4.8%	
6/30/2015	1,353	107.7	79,603	1.3%	
6/30/2014	1,824	143.3	78,549	2.6%	
6/30/2013	2,393	183.2	76,549	1.1%	
6/30/2012	3,019	228.5	75,681	(0.4)%	
6/30/2011	3,740	284.2	75,994	1.4%	
6/30/2010	4,591	344.0	74,930	0.3%	
6/30/2009	5,204	388.8	74,707	4.7%	
6/30/2008	6,061	432.4	71,340	6.0%	
6/30/2007	6,331	426.1	67,310	3.9%	

TRS Plan 2					
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay	
6/30/2016	17,242	\$ 1,104.4	\$ 64,055	4.0%	
6/30/2015	15,342	945.2	61,610	0.1%	
6/30/2014	13,632	838.9	61,538	0.4%	
6/30/2013	12,071	740.2	61,320	(0.5)%	
6/30/2012	10,849	668.8	61,648	(2.2)%	
6/30/2011	10,285	648.2	63,025	(0.6)%	
6/30/2010	9,442	598.8	63,423	(1.3)%	
6/30/2009	9,174	589.3	64,239	1.9%	
6/30/2008	8,103	510.8	63,043	1.3%	
6/30/2007	6,752	420.1	62,213	5.2%	

TRS Plan 3					
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay	
6/30/2016	52,706	\$ 3,947.3	\$ 74,892	4.9%	
6/30/2015	52,125	3,721.9	71,403	2.5%	
6/30/2014	51,837	3,611.5	69,670	3.0%	
6/30/2013	51,471	3,482.7	67,664	2.2%	
6/30/2012	51,489	3,408.1	66,191	0.5%	
6/30/2011	52,178	3,436.7	65,866	2.3%	
6/30/2010	52,292	3,366.7	64,382	1.3%	
6/30/2009	53,010	3,367.9	63,534	6.9%	
6/30/2008	52,360	3,110.6	59,408	6.3%	
6/30/2007	51,856	2,897.6	55,879	6.1%	

Schedules of Active Member Valuation Data (cont.)

LEOFF Plan 1						
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay		Annualized % Increase in Average Pay	
6/30/2016	62	\$ 6.7	\$	108,061	1.3%	
6/30/2015	82	8.7		106,683	1.2%	
6/30/2014	120	12.6		105,385	2.0%	
6/30/2013	143	14.8		103,362	2.5%	
6/30/2012	186	18.8		100,828	2.8%	
6/30/2011	250	24.5		98,078	1.4%	
6/30/2010	301	29.1		96,686	3.2%	
6/30/2009	356	33.3		93,679	6.4%	
6/30/2008	421	37.1		88,070	5.8%	
6/30/2007	513	42.7		83,262	3.3%	

LEOFF Plan 2						
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay		Annualized % Increase in Average Pay	
6/30/2016	17,186	\$ 1,786.4	\$	103,947	1.5%	
6/30/2015	17,019	1,742.9		102,411	3.4%	
6/30/2014	16,773	1,661.3		99,048	3.5%	
6/30/2013	16,687	1,596.8		95,694	2.6%	
6/30/2012	16,720	1,560.1		93,308	2.2%	
6/30/2011	16,805	1,534.7		91,322	2.8%	
6/30/2010	16,775	1,490.1		88,828	4.4%	
6/30/2009	16,951	1,442.5		85,097	5.2%	
6/30/2008	16,626	1,344.9		80,889	5.6%	
6/30/2007	16,099	1,233.7		76,632	2.8%	

WSPRS Plan 1						
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay		Annualized % Increase in Average Pay	
6/30/2016	498	\$ 46.5	\$	93,338	7.9%	
6/30/2015	560	48.5		86,535	2.0%	
6/30/2014	609	51.6		84,804	4.1%	
6/30/2013	657	53.5		81,465	1.5%	
6/30/2012	712	57.1		80,263	0.4%	
6/30/2011	767	61.3		79,983	(0.3)%	
6/30/2010	806	64.6		80,197	0.1%	
6/30/2009	830	66.5		80,115	4.4%	
6/30/2008	851	65.3		76,751	6.7%	
6/30/2007	885	63.6		71,907	3.3%	

Schedules of Active Member Valuation Data (cont.)

WSPRS Plan 2						
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay		
6/30/2016	470	\$ 36.4	\$ 77,349	10.1%		
6/30/2015	475	33.4	70,238	1.5%		
6/30/2014	435	30.1	69,226	6.4%		
6/30/2013	409	26.6	65,058	(0.2)%		
6/30/2012	354	23.1	65,165	1.7%		
6/30/2011	315	20.2	64,103	0.7%		
6/30/2010	281	17.9	63,660	1.7%		
6/30/2009	264	16.5	62,583	9.3%		
6/30/2008	234	13.4	57,233	5.7%		
6/30/2007	152	8.2	54,162	3.6%		

JRS						
Valuation Date	Active Members	Annual Payroll in Millions	Average Annual Pay	Annualized % Increase in Average Pay		
6/30/2016	–	\$ –	\$ –	n/a		
6/30/2015	–	–	–	n/a		
6/30/2014	–	–	–	n/a		
6/30/2013	–	–	–	(100.0)%		
6/30/2012	2	0.3	148,832	(3.3)%		
6/30/2011	3	0.5	153,962	1.4%		
6/30/2010	5	0.8	151,908	0.7%		
6/30/2009	9	1.4	150,870	6.0%		
6/30/2008	10	1.4	142,328	5.9%		
6/30/2007	11	1.5	134,386	2.2%		

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

Schedules 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	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	1,269	\$ 31,328,241	2,271	\$ 38,944,553	49,268	\$ 1,186,959,021	\$ 24,092	0.0%	
6/30/2015	1,427	34,495,824	2,227	36,970,754	50,270	1,186,941,835	23,611	0.3%	
6/30/2014	1,446	36,218,524	2,236	36,578,459	51,070	1,183,089,117	23,166	0.5%	
6/30/2013	1,596	40,451,809	2,408	38,081,771	51,860	1,177,115,047	22,698	0.7%	
6/30/2012	1,643	42,344,185	2,235	33,066,677	52,672	1,169,187,194	22,198	1.5%	
6/30/2011	1,829	49,678,585	2,307	31,131,283	53,264	1,151,599,650	21,621	3.6%	
6/30/2010	1,891	48,714,779	2,296	30,635,880	53,742	1,112,108,596	20,693	3.5%	
6/30/2009	1,824	47,679,971	2,258	28,065,463	54,147	1,073,997,138	19,835	3.7%	
6/30/2008	2,138	54,916,521	2,243	27,122,179	54,581	1,035,876,249	18,979	4.6%	
6/30/2007	1,555	41,444,329	1,703	19,287,556	54,686	989,949,533	18,102	2.5%	

PERS Plan 2									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	4,746	\$ 107,212,926	848	\$ 11,025,471	42,591	\$ 775,137,400	\$ 18,200	16.3%	
6/30/2015	4,388	96,222,376	837	10,807,578	38,693	666,289,799	17,220	16.2%	
6/30/2014	4,500	98,401,222	687	8,476,109	35,142	573,268,436	16,313	21.5%	
6/30/2013	4,167	82,479,614	658	7,214,843	31,329	472,011,858	15,066	22.1%	
6/30/2012	3,685	67,895,490	576	5,893,503	27,820	386,547,451	13,895	20.6%	
6/30/2011	3,206	59,754,016	538	5,248,298	24,711	320,615,736	12,975	23.2%	
6/30/2010	2,732	45,416,589	479	4,302,408	22,043	260,152,502	11,802	21.8%	
6/30/2009	2,461	37,668,755	469	3,848,756	19,790	213,544,944	10,791	22.0%	
6/30/2008	2,215	27,458,079	376	2,944,525	17,798	175,102,432	9,838	19.4%	
6/30/2007	1,363	16,027,735	285	2,398,926	15,959	146,703,879	9,193	10.3%	

PERS Plan 3									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	549	\$ 6,749,974	51	\$ 472,466	3,684	\$ 38,310,147	\$ 10,399	21.8%	
6/30/2015	581	6,525,449	29	179,408	3,186	31,459,343	9,874	26.8%	
6/30/2014	527	5,973,884	32	179,191	2,634	24,801,688	9,416	33.6%	
6/30/2013	414	4,231,693	25	175,440	2,139	18,566,461	8,680	31.1%	
6/30/2012	377	3,768,015	15	95,645	1,750	14,165,571	8,095	36.6%	
6/30/2011	289	2,750,573	15	115,610	1,388	10,366,918	7,469	36.8%	
6/30/2010	211	1,847,618	17	105,335	1,114	7,575,590	6,800	33.1%	
6/30/2009	188	1,431,296	11	68,324	920	5,691,504	6,186	34.6%	
6/30/2008	153	973,585	9	39,824	743	4,227,474	5,690	31.2%	
6/30/2007	120	767,458	7	36,995	599	3,222,482	5,380	29.4%	

Schedules of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

SERS Plan 2									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	951	\$ 10,196,114	133	\$ 1,208,588	7,380	\$ 76,081,031	\$ 10,309	15.6%	
6/30/2015	865	9,200,978	99	851,704	6,562	65,840,085	10,034	16.1%	
6/30/2014	796	8,658,343	84	710,331	5,796	56,703,435	9,783	19.2%	
6/30/2013	729	7,922,612	82	669,493	5,084	47,586,513	9,360	21.1%	
6/30/2012	685	7,196,654	71	556,280	4,437	39,304,032	8,858	22.0%	
6/30/2011	560	5,481,726	48	331,627	3,823	32,224,861	8,429	21.8%	
6/30/2010	482	4,325,732	41	339,774	3,311	26,455,961	7,990	20.9%	
6/30/2009	454	3,836,380	32	197,969	2,870	21,890,772	7,627	23.0%	
6/30/2008	450	3,526,561	28	186,696	2,448	17,799,193	7,271	26.1%	
6/30/2007	231	1,721,633	20	112,108	2,026	14,110,609	6,965	13.0%	

SERS Plan 3									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	1,020	\$ 6,004,617	62	\$ 332,298	6,708	\$ 37,605,743	\$ 5,606	20.0%	
6/30/2015	981	6,027,951	56	226,130	5,750	31,328,571	5,448	24.4%	
6/30/2014	875	5,235,885	45	185,272	4,825	25,178,188	5,218	28.1%	
6/30/2013	803	4,385,800	22	91,177	3,995	19,657,323	4,920	31.1%	
6/30/2012	636	3,285,871	27	105,484	3,214	14,992,908	4,665	28.5%	
6/30/2011	553	3,038,825	21	73,455	2,605	11,667,747	4,479	37.2%	
6/30/2010	332	1,614,718	18	51,140	2,073	8,504,426	4,102	25.6%	
6/30/2009	346	1,552,969	12	36,518	1,759	6,768,866	3,848	31.9%	
6/30/2008	325	1,370,967	15	57,309	1,425	5,130,021	3,600	37.5%	
6/30/2007	178	695,857	6	14,025	1,115	3,730,124	3,345	22.7%	

PSERS Plan 2									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	29	\$ 292,170	1	\$ 8,993	108	\$ 757,267	\$ 7,012	62.4%	
6/30/2015	19	141,388	1	4,020	80	466,218	5,828	43.2%	
6/30/2014	19	137,777	—	—	62	325,492	5,250	76.0%	
6/30/2013	16	98,050	—	—	43	184,938	4,301	116.0%	
6/30/2012	12	46,142	—	—	27	85,628	3,171	117.6%	
6/30/2011	8	25,844	—	—	15	39,355	2,624	192.3%	
6/30/2010	5	10,383	—	—	7	13,645	1,924	339.7%	
6/30/2009	1	2,409	—	—	2	3,062	1,531	368.9%	
6/30/2008	1	653	—	—	1	653	653	0.0%	
6/30/2007	—	—	—	—	—	—	—	n/a	

Schedules of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

TRS Plan 1									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	646	\$ 20,261,374	1,098	\$ 22,164,314	34,787	\$ 897,662,583	\$ 25,805	0.0%	
6/30/2015	745	23,336,449	1,145	22,271,095	35,239	897,354,684	25,465	0.3%	
6/30/2014	834	27,345,364	1,107	21,680,225	35,639	894,749,810	25,106	0.8%	
6/30/2013	889	28,516,769	1,031	19,814,149	35,912	887,718,032	24,719	1.2%	
6/30/2012	1,007	32,011,915	1,071	19,959,639	36,054	877,408,017	24,336	1.6%	
6/30/2011	1,161	37,444,310	1,058	18,622,578	36,118	863,605,633	23,911	4.0%	
6/30/2010	947	27,363,548	964	16,376,709	36,015	829,998,363	23,046	3.2%	
6/30/2009	1,193	33,860,034	1,040	16,463,852	36,032	804,572,786	22,329	3.9%	
6/30/2008	1,564	43,927,319	1,069	16,443,154	35,879	774,340,924	21,582	5.2%	
6/30/2007	370	6,636,490	731	11,088,213	35,384	735,750,464	20,793	(0.7)%	

TRS Plan 2									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	444	\$ 11,780,089	62	\$ 1,099,744	4,687	\$ 104,820,736	\$ 22,364	13.6%	
6/30/2015	452	11,891,498	41	703,305	4,305	92,291,775	21,438	15.4%	
6/30/2014	493	12,353,083	44	699,410	3,894	79,974,743	20,538	20.0%	
6/30/2013	422	10,037,156	37	626,458	3,445	66,622,927	19,339	19.6%	
6/30/2012	424	9,371,702	21	336,553	3,060	55,682,494	18,197	20.8%	
6/30/2011	362	7,470,573	25	307,667	2,657	46,085,043	17,345	21.3%	
6/30/2010	249	5,208,999	33	383,886	2,320	37,984,977	16,373	17.7%	
6/30/2009	246	4,939,050	21	265,215	2,104	32,273,082	15,339	20.2%	
6/30/2008	244	4,076,287	29	323,867	1,879	26,844,925	14,287	19.5%	
6/30/2007	105	1,426,931	15	141,168	1,664	22,470,949	13,504	6.2%	

TRS Plan 3									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	1,452	\$ 21,733,070	62	\$ 710,943	8,843	\$ 115,928,937	\$ 13,110	24.5%	
6/30/2015	1,411	20,685,113	52	518,497	7,453	93,089,105	12,490	29.4%	
6/30/2014	1,271	18,346,307	40	361,104	6,094	71,957,258	11,808	36.5%	
6/30/2013	1,083	13,777,247	24	234,999	4,863	52,704,816	10,838	38.0%	
6/30/2012	896	10,668,293	26	207,788	3,804	38,191,899	10,040	39.3%	
6/30/2011	714	8,168,048	15	132,216	2,934	27,425,422	9,347	44.5%	
6/30/2010	454	4,632,283	10	73,282	2,235	18,983,833	8,494	34.9%	
6/30/2009	408	4,058,520	9	60,319	1,791	14,073,479	7,858	43.2%	
6/30/2008	360	3,056,652	11	78,741	1,392	9,828,264	7,061	47.1%	
6/30/2007	115	826,838	5	17,533	1,043	6,680,207	6,405	13.9%	

Schedules of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

LEOFF Plan 1									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	132	\$ 7,074,185	261	\$ 11,649,210	7,378	\$ 359,684,499	\$ 48,751	(0.4)%	
6/30/2015	153	8,756,563	251	10,586,867	7,507	361,094,205	48,101	1.4%	
6/30/2014	124	6,809,466	248	10,922,714	7,605	356,280,207	46,848	0.0%	
6/30/2013	146	7,890,561	262	10,485,897	7,729	356,229,923	46,090	1.7%	
6/30/2012	162	9,325,170	249	9,732,437	7,845	350,199,616	44,640	3.0%	
6/30/2011	136	7,331,503	212	8,121,870	7,932	340,160,704	42,885	0.5%	
6/30/2010	167	9,065,821	246	9,545,410	8,008	338,503,613	42,271	0.3%	
6/30/2009	156	8,226,656	203	7,267,042	8,087	337,505,287	41,734	4.7%	
6/30/2008	189	9,377,706	216	7,617,139	8,134	322,365,013	39,632	4.3%	
6/30/2007	153	7,238,334	164	5,380,231	8,161	309,181,019	37,885	4.2%	

LEOFF Plan 2									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	586	\$ 31,191,906	37	\$ 1,239,165	4,259	\$ 190,425,480	\$ 44,711	21.2%	
6/30/2015	497	25,745,170	22	891,857	3,710	157,094,929	42,344	20.4%	
6/30/2014	478	23,448,749	25	779,746	3,235	130,428,517	40,318	24.0%	
6/30/2013	457	21,512,439	19	571,580	2,782	105,193,996	37,812	28.5%	
6/30/2012	355	16,447,618	26	705,284	2,344	81,874,896	34,930	25.1%	
6/30/2011	389	15,718,562	13	333,059	2,015	65,459,659	32,486	33.8%	
6/30/2010	285	10,278,954	13	332,332	1,639	48,926,257	29,851	29.2%	
6/30/2009	243	8,478,268	10	216,179	1,367	37,876,404	27,708	31.0%	
6/30/2008	227	6,985,801	17	279,908	1,134	28,904,921	25,489	33.7%	
6/30/2007	153	4,353,299	8	144,930	924	21,611,590	23,389	24.3%	

WSPRS Plan 1									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	69	\$ 3,646,614	24	\$ 922,612	1,078	\$ 54,523,333	\$ 50,578	7.6%	
6/30/2015	60	2,780,816	23	781,775	1,033	50,674,128	49,055	5.9%	
6/30/2014	51	2,304,665	19	597,779	996	47,829,447	48,022	6.5%	
6/30/2013	67	3,124,867	18	587,613	964	44,897,586	46,574	9.1%	
6/30/2012	59	2,674,231	19	715,514	915	41,147,922	44,970	6.6%	
6/30/2011	42	1,918,898	18	476,475	875	38,597,849	44,112	5.1%	
6/30/2010	33	1,549,594	16	489,562	851	36,718,045	43,147	6.0%	
6/30/2009	15	710,502	12	377,080	834	34,636,899	41,531	4.0%	
6/30/2008	28	1,152,618	18	541,668	831	33,303,079	40,076	4.8%	
6/30/2007	22	801,594	9	182,796	821	31,779,147	38,708	2.1%	

Schedules of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

JRS									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	4	\$ 227,622	6	\$ 591,387	104	\$ 8,952,238	\$ 86,079	(2.5)%	
6/30/2015	3	166,803	5	414,930	106	9,185,874	86,659	(1.3)%	
6/30/2014	—	—	6	366,825	108	9,308,919	86,194	(1.4)%	
6/30/2013	7	476,184	12	877,160	114	9,440,927	82,815	(1.5)%	
6/30/2012	4	317,799	9	670,577	119	9,584,381	80,541	(1.7)%	
6/30/2011	4	285,689	5	400,572	124	9,745,840	78,595	0.1%	
6/30/2010	10	700,776	9	626,362	125	9,733,805	77,870	3.5%	
6/30/2009	4	276,433	7	497,241	124	9,401,392	75,818	0.4%	
6/30/2008	4	267,383	7	374,274	127	9,359,660	73,698	1.7%	
6/30/2007	3	160,260	5	392,686	130	9,201,726	70,783	(2.5)%	

JRF									
Year Ended	Added to Rolls		Removed from Rolls		Rolls — End of Year		Average Annual Allowance	% Increase in Annual Allowance	
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances			
6/30/2016	—	\$ —	1	\$ —	11	\$ 438,882	\$ 39,898	(1.2)%	
6/30/2015	—	—	—	—	12	444,282	37,024	0.0%	
6/30/2014	—	—	—	—	12	444,282	37,024	0.0%	
6/30/2013	—	—	—	—	12	444,282	37,024	(7.7)%	
6/30/2012	—	—	1	18,329	12	481,389	40,116	(3.7)%	
6/30/2011	—	—	—	—	13	499,719	38,440	0.0%	
6/30/2010	—	—	—	—	13	499,719	38,440	0.0%	
6/30/2009	—	—	—	—	13	499,719	38,440	0.0%	
6/30/2008	—	—	2	—	13	499,719	38,440	(13.6)%	
6/30/2007	—	—	—	75,233	15	578,135	38,542	0.0%	

Source: Washington State Office of the State Actuary

Solvency Tests

PERS Plan 1

Dollars in Millions

Valuation Date	Accrued Liabilities (Entry Age Cost Method)				Portion of Accrued Liabilities Covered by Assets			
	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability
6/30/2016	\$ 443.8	\$ 11,378.5	\$ 501.0	\$ 12,323.2	\$ 6,958.2	100%	57%	0%
6/30/2015	513.7	11,439.9	599.9	12,553.5	7,314.9	100%	59%	0%
6/30/2014	589.2	11,387.8	743.3	12,720.4	7,761.5	100%	63%	0%
6/30/2013	662.6	11,371.1	613.4	12,647.1	8,053.1	100%	65%	0%
6/30/2012	740.8	10,685.6	707.0	12,133.4	8,520.6	100%	73%	0%
6/30/2011	818.7	10,677.5	852.1	12,348.4	8,883.4	100%	76%	0%
6/30/2010	912.6	10,232.0	1,096.0	12,240.7	9,293.0	100%	82%	0%
6/30/2009	989.9	11,269.4	1,703.2	13,962.6	9,775.6	100%	78%	0%
6/30/2008	1,055.8	10,963.4	1,881.7	13,901.0	9,852.9	100%	80%	0%
6/30/2007	1,120.4	10,575.9	2,044.2	13,740.5	9,715.5	100%	81%	0%

PERS Plan 2/3

Dollars in Millions

Valuation Date	Accrued Liabilities (Aggregate Cost Method)				Portion of Accrued Liabilities Covered by Assets			
	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability
6/30/2016	\$ 4,932.6	\$ 13,186.4	\$ 12,143.6	\$ 30,262.5	\$ 30,262.5	100%	100%	100%
6/30/2015	4,596.6	11,541.9	12,153.8	28,282.3	28,292.3	100%	100%	100%
6/30/2014	4,357.1	9,925.2	12,104.0	26,386.3	26,386.3	100%	100%	100%
6/30/2013	4,121.6	8,388.8	11,824.2	24,334.6	24,334.6	100%	100%	100%
6/30/2012	3,878.2	6,710.3	12,064.0	22,652.6	22,652.6	100%	100%	100%
6/30/2011	3,605.7	5,756.8	11,634.2	20,996.7	20,996.7	100%	100%	100%
6/30/2010	3,388.0	4,753.4	11,332.7	19,474.1	19,474.1	100%	100%	100%
6/30/2009	3,132.0	4,038.0	11,090.4	18,260.4	18,260.4	100%	100%	100%
6/30/2008	2,760.9	3,447.1	10,484.7	16,692.7	16,692.7	100%	100%	100%
6/30/2007	2,464.6	2,966.5	9,456.7	14,887.9	14,887.9	100%	100%	100%

SERS Plan 2/3

Dollars in Millions

Valuation Date	Accrued Liabilities (Aggregate Cost Method)				Portion of Accrued Liabilities Covered by Assets			
	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability
6/30/2016	\$ 377.0	\$ 2,011.1	\$ 1,793.1	\$ 4,181.2	\$ 4,181.2	100%	100%	100%
6/30/2015	347.4	1,751.4	1,801.8	3,900.6	3,900.6	100%	100%	100%
6/30/2014	328.0	1,492.9	1,803.0	3,623.8	3,623.8	100%	100%	100%
6/30/2013	309.2	1,267.1	1,758.3	3,334.6	3,334.6	100%	100%	100%
6/30/2012	295.3	1,018.0	1,787.0	3,100.3	3,100.3	100%	100%	100%
6/30/2011	279.8	862.1	1,730.3	2,872.1	2,872.1	100%	100%	100%
6/30/2010	266.2	713.8	1,684.1	2,664.1	2,664.1	100%	100%	100%
6/30/2009	251.5	613.7	1,637.9	2,503.2	2,503.2	100%	100%	100%
6/30/2008	226.5	523.7	1,552.4	2,302.6	2,302.6	100%	100%	100%
6/30/2007	207.1	431.4	1,494.9	2,133.4	2,133.4	100%	100%	100%

Solvency Tests (cont.)

PSERS Plan 2									
Dollars in Millions									
Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ 147.9	\$ 43.1	\$ 210.6	\$ 401.6	\$ 401.6	100%	100%	100%	
6/30/2015	128.4	29.5	180.1	337.9	337.9	100%	100%	100%	
6/30/2014	109.5	21.5	147.2	278.2	278.2	100%	100%	100%	
6/30/2013	92.5	14.7	117.1	224.2	224.2	100%	100%	100%	
6/30/2012	76.5	9.2	94.8	180.5	180.5	100%	100%	100%	
6/30/2011	62.0	6.1	72.6	140.7	140.7	100%	100%	100%	
6/30/2010	46.9	4.2	51.7	102.9	102.9	100%	100%	100%	
6/30/2009	32.4	2.0	34.8	69.2	69.2	100%	100%	100%	
6/30/2008	18.1	0.9	19.7	38.7	38.7	100%	100%	100%	
6/30/2007	6.7	0.2	6.9	13.7	13.7	100%	100%	100%	

TRS Plan 1									
Dollars in Millions									
Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ 209.6	\$ 8,494.7	\$ 195.7	\$ 8,900.0	\$ 5,439.6	100%	62%	0%	
6/30/2015	277.0	8,562.6	268.0	9,107.5	5,870.5	100%	65%	0%	
6/30/2014	347.4	8,530.4	372.3	9,250.1	6,352.8	100%	70%	0%	
6/30/2013	433.7	8,511.5	441.0	9,386.1	6,717.1	100%	74%	0%	
6/30/2012	509.9	7,952.4	534.4	8,996.7	7,144.5	100%	83%	0%	
6/30/2011	598.1	7,934.2	662.4	9,194.7	7,485.0	100%	87%	0%	
6/30/2010	663.6	7,586.5	870.0	9,120.0	7,791.3	100%	94%	0%	
6/30/2009	725.6	8,821.7	1,264.8	10,812.1	8,146.2	100%	84%	0%	
6/30/2008	790.2	8,564.6	1,399.1	10,753.9	8,262.3	100%	87%	0%	
6/30/2007	766.4	8,670.1	1,389.0	10,825.6	8,302.3	100%	87%	0%	

TRS Plan 2/3									
Dollars in Millions									
Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ 522.9	\$ 4,019.4	\$ 6,179.5	\$ 10,721.8	\$ 10,721.8	100%	100%	100%	
6/30/2015	474.6	3,443.8	6,034.4	9,952.8	9,952.8	100%	100%	100%	
6/30/2014	448.5	2,858.6	5,885.9	9,193.0	9,193.0	100%	100%	100%	
6/30/2013	424.4	2,335.8	5,645.8	8,406.1	8,406.1	100%	100%	100%	
6/30/2012	402.9	1,831.7	5,523.4	7,757.9	7,757.9	100%	100%	100%	
6/30/2011	382.6	1,516.3	5,241.7	7,140.6	7,140.6	100%	100%	100%	
6/30/2010	366.3	1,224.5	5,002.5	6,593.3	6,593.3	100%	100%	100%	
6/30/2009	349.7	1,032.2	4,778.1	6,160.0	6,160.0	100%	100%	100%	
6/30/2008	322.2	883.1	4,475.8	5,681.0	5,681.0	100%	100%	100%	
6/30/2007	302.6	790.8	4,183.7	5,277.0	5,277.0	100%	100%	100%	

Solvency Tests (cont.)

LEOFF Plan 1									
Dollars in Millions									
Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ 13.0	\$ 4,123.4	\$ 61.0	\$ 4,197.4	\$ 5,275.0	100%	100%	100%	
6/30/2015	16.8	4,212.1	78.2	4,307.1	5,403.6	100%	100%	100%	
6/30/2014	23.4	4,188.6	110.6	4,322.6	5,499.3	100%	100%	100%	
6/30/2013	27.1	4,254.5	119.4	4,401.0	5,516.4	100%	100%	100%	
6/30/2012	33.5	3,945.9	134.5	4,113.9	5,561.6	100%	100%	100%	
6/30/2011	43.3	3,898.6	196.2	4,138.0	5,565.3	100%	100%	100%	
6/30/2010	49.5	4,090.6	245.9	4,386.0	5,560.9	100%	100%	100%	
6/30/2009	55.4	4,149.8	281.2	4,486.5	5,612.1	100%	100%	100%	
6/30/2008	62.3	3,997.4	308.0	4,367.7	5,592.5	100%	100%	100%	
6/30/2007	72.4	3,916.3	351.5	4,340.2	5,297.7	100%	100%	100%	

LEOFF Plan 2									
Dollars in Millions									
Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ 2,392.2	\$ 3,365.0	\$ 4,264.0	\$ 10,021.3	\$ 10,021.3	100%	100%	100%	
6/30/2015	2,311.3	2,746.8	4,262.0	9,320.2	9,320.2	100%	100%	100%	
6/30/2014	2,179.6	2,287.3	4,171.1	8,637.9	8,637.9	100%	100%	100%	
6/30/2013	2,054.4	1,862.4	3,945.5	7,862.3	7,862.3	100%	100%	100%	
6/30/2012	1,925.9	1,427.7	3,868.3	7,221.9	7,221.9	100%	100%	100%	
6/30/2011	1,782.2	1,166.1	3,672.3	6,620.7	6,620.7	100%	100%	100%	
6/30/2010	1,615.0	924.7	3,503.0	6,042.7	6,042.7	100%	100%	100%	
6/30/2009	1,479.5	682.5	3,402.1	5,564.2	5,564.2	100%	100%	100%	
6/30/2008	1,319.7	547.5	3,185.5	5,052.7	5,052.7	100%	100%	100%	
6/30/2007	1,178.3	451.7	2,729.6	4,359.6	4,359.6	100%	100%	100%	

WSPRS Plan 1/2									
Dollars in Millions									
Accrued Liabilities (Aggregate Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ 75.0	\$ 811.2	\$ 197.7	\$ 1,084.0	\$ 1,084.0	100%	100%	100%	
6/30/2015	75.5	752.0	239.6	1,067.1	1,067.1	100%	100%	100%	
6/30/2014	74.1	703.2	266.9	1,044.2	1,044.2	100%	100%	100%	
6/30/2013	71.6	663.3	274.4	1,009.4	1,009.4	100%	100%	100%	
6/30/2012	70.8	576.1	334.9	981.7	981.7	100%	100%	100%	
6/30/2011	69.0	541.2	339.3	949.5	949.5	100%	100%	100%	
6/30/2010	66.4	496.5	356.7	919.6	919.6	100%	100%	100%	
6/30/2009	62.4	474.5	363.5	900.4	900.4	100%	100%	100%	
6/30/2008	56.0	460.5	353.2	869.7	869.7	100%	100%	100%	
6/30/2007	50.8	444.2	304.9	799.9	799.9	100%	100%	100%	

Solvency Tests (cont.)

JRS¹									
Dollars in Millions									
Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ -	\$ 97.5	\$ -	\$ 97.5	\$ 6.8	n/a	7%	n/a	
6/30/2015	-	100.3	-	100.3	6.3	n/a	6%	n/a	
6/30/2014	-	105.0	-	105.0	5.0	n/a	5%	n/a	
6/30/2013	-	108.2	-	108.2	3.9	n/a	4%	n/a	
6/30/2012	1.0	100.4	2.5	103.9	3.5	100%	2%	0%	
6/30/2011	1.5	104.3	3.6	109.3	5.1	100%	3%	0%	
6/30/2010	2.2	78.5	3.1	83.8	3.8	100%	2%	0%	
6/30/2009	3.7	76.1	9.5	89.3	1.8	50%	0%	0%	
6/30/2008	3.7	78.2	9.7	91.5	1.0	26%	0%	0%	
6/30/2007	3.7	75.3	6.0	85.0	0.5	15%	0%	0%	

JRF¹									
Dollars in Millions									
Accrued Liabilities (Entry Age Cost Method)					Portion of Accrued Liabilities Covered by Assets				
Valuation Date	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	(1+2+3) Total Accrued Liability	Valuation Assets	(1) Active Member Contributions	(2) Inactive Member Liability	(3) Excess Accrued Liability	
6/30/2016	\$ -	\$ 3.0	\$ -	\$ 3.0	\$ 0.6	n/a	19%	n/a	
6/30/2015	-	3.1	-	3.1	0.5	n/a	16%	n/a	
6/30/2014	-	3.3	-	3.3	1.0	n/a	29%	n/a	
6/30/2013	-	3.5	-	3.5	1.4	n/a	40%	n/a	
6/30/2012	-	3.6	-	3.6	1.9	n/a	52%	n/a	
6/30/2011	-	3.9	-	3.9	2.3	n/a	61%	n/a	
6/30/2010	-	3.2	-	3.2	2.8	n/a	87%	n/a	
6/30/2009	-	3.4	-	3.4	3.3	n/a	97%	n/a	
6/30/2008	-	3.5	-	3.5	3.6	n/a	100%	n/a	
6/30/2007	-	3.9	-	3.9	4.0	n/a	100%	n/a	

¹ JRS and JRF are financed on a pay-as-you-go basis from a combination of investment earnings and funding from the state.

Totals might not agree due to rounding, and percentages are based on actual, not rounded, totals.

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 actuarial 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 within the Actuarial Section, where a different valuation method (entry age) is used as a surrogate.

Source: Office of the State Actuary

Analysis of Selected Experience

PERS Plan 1: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (339.8)	\$ (447.8)	\$ (308.7)	\$ (417.4)	\$ (340.4)	\$ (397.7)	\$ (668.0)	\$ (298.2)	\$ 151.6	\$ 186.0
Salary Growth	(6.2)	10.5	(1.4)	25.8	47.9	59.9	54.2	10.9	(59.2)	30.7
Termination of Employment	(0.4)	0.2	(0.3)	1.1	0.5	0.1	1.2	(0.2)	(0.4)	7.2
Return to Work from Terminated Status	(4.8)	(2.6)	(3.9)	(2.8)	(3.2)	(6.4)	(8.0)	(9.7)	(49.1)	(14.4)
Gain (or Loss) During Year from Selected Experience	\$ (351.2)	\$ (439.7)	\$ (314.3)	\$ (393.3)	\$ (295.2)	\$ (344.1)	\$ (620.6)	\$ (297.2)	\$ 42.9	\$ 209.5

PERS Plan 2/3: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (700.3)	\$ (591.8)	\$ (323.2)	\$ (302.6)	\$ (295.6)	\$ (404.3)	\$ (619.2)	\$ (134.3)	\$ 273.4	\$ 327.6
Salary Growth	(61.2)	331.5	60.7	481.1	663.9	731.7	577.8	185.9	(326.1)	124.2
Termination of Employment	162.3	192.2	116.6	131.8	129.3	118.3	18.0	21.1	47.8	131.1
Return to Work from Terminated Status	(98.1)	(68.1)	(64.7)	(66.3)	(58.3)	(44.1)	(50.2)	(47.8)	(97.1)	(86.8)
Gain (or Loss) During Year from Selected Experience	\$ (697.3)	\$ (136.2)	\$ (210.6)	\$ 244.0	\$ 439.3	\$ 401.6	\$ (73.6)	\$ 24.9	\$ (102.0)	\$ 496.1

SERS Plan 2/3: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (126.3)	\$ (96.2)	\$ (64.0)	\$ (66.4)	\$ (69.6)	\$ (80.5)	\$ (115.1)	\$ (33.2)	\$ 39.1	\$ 46.3
Salary Growth	(93.5)	(7.1)	9.1	53.1	94.1	75.1	84.5	(27.4)	(27.5)	9.6
Termination of Employment	28.1	30.9	27.0	18.0	20.3	8.3	3.1	5.8	11.0	16.1
Return to Work from Terminated Status	(5.9)	(8.9)	(6.5)	(4.7)	(3.5)	(5.2)	(5.5)	(6.2)	(8.4)	(74.3)
Gain (or Loss) During Year from Selected Experience	\$ (197.6)	\$ (81.3)	\$ (34.4)	\$ —	\$ 41.3	\$ (2.3)	\$ (33.0)	\$ (61.0)	\$ 14.2	\$ (2.3)

¹ Actuarial value of assets

Analysis of Selected Experience (cont.)

PSERS Plan 2: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (3.9)	\$ 0.8	\$ 1.3	\$ 0.8	\$ (0.4)	\$ 0.4	\$ (1.2)	\$ 0.4	\$ (0.3)	\$ –
Salary Growth	3.9	5.3	6.1	14.1	17.7	14.9	10.3	8.5	(5.1)	1.3
Termination of Employment	16.4	9.8	6.9	3.7	7.7	4.2	4.7	(7.4)	0.4	(1.0)
Return to Work from Terminated Status	(3.5)	(2.5)	(0.5)	(0.9)	–	–	–	–	(0.9)	–
Gain (or Loss) During Year from Selected Experience	\$ 12.9	\$ 13.4	\$ 13.8	\$ 17.7	\$ 25.0	\$ 19.5	\$ 13.8	\$ 1.5	\$ (5.9)	\$ 0.3

TRS Plan 1: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (355.6)	\$ (414.5)	\$ (311.3)	\$ (324.0)	\$ (262.3)	\$ (247.3)	\$ (502.1)	\$ (287.8)	\$ 26.1	\$ 24.9
Salary Growth	(5.7)	11.4	4.4	20.6	45.5	36.5	60.7	(17.4)	(28.9)	4.3
Termination of Employment	–	(0.3)	(0.2)	0.3	(0.3)	0.2	0.9	1.5	0.7	(7.5)
Return to Work from Terminated Status	(1.2)	(1.0)	(0.9)	(1.6)	(2.2)	(4.4)	(7.3)	(6.0)	(23.6)	(6.8)
Gain (or Loss) During Year from Selected Experience	\$ (362.5)	\$ (404.4)	\$ (308.0)	\$ (304.7)	\$ (219.3)	\$ (215.0)	\$ (447.8)	\$ (309.7)	\$ (25.7)	\$ 14.9

TRS Plan 2/3: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (259.5)	\$ (200.8)	\$ (120.4)	\$ (122.3)	\$ (142.0)	\$ (180.6)	\$ (266.8)	\$ (120.1)	\$ 66.8	\$ 88.5
Salary Growth	(72.2)	234.4	148.9	226.6	389.0	252.6	341.3	(67.3)	(52.7)	20.6
Termination of Employment	209.9	201.4	152.6	120.7	130.0	85.5	92.9	71.7	54.8	56.5
Return to Work from Terminated Status	(122.1)	(94.3)	(78.0)	(56.5)	(39.9)	(43.7)	(37.5)	(63.0)	(85.4)	(139.7)
Gain (or Loss) During Year from Selected Experience	\$ (243.9)	\$ 140.7	\$ 103.1	\$ 168.5	\$ 337.1	\$ 113.8	\$ 129.9	\$ (178.7)	\$ (16.5)	\$ 25.9

¹ Actuarial value of assets

Analysis of Selected Experience (cont.)

LEOFF Plan 1: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (169.2)	\$ (153.1)	\$ (75.9)	\$ (118.6)	\$ (86.9)	\$ (84.2)	\$ (144.8)	\$ (88.1)	\$ 196.4	\$ 217.8
Salary Growth	3.5	0.9	4.0	3.5	4.3	6.2	1.9	(4.5)	(2.2)	4.8
Termination of Employment	(0.1)	–	(0.2)	(0.1)	–	(0.1)	(0.1)	0.1	(0.1)	(0.1)
Return to Work from Terminated Status	0.3	0.3	(1.2)	–	–	(0.2)	0.5	(4.3)	(2.7)	(1.0)
Gain (or Loss) During Year from Selected Experience	\$ (165.5)	\$ (151.9)	\$ (73.3)	\$ (115.2)	\$ (82.6)	\$ (78.3)	\$ (142.5)	\$ (96.8)	\$ 191.4	\$ 221.5

LEOFF Plan 2: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (74.8)	\$ (43.6)	\$ 88.0	\$ 16.7	\$ (4.5)	\$ (1.9)	\$ (68.7)	\$ 19.4	\$ 135.8	\$ 159.7
Salary Growth	154.7	(2.2)	6.9	117.5	186.3	164.7	91.1	6.5	(29.7)	61.2
Termination of Employment	28.3	7.6	6.5	3.4	9.0	2.5	25.8	11.8	2.9	4.4
Return to Work from Terminated Status	(3.2)	(4.5)	(5.4)	(6.6)	(4.5)	(16.8)	(12.6)	(7.9)	(22.6)	(43.9)
Gain (or Loss) During Year from Selected Experience	\$ 105.0	\$ (42.7)	\$ 96.0	\$ 131.0	\$ 186.3	\$ 148.5	\$ 35.6	\$ 29.8	\$ 86.4	\$ 181.4

WSPRS Plan 1/2: Selected Gains and Losses During Fiscal Years Ended June 30, 2007–2016 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Investment Returns ¹	\$ (30.7)	\$ (23.3)	\$ (10.0)	\$ (10.2)	\$ (6.7)	\$ (8.5)	\$ (20.5)	\$ (6.2)	\$ 28.4	\$ 32.0
Salary Growth	(20.3)	7.2	(1.3)	8.6	12.5	18.8	19.0	(0.7)	(5.9)	5.5
Termination of Employment	7.2	5.7	2.8	(0.3)	2.5	0.1	(1.0)	1.2	1.1	0.1
Return to Work from Terminated Status	(0.2)	(0.5)	–	(0.4)	(0.3)	(0.2)	(0.5)	(0.5)	–	(49.7)
Gain (or Loss) During Year from Selected Experience	\$ (44.0)	\$ (10.9)	\$ (8.5)	\$ (2.3)	\$ 8.0	\$ 10.2	\$ (3.0)	\$ (6.2)	\$ 23.6	\$ (12.1)

¹ Actuarial value of assets

Source: Office of the State Actuary

Schedules of Funding Progress

The Schedules of Funding Progress present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

PERS Plan 1										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 6,958	\$ 7,315	\$ 7,761	\$ 8,053	\$ 8,521	\$ 8,883	\$ 9,293	\$ 9,776	\$ 9,853	\$ 9,715
Actuarial Accrued Liability	\$ 12,323	\$ 12,553	\$ 12,720	\$ 12,874	\$ 12,360	\$ 12,571	\$ 12,538	\$ 13,984	\$ 13,901	\$ 13,740
Unfunded Actuarial Liability	\$ 5,365	\$ 5,239	\$ 4,959	\$ 4,821	\$ 3,839	\$ 3,688	\$ 3,245	\$ 4,209	\$ 4,048	\$ 4,025
Percentage Funded	56%	58%	61%	63%	69%	71%	74%	70%	71%	71%
Covered Payroll¹	\$ 11,744	\$ 11,151	\$ 10,804	\$ 10,417	\$ 10,400	\$ 10,516	\$ 10,575	\$ 10,571	\$ 10,106	\$ 9,291
Unfunded Actuarial Liability as a Percentage of Covered Payroll	46%	47%	46%	46%	37%	35%	31%	40%	40%	43%

¹ Portions of the above covered payroll include the covered payrolls of PERS Plan 2/3, SERS Plan 2/3 and PSERS Plan 2. Refer to "Required Supplementary Information" in the Financial Section for the covered payroll detail by system plan.

PERS Plan 2/3										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 30,262	\$ 28,292	\$ 26,386	\$ 24,335	\$ 22,653	\$ 20,997	\$ 19,474	\$ 18,260	\$ 16,693	\$ 14,888
Actuarial Accrued Liability	\$ 34,759	\$ 32,008	\$ 29,321	\$ 26,540	\$ 22,780	\$ 21,627	\$ 20,029	\$ 18,398	\$ 16,508	\$ 14,661
Unfunded Actuarial Liability	\$ 4,497	\$ 3,715	\$ 2,935	\$ 2,205	\$ 127	\$ 630	\$ 555	\$ 137	\$ (185)	\$ (227)
Percentage Funded	87%	88%	90%	92%	99%	97%	97%	99%	101%	102%
Covered Payroll	\$ 9,323	\$ 8,877	\$ 8,608	\$ 8,265	\$ 8,126	\$ 8,140	\$ 8,151	\$ 8,108	\$ 7,698	\$ 7,020
Unfunded Actuarial Liability as a Percentage of Covered Payroll	48%	42%	34%	27%	2%	8%	7%	2%	(2)%	(3)%

SERS Plan 2/3										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 4,181	\$ 3,901	\$ 3,624	\$ 3,335	\$ 3,100	\$ 2,872	\$ 2,664	\$ 2,503	\$ 2,303	\$ 2,133
Actuarial Accrued Liability	\$ 4,826	\$ 4,381	\$ 3,965	\$ 3,581	\$ 3,103	\$ 2,956	\$ 2,706	\$ 2,493	\$ 2,207	\$ 1,998
Unfunded Actuarial Liability	\$ 644	\$ 481	\$ 341	\$ 247	\$ 3	\$ 84	\$ 41	\$ (10)	\$ (95)	\$ (136)
Percentage Funded	87%	89%	91%	93%	100%	97%	98%	100%	104%	107%
Covered Payroll	\$ 1,878	\$ 1,720	\$ 1,616	\$ 1,549	\$ 1,639	\$ 1,650	\$ 1,619	\$ 1,586	\$ 1,516	\$ 1,407
Unfunded Actuarial Liability as a Percentage of Covered Payroll	34%	28%	21%	16%	0%	5%	3%	(1)%	(6)%	(10)%

Schedules of Funding Progress (cont.)

PSERS Plan 2										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 402	\$ 338	\$ 278	\$ 224	\$ 180	\$ 141	\$ 103	\$ 69	\$ 39	\$ 14
Actuarial Accrued Liability	\$ 425	\$ 357	\$ 291	\$ 218	\$ 159	\$ 126	\$ 94	\$ 64	\$ 37	\$ 19
Unfunded Actuarial Liability	\$ 24	\$ 19	\$ 13	\$ (7)	\$ (22)	\$ (14)	\$ (9)	\$ (5)	\$ (2)	\$ 6
Percentage Funded	94%	95%	96%	103%	114%	111%	109%	108%	106%	71%
Covered Payroll	\$ 325	\$ 293	\$ 270	\$ 249	\$ 236	\$ 232	\$ 233	\$ 222	\$ 179	\$ 102
Unfunded Actuarial Liability as a Percentage of Covered Payroll	7%	6%	5%	(3)%	(9)%	(6)%	(4)%	(2)%	(1)%	6%

TRS Plan 1										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 5,440	\$ 5,870	\$ 6,353	\$ 6,717	\$ 7,145	\$ 7,485	\$ 7,791	\$ 8,146	\$ 8,262	\$ 8,302
Actuarial Accrued Liability	\$ 8,900	\$ 9,107	\$ 9,250	\$ 9,429	\$ 9,038	\$ 9,232	\$ 9,201	\$ 10,820	\$ 10,754	\$ 10,826
Unfunded Actuarial Liability	\$ 3,460	\$ 3,237	\$ 2,897	\$ 2,712	\$ 1,894	\$ 1,747	\$ 1,410	\$ 2,674	\$ 2,492	\$ 2,524
Percentage Funded	61%	64%	69%	71%	79%	81%	85%	75%	77%	77%
Covered Payroll¹	\$ 5,138	\$ 4,795	\$ 4,585	\$ 4,396	\$ 4,443	\$ 4,521	\$ 4,475	\$ 4,430	\$ 4,190	\$ 3,961
Unfunded Actuarial Liability as a Percentage of Covered Payroll	67%	68%	63%	62%	43%	39%	32%	60%	59%	64%

¹ Portions of the above covered payroll include the covered payrolls of TRS Plan 2/3. Refer to "Required Supplementary Information" in the Financial Section for the covered payroll detail by system plan.

TRS Plan 2/3										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 10,722	\$ 9,953	\$ 9,193	\$ 8,406	\$ 7,758	\$ 7,141	\$ 6,593	\$ 6,160	\$ 5,681	\$ 5,277
Actuarial Accrued Liability	\$ 11,983	\$ 10,831	\$ 9,819	\$ 8,794	\$ 7,478	\$ 7,194	\$ 6,558	\$ 6,048	\$ 5,264	\$ 4,682
Unfunded Actuarial Liability	\$ 1,261	\$ 879	\$ 626	\$ 388	\$ (280)	\$ 53	\$ (36)	\$ (112)	\$ (417)	\$ (594)
Percentage Funded	89%	92%	94%	96%	104%	99%	101%	102%	108%	113%
Covered Payroll	\$ 5,054	\$ 4,682	\$ 4,437	\$ 4,204	\$ 4,163	\$ 4,171	\$ 4,056	\$ 3,950	\$ 3,665	\$ 3,375
Unfunded Actuarial Liability as a Percentage of Covered Payroll	25%	19%	14%	9%	(7)%	1%	(1)%	(3)%	(11)%	(18)%

Schedules of Funding Progress (cont.)

LEOFF Plan 1										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 5,275	\$ 5,404	\$ 5,499	\$ 5,516	\$ 5,562	\$ 5,565	\$ 5,561	\$ 5,612	\$ 5,592	\$ 5,298
Actuarial Accrued Liability	\$ 4,197	\$ 4,307	\$ 4,323	\$ 4,409	\$ 4,120	\$ 4,145	\$ 4,393	\$ 4,492	\$ 4,368	\$ 4,340
Unfunded Actuarial Liability	\$ (1,078)	\$ (1,097)	\$ (1,177)	\$ (1,108)	\$ (1,441)	\$ (1,421)	\$ (1,168)	\$ (1,120)	\$ (1,225)	\$ (958)
Percentage Funded	126%	125%	127%	125%	135%	134%	127%	125%	128%	122%
Covered Payroll	\$ 8	\$ 11	\$ 14	\$ 17	\$ 21	\$ 27	\$ 32	\$ 41	\$ 41	\$ 46
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(13,475)%	(9,973)%	(8,407)%	(6,518)%	(6,862)%	(5,263)%	(3,650)%	(2,732)%	(2,988)%	(2,083)%

LEOFF Plan 2										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 10,021	\$ 9,320	\$ 8,638	\$ 7,862	\$ 7,222	\$ 6,621	\$ 6,043	\$ 5,564	\$ 5,053	\$ 4,360
Actuarial Accrued Liability	\$ 9,571	\$ 8,838	\$ 8,069	\$ 7,220	\$ 6,353	\$ 5,941	\$ 5,164	\$ 4,641	\$ 3,998	\$ 3,626
Unfunded Actuarial Liability	\$ (450)	\$ (482)	\$ (569)	\$ (643)	\$ (869)	\$ (679)	\$ (879)	\$ (923)	\$ (1,054)	\$ (734)
Percentage Funded	105%	105%	107%	109%	114%	111%	117%	120%	126%	120%
Covered Payroll	\$ 1,804	\$ 1,744	\$ 1,674	\$ 1,605	\$ 1,569	\$ 1,542	\$ 1,516	\$ 1,456	\$ 1,344	\$ 1,221
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(25)%	(28)%	(34)%	(40)%	(55)%	(44)%	(58)%	(63)%	(78)%	(60)%

WSPRS Plan 1/2										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 1,084	\$ 1,067	\$ 1,044	\$ 1,009	\$ 982	\$ 949	\$ 920	\$ 900	\$ 870	\$ 800
Actuarial Accrued Liability	\$ 1,186	\$ 1,093	\$ 1,042	\$ 987	\$ 884	\$ 859	\$ 812	\$ 790	\$ 745	\$ 702
Unfunded Actuarial Liability	\$ 102	\$ 26	\$ (2)	\$ (22)	\$ (97)	\$ (90)	\$ (107)	\$ (110)	\$ (124)	\$ (98)
Percentage Funded	91%	98%	100%	102%	111%	110%	113%	114%	117%	114%
Covered Payroll	\$ 87	\$ 84	\$ 83	\$ 82	\$ 82	\$ 82	\$ 83	\$ 83	\$ 79	\$ 73
Unfunded Actuarial Liability as a Percentage of Covered Payroll	117%	31%	(2)%	(27)%	(118)%	(110)%	(129)%	(133)%	(157)%	(134)%

Schedules of Funding Progress (cont.)

JRS										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 7	\$ 6	\$ 5	\$ 4	\$ 3	\$ 5	\$ 4	\$ 2	\$ 1	\$ 1
Actuarial Accrued Liability	\$ 98	\$ 100	\$ 105	\$ 108	\$ 104	\$ 109	\$ 84	\$ 89	\$ 92	\$ 85
Unfunded Actuarial Liability	\$ 91	\$ 94	\$ 100	\$ 104	\$ 101	\$ 104	\$ 80	\$ 87	\$ 91	\$ 85
Percentage Funded	7%	6%	5%	4%	3%	5%	5%	2%	1%	1%
Covered Payroll¹	\$ –	\$ –	\$ –	\$ 0.2	\$ 0.4	\$ 0.6	\$ 1.0	\$ 1.4	\$ 1.5	\$ 1.5
Unfunded Actuarial Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	52,000%	25,250%	17,333%	8,000%	6,214%	6,067%	5,667%

JRF										
Dollars in Millions										
Actuarial Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007
Actuarial Value of Plan Assets	\$ 0.6	\$ 0.5	\$ 1.0	\$ 1.4	\$ 1.9	\$ 2.3	\$ 2.8	\$ 3.3	\$ 3.6	\$ 4.0
Actuarial Accrued Liability	\$ 3.0	\$ 3.1	\$ 3.3	\$ 3.5	\$ 3.6	\$ 3.9	\$ 3.2	\$ 3.4	\$ 3.5	\$ 3.9
Unfunded Actuarial Liability	\$ 2.5	\$ 2.6	\$ 2.3	\$ 2.1	\$ 1.7	\$ 1.5	\$ 0.4	\$ 0.1	\$ (0.1)	\$ (0.1)
Percentage Funded	19%	16%	29%	40%	52%	61%	87%	97%	104%	103%
Covered Payroll	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Unfunded Actuarial Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Liability amounts and ratios/percentages are based on actual, not rounded, figures.

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 separately amortize an Unfunded Actuarial Accrued Liabilities (UAAL) outside the normal cost. Instead, the entry age normal actuarial cost method was used to determine the UAAL. This method is intended to serve as a surrogate for the funded status of these plans.

Sources: Office of the State Actuary and Department of Retirement Systems

Ten-year schedules of actuarially determined and actual contributions are included in "Required Supplementary Information" in the Financial Section.

Funded Status and Funding Progress

Funded Status of Each Plan as of June 30, 2016, the Most Recent Actuarial Valuation Date Dollars in Millions

Plan	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 % of Covered Payroll [(b-a)/c]
PERS 1 ¹	\$ 6,958.2	\$ 12,323.2	\$ 5,365.0	56%	\$ 11,744.2	46%
PERS 2/3 ²	30,262.5	34,759.2	4,496.7	87%	9,323.4	48%
SERS 2/3 ²	4,181.2	4,825.7	644.5	87%	1,877.9	34%
PSERS 2 ²	401.6	425.1	23.5	94%	324.9	7%
TRS 1 ³	5,439.6	8,900.0	3,460.4	61%	5,138.3	67%
TRS 2/3 ²	10,721.8	11,983.1	1,261.3	89%	5,054.1	25%
LEOFF 1	5,275.0	4,197.4	(1,077.6)	126%	7.9	(13,641)%
LEOFF 2 ²	10,021.3	9,570.9	(450.4)	105%	1,804.0	(25)%
WSPRS 1/2 ²	1,084.0	1,185.8	101.8	91%	86.7	117%
JRS	6.8	97.5	90.7	7%	n/a	n/a
JRF	0.6	3.0	2.5	19%	n/a	n/a
Total	\$ 74,352.6	\$ 88,270.9	\$ 13,918.4	84%	\$ 35,361.4	39%

¹ PERS Plan 1 includes the covered payrolls of PERS Plan 1 (\$218.0 million), PERS Plan 2/3 (\$9,323.4 million), SERS Plan 2/3 (\$1,877.9 million) and PSERS Plan 2 (\$324.9 million). A portion of the employer contributions reported in PERS Plan 1 is based on the covered payrolls of PERS Plan 2/3, SERS Plan 2/3 and PSERS Plan 2 to fund the Unfunded Actuarial Accrued Liability (UAAL) of PERS Plan 1.

² These plans use the aggregate actuarial cost method, which does not separately amortize UAALs outside the normal cost. Instead, the entry age normal actuarial cost method was used to determine the UAAL. This method is intended to serve as a surrogate for the funded status of these plans.

³ TRS Plan 1 includes the covered payrolls of TRS Plan 1 (\$84.2 million) and TRS Plan 2/3 (\$5,054.1 million). A portion of the employer contributions reported in TRS Plan 1 is based on the covered payroll of TRS Plan 2/3 to fund the UAAL of TRS Plan 1.

Totals might not agree due to rounding. Percentages are calculated using unrounded totals.

Sources: Office of the State Actuary and Department of Retirement Systems

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Additional Information for the Defined Benefit Pension Plans

Additional Information						
For the Fiscal Year Ended June 30, 2017 — Page 1 of 2						
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3	SERS Plan 2/3	PSERS Plan 2
Valuation Date	6/30/2016	6/30/2016	6/30/2016	6/30/2016	6/30/2016	6/30/2016
Actuarial Cost Method	entry age normal ¹	aggregate ²	entry age normal ¹	aggregate ²	aggregate ²	aggregate ²
Amortization Method — Funding	level % ⁴	n/a	level % ⁴	n/a	n/a	n/a
Remaining Amortization Years (Closed)	10-year rolling	n/a	10-year rolling	n/a	n/a	n/a
Remaining Amortization Period (Closed)	n/a	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	8-year graded smoothed fair value ⁵
Actuarial Assumptions						
Investment Rate of Return ⁷	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
Projected Salary Increases (Salary Inflation at 3.75% Plus the Service-Based Salary Increase Described Below)						
Initial Increases (Grades Down to 0%)	6.00%	6.00%	5.10%	5.10%	6.60%	6.00%
Applied for X Years of Service	17 years	17 years	25 years	25 years	20 years	17 years
Includes Inflation at	n/a	3.00%	n/a	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	Minimum COLA ⁶	CPI increase, maximum 3%	Minimum COLA ⁶	CPI increase, maximum 3%	CPI increase, maximum 3%	CPI increase, maximum 3%

Annual Gain/Loss⁵		
Rate of Return	Smoothing Period	Annual Recognition
14.7% and higher	8 years	12.50%
13.7-14.7%	7 years	14.29%
12.7-13.7%	6 years	16.67%
11.7-12.7%	5 years	20.00%
10.7-11.7%	4 years	25.00%
9.7-10.7%	3 years	33.33%
8.7-9.7%	2 years	50.00%
6.7-8.7%	1 year	100.00%
5.7-6.7%	2 years	50.00%
4.7-5.7%	3 years	33.33%
3.7-4.7%	4 years	25.00%
2.7-3.7%	5 years	20.00%
1.7-2.7%	6 years	16.67%
0.7-1.7%	7 years	14.29%
0.7% and lower	8 years	12.50%

Source: Office of the State Actuary

Additional Information for the Defined Benefit Pension Plans (cont.)

Additional Information					
For the Fiscal Year Ended June 30, 2017 — Page 2 of 2					
	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	JRS	JRF
Valuation Date	6/30/2016	6/30/2016	6/30/2016	6/30/2016	6/30/2016
Actuarial Cost Method	frozen initial liability ¹	aggregate ²	aggregate ²	entry age ³	entry age ³
Amortization Method — Funding	level % ⁴	n/a	n/a	n/a	n/a
Remaining Amortization Years (Closed)	8.00	n/a	n/a	5-year rolling	5-year rolling
Remaining Amortization Period (Closed)	6/30/2024	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	market	market
Actuarial Assumptions					
Investment Rate of Return ⁷	7.70%	7.50%	7.70%	3.75%	3.75%
Projected Salary Increases (Salary Inflation at 3.75% Plus the Service-Based Salary Increase Described Below)					
Initial Increases (Grades Down to 0%)	10.70%	10.70%	10.70%	0.00%	0.00%
Applied for X Years of Service	25 years	25 years	25 years	n/a	n/a
Includes Inflation at	3.00%	3.00%	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	CPI increase	CPI increase, maximum 3%	CPI increase, maximum 3%	CPI increase, maximum 3%	none

¹ PERS Plan 1 and TRS Plan 1 use a variation of the entry age cost method. LEOFF 1 uses a variation of the frozen initial liability (FIL) cost method.

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

³ Pay-as-you-go basis for funding

⁴ Level percent of the system's payroll, including assumed system growth

⁵ Asset valuation method: Eight-year, smoothed, fair value

The actuarial value of assets is calculated using 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 past eight years — or, if fewer, the completed years since adoption — at the rates per year (annual recognition) shown above. The LEOFF Plan 2 Annual Gain/Loss is centered around its 7.50% expected rate of return instead of 7.70%.

⁶ The PERS Plan 1 and TRS Plan 1 COLA

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

⁷ The Legislature prescribes the assumed rate of investment return for all plans except JRS and JRF.

Historical Monthly COLA Amounts per Year of Service⁶		
Date	COLA Type	Amount
7/1/2017	Minimum	\$2.32
7/1/2016	Minimum	\$2.25
7/1/2015	Minimum	\$2.18
7/1/2014	Minimum	\$2.12
7/1/2013	Minimum	\$2.06
7/1/2012	Minimum	\$2.00
7/1/2011	Minimum	\$1.94
7/1/2010	Uniform	\$1.88
7/1/2009	Uniform	\$1.83

Required Contribution Rates

Required Contribution Rates						
Expressed as a Percentage of Current-Year Covered Payroll at the Close of Fiscal Year 2017						
	Employer Actual Contribution Rates ¹			Employee Actual Contribution Rates		
	Plan 1	Plan 2	Plan 3 ²	Plan 1	Plan 2	Plan 3
PERS³						
Members Not Participating in JBM						
State Agencies	11.18%	11.18%	11.18%	6.00%	6.12%	varies ⁴
Local Governmental Units	11.18%	11.18%	11.18%	6.00%	6.12%	varies ⁴
State Government Elected Officials	16.68%	11.18%	11.18%	7.50%	6.12%	varies ⁴
Members Participating in JBM						
State Agencies	13.68%	13.68%	13.68%	9.76%	12.80%	7.50% ⁵
Local Governmental Units	11.18%	11.18%	11.18%	12.26%	15.30%	7.50% ⁵
SERS³						
State Agencies	n/a	11.58%	11.58%	n/a	5.63%	varies ⁴
Local Governmental Units	n/a	11.58%	11.58%	n/a	5.63%	varies ⁴
PSERS³						
State Agencies	n/a	11.54%	n/a	n/a	6.59%	n/a
Local Governmental Units	n/a	11.54%	n/a	n/a	6.59%	n/a
TRS⁶						
Members Not Participating in JBM						
State Agencies	13.13%	13.13%	13.13%	6.00%	5.95%	varies ⁴
Local Governmental Units	13.13%	13.13%	13.13%	6.00%	5.95%	varies ⁴
State Government Elected Officials	13.13%	13.13%	13.13%	7.50%	5.95%	varies ⁴
Members Participating in JBM						
State Agencies	13.13%	n/a	n/a	9.76%	n/a	n/a
LEOFF						
Local Governmental Units	0.18%	5.23%	n/a	n/a	8.41%	n/a
Ports and Universities	n/a	8.59%	n/a	n/a	8.41%	n/a
State of Washington	n/a	3.36%	n/a	n/a	n/a	n/a
WSPRS						
State Agencies	8.34%	8.34%	n/a	6.84%	6.84%	n/a

¹ Employer rates include an administrative expense rate of 0.18%.

² Plan 3 defined benefit portion only

³ Employer rates include the rate to fund the Unfunded Actuarial Accrued Liability (UAAL) of PERS Plan 1.

⁴ Variable from 5% to 15% based on rate the member selects

⁵ Minimum rate

⁶ Employer rates include the rate to fund the UAAL of TRS Plan 1.

1,400 AUTO-ENROLLED
MONTHLY

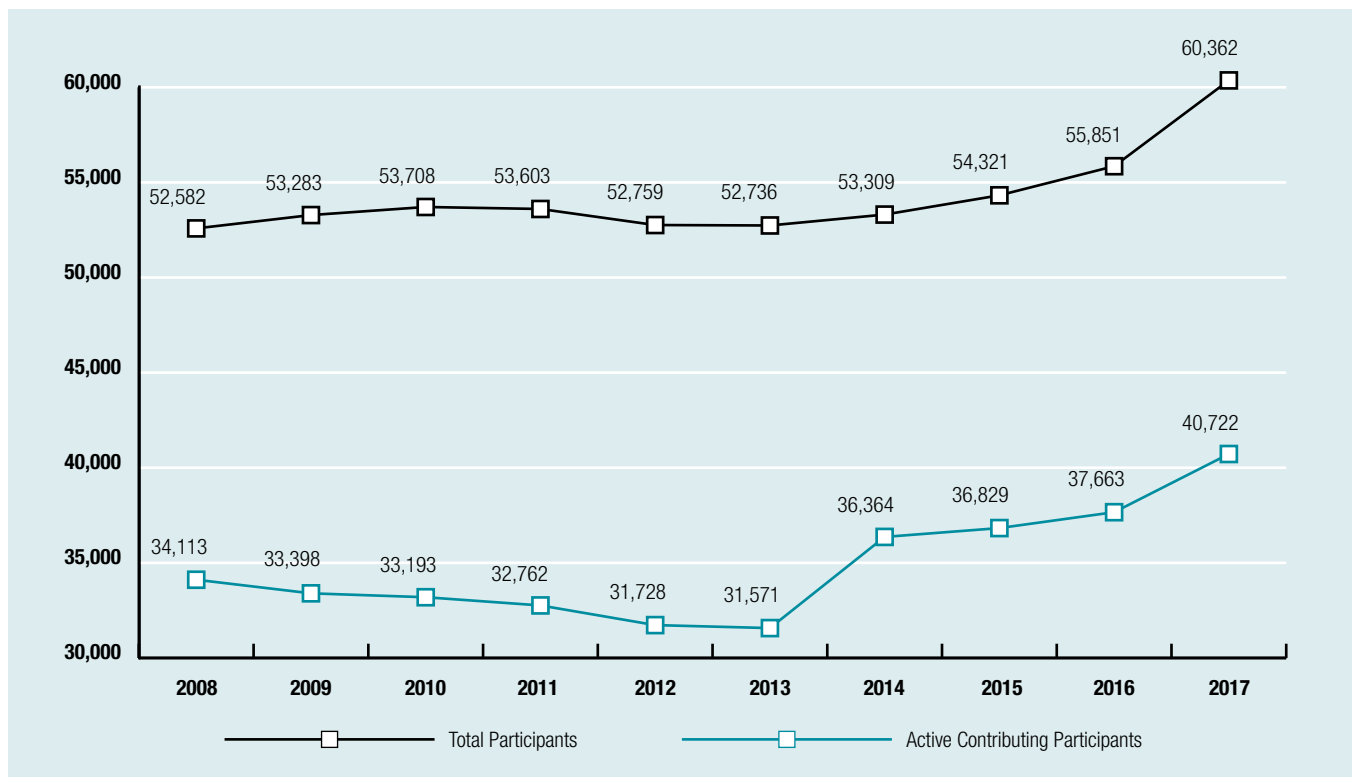
82% DEFAULT
INTO DCP AT 3% RATE

5% ACTIVELY
CHOOSE
TO PARTICIPATE IN DCP

13% OPT OUT
OF PARTICIPATION

DCP Participation

This chart illustrates participation in DCP for the fiscal years ended June 30, 2008-2017, which includes the inauguration of auto-enrollment into the savings program.



The Washington State Deferred Compensation Program (DCP) is a supplemental retirement savings program (an IRC Section 457 plan). Beginning in January 2017, the state began automatically enrolling all new, full-time state employees in the program with the ability to opt out.

Statistical Section

Statistical Section Table of Contents

This section of the Department of Retirement Systems' *Comprehensive Annual Financial Report* presents detailed information that expands on the financial statements, note disclosures and required supplementary information that speak to the overall financial health of DRS.

FINANCIAL TRENDS

- 174 These schedules contain trend information about how the financial performance and well-being of DRS have changed over time.

DEMOGRAPHIC INFORMATION

- 190 These schedules contain demographic and historical information regarding membership and employer participation in the pension plans DRS offers.

OPERATING INFORMATION

- 214 These schedules contain detailed payment information about the benefit services DRS provides.

DEFERRED COMPENSATION INFORMATION

- 242 These schedules contain comprehensive information about the state's Deferred Compensation Program.

Sources: Unless otherwise noted, the information in this section's schedules comes from the *Comprehensive Annual Financial Reports* for the years being discussed.

Schedules of Changes in Fiduciary Net Position

PERS Plan 1										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 609,287	\$ 595,982	\$ 462,100	\$ 448,895	\$ 266,270	\$ 257,197	\$ 145,585	\$ 154,023	\$ 325,248	\$ 221,787
Employee Contributions	11,092	13,663	15,806	18,797	21,362	24,317	28,767	33,152	37,791	41,925
Investment Income (Loss) ¹	945,298	157,083	336,316	1,312,000	863,182	86,377	1,523,415	980,360	(2,373,373)	(114,595)
Transfers	7	117	22	36	38	97	90	1	1	343
Miscellaneous ²	7,521	7,630	8,650	12,189	12,024	10,269	12,705	11,566	10,700	13,262
Total Additions	1,573,205	774,475	822,894	1,791,917	1,162,876	378,257	1,710,562	1,179,102	(1,999,633)	162,722
Deductions by Type										
Benefits	1,196,060	1,198,836	1,198,965	1,189,496	1,181,380	1,173,683	1,149,522	1,111,386	1,070,929	1,027,934
Refunds	3,159	4,373	4,029	4,219	3,998	4,554	3,470	4,946	5,071	5,573
Transfers	558	520	30	—	710	265	362	140	2,021	159
Administrative Expenses	3,342	2,819	2,707	3,016	4,773	3,522	3,213	3,885	4,401	4,739
Total Deductions	1,203,119	1,206,548	1,205,731	1,196,731	1,190,861	1,182,024	1,156,567	1,120,357	1,082,422	1,038,405
Total Changes in Fiduciary Net Position	\$ 370,086	\$ (432,073)	\$ (382,837)	\$ 595,186	\$ (27,985)	\$ (803,767)	\$ 553,995	\$ 58,745	\$ (3,082,055)	\$ (875,683)
Fiduciary Net Position										
Beginning of Year	7,129,005	7,561,078	7,943,915	7,348,729	7,376,714	8,180,481	7,626,486	7,567,741	10,649,796	11,525,479
End of Year	\$ 7,499,091	\$ 7,129,005	\$ 7,561,078	\$ 7,943,915	\$ 7,348,729	\$ 7,376,714	\$ 8,180,481	\$ 7,626,486	\$ 7,567,741	\$ 10,649,796
Employer Contributions: % of Covered Payroll	4.9%	5.1%	4.1%	4.2%	2.6%	2.5%	1.4%	1.5%	3.1%	2.2%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

PERS Plan 2/3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 621,927	\$ 563,328	\$ 446,127	\$ 430,345	\$ 389,020	\$ 385,253	\$ 328,258	\$ 327,460	\$ 439,744	\$ 318,740
Employee Contributions	486,407	472,528	355,350	346,270	315,755	310,160	263,885	264,231	368,127	268,573
Investment Income (Loss) ¹	4,312,935	725,476	1,295,320	4,444,937	2,556,131	284,681	3,468,458	1,868,154	(4,058,631)	(224,724)
Transfers	385	360	206	141	293	270	4,036	11,611	722	316
Miscellaneous ²	46,347	37,477	31,176	32,830	29,922	24,765	26,818	15,749	14,157	17,245
Total Additions	5,468,001	1,799,169	2,128,179	5,254,523	3,291,121	1,005,129	4,091,455	2,487,205	(3,235,881)	380,150
Deductions by Type										
Benefits	894,229	776,213	665,408	565,660	460,074	376,999	310,943	251,765	207,319	170,317
Refunds	37,374	36,302	35,497	35,202	35,679	35,716	33,686	31,425	26,442	26,574
Transfers	5,999	4,740	1,823	2,441	5,538	2,180	8,528	5,407	8,903	70,935
Administrative Expenses	14,218	12,023	10,591	9,977	10,560	9,082	8,325	8,643	8,277	9,889
Total Deductions	951,820	829,278	713,319	613,280	511,851	423,977	361,482	297,240	250,941	277,715
Total Changes in Fiduciary Net Position	\$ 4,516,181	\$ 969,891	\$ 1,414,860	\$ 4,641,243	\$ 2,779,270	\$ 581,152	\$ 3,729,973	\$ 2,189,965	\$ (3,486,822)	\$ 102,435
Fiduciary Net Position										
Beginning of Year	30,485,052	29,515,161	28,100,301	23,459,058	20,679,788	20,098,636	16,368,663	14,178,698	17,665,520	17,563,085
End of Year	\$ 35,001,233	\$ 30,485,052	\$ 29,515,161	\$ 28,100,301	\$ 23,459,058	\$ 20,679,788	\$ 20,098,636	\$ 16,368,663	\$ 14,178,698	\$ 17,665,520
Employer Contributions: % of Covered Payroll	6.3%	6.0%	5.0%	5.0%	4.7%	4.7%	4.0%	4.0%	5.4%	4.1%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

PERS Plan 3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	129,969	119,988	110,936	105,183	99,007	95,172	94,129	92,665	90,808	82,707
Investment Income (Loss) ¹	337,067	37,196	80,538	338,668	202,907	5,375	279,224	135,026	(277,949)	(46,281)
Transfers	3,244	2,165	1,708	1,871	1,539	1,432	1,546	4,926	2,095	68,408
Miscellaneous ²	672	375	255	251	248	259	246	197	199	201
Total Additions	470,952	159,724	193,437	445,973	303,701	102,238	375,145	232,814	(184,847)	105,035
Deductions by Type										
Benefits	6,400	4,112	2,641	1,435	697	322	164	80	51	23
Refunds	98,499	92,444	92,086	81,924	68,671	66,245	59,143	41,723	40,202	38,291
Transfers	712	567	387	326	428	338	612	4,926	429	261
Administrative Expenses	673	375	255	251	248	258	246	197	199	201
Total Deductions	106,284	97,498	95,369	83,936	70,044	67,163	60,165	46,926	40,881	38,776
Total Changes in Fiduciary Net Position	\$ 364,668	\$ 62,226	\$ 98,068	\$ 362,037	\$ 233,657	\$ 35,075	\$ 314,980	\$ 185,888	\$ (225,728)	\$ 66,259
Fiduciary Net Position										
Beginning of Year	2,480,415	2,418,189	2,320,121	1,958,084	1,724,427	1,689,352	1,374,372	1,188,484	1,414,212	1,347,953
End of Year	\$ 2,845,083	\$ 2,480,415	\$ 2,418,189	\$ 2,320,121	\$ 1,958,084	\$ 1,724,427	\$ 1,689,352	\$ 1,374,372	\$ 1,188,484	\$ 1,414,212
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

SERS Plan 2/3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 134,727	\$ 115,480	\$ 97,386	\$ 88,783	\$ 78,400	\$ 74,640	\$ 62,316	\$ 62,090	\$ 63,526	\$ 52,139
Employee Contributions	51,627	45,946	34,939	31,305	26,018	24,095	19,247	20,105	26,062	20,726
Investment Income (Loss) ¹	597,914	100,211	178,042	607,984	348,956	38,452	473,113	255,525	(560,165)	(29,922)
Transfers	29	27	49	42	6	11	413	431	2,050	2,118
Miscellaneous ²	2,276	3,233	2,435	2,334	782	1,635	1,719	1,521	1,517	1,398
Total Additions	786,573	264,897	312,851	730,448	454,162	138,833	556,808	339,672	(467,010)	46,459
Deductions by Type										
Benefits	130,039	112,753	96,184	81,216	66,426	53,630	43,338	34,449	28,307	22,627
Refunds	3,227	2,494	2,891	2,732	2,655	2,516	2,492	2,125	2,125	2,045
Transfers	2,606	1,242	630	504	330	454	423	8,141	956	89,481
Administrative Expenses	1,460	1,782	1,644	1,543	137	1,403	1,484	1,384	1,327	1,267
Total Deductions	137,332	118,271	101,349	85,995	69,548	58,003	47,737	46,099	32,715	115,420
Total Changes in Fiduciary Net Position	\$ 649,241	\$ 146,626	\$ 211,502	\$ 644,453	\$ 384,614	\$ 80,830	\$ 509,071	\$ 293,573	\$ (499,725)	\$ (68,961)
Fiduciary Net Position										
Beginning of Year	4,214,481	4,067,855	3,856,353	3,211,900	2,827,286	2,746,456	2,237,385	1,943,812	2,443,537	2,512,498
End of Year	\$ 4,863,722	\$ 4,214,481	\$ 4,067,855	\$ 3,856,353	\$ 3,211,900	\$ 2,827,286	\$ 2,746,456	\$ 2,237,385	\$ 1,943,812	\$ 2,443,537
Employer Contributions: % of Covered Payroll	6.6%	6.2%	5.7%	5.5%	5.1%	4.6%	3.8%	3.8%	4.0%	3.4%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

SERS Plan 3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	71,737	67,713	62,645	60,766	59,257	59,021	60,313	60,328	59,422	58,381
Investment Income (Loss) ¹	225,696	32,171	62,821	245,336	147,193	10,372	209,367	108,480	(230,415)	(27,970)
Transfers	2,498	1,102	825	682	466	407	500	445	455	89,449
Miscellaneous ²	564	330	224	227	230	245	238	193	196	202
Total Additions	300,495	101,316	126,515	307,011	207,146	70,045	270,418	169,446	(170,342)	120,062
Deductions by Type										
Benefits	4,055	2,610	1,526	854	463	302	182	91	62	8
Refunds	85,577	85,019	86,293	73,826	65,643	60,929	53,242	33,916	42,041	39,815
Transfers	258	311	270	302	190	163	597	416	520	183
Administrative Expenses	564	330	224	227	230	245	237	193	195	202
Total Deductions	90,454	88,270	88,313	75,209	66,526	61,639	54,258	34,616	42,818	40,208
Total Changes in Fiduciary Net Position	\$ 210,041	\$ 13,046	\$ 38,202	\$ 231,802	\$ 140,620	\$ 8,406	\$ 216,160	\$ 134,830	\$ (213,160)	\$ 79,854
Fiduciary Net Position										
Beginning of Year	1,701,518	1,688,472	1,650,270	1,418,468	1,277,848	1,269,442	1,053,282	918,452	1,131,612	1,051,758
End of Year	\$ 1,911,559	\$ 1,701,518	\$ 1,688,472	\$ 1,650,270	\$ 1,418,468	\$ 1,277,848	\$ 1,269,442	\$ 1,053,282	\$ 918,452	\$ 1,131,612
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

PSERS Plan 2										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 23,238	\$ 20,058	\$ 18,704	\$ 17,124	\$ 15,650	\$ 15,285	\$ 15,591	\$ 15,238	\$ 14,510	\$ 11,700
Employee Contributions	23,409	21,134	18,650	17,344	15,798	15,228	15,353	15,213	14,557	11,740
Investment Income (Loss) ¹	59,852	10,097	15,082	45,144	22,468	2,778	21,255	7,358	(9,383)	(765)
Transfers	5	1	1	5	4	8	5	32	—	3
Miscellaneous ²	507	173	146	212	81	141	124	45	30	14
Total Additions	107,011	51,463	52,583	79,829	54,001	33,440	52,328	37,886	19,714	22,692
Deductions by Type										
Benefits	1,148	630	444	256	148	70	35	17	5	—
Refunds	2,630	2,647	2,612	2,194	2,186	1,921	1,780	928	466	152
Transfers	85	90	—	—	4	6	3	2	3	2
Administrative Expenses	212	150	116	104	1	70	82	50	40	26
Total Deductions	4,075	3,517	3,172	2,554	2,339	2,067	1,900	997	514	180
Total Changes in Fiduciary Net Position	\$ 102,936	\$ 47,946	\$ 49,411	\$ 77,275	\$ 51,662	\$ 31,373	\$ 50,428	\$ 36,889	\$ 19,200	\$ 22,512
Fiduciary Net Position										
Beginning of Year	400,741	352,795	303,384	226,109	174,447	143,074	92,646	55,757	36,557	14,045
End of Year	\$ 503,677	\$ 400,741	\$ 352,795	\$ 303,384	\$ 226,109	\$ 174,447	\$ 143,074	\$ 92,646	\$ 55,757	\$ 36,557
Employer Contributions: % of Covered Payroll	6.5%	6.2%	6.4%	6.3%	6.3%	6.5%	6.7%	6.5%	6.5%	6.5%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

TRS Plan 1										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 348,968	\$ 315,934	\$ 223,886	\$ 200,674	\$ 118,569	\$ 111,937	\$ 96,803	\$ 112,731	\$ 178,850	\$ 113,089
Employee Contributions	3,846	5,059	6,846	9,039	11,369	14,098	17,631	20,930	23,810	26,480
Investment Income (Loss) ¹	728,987	118,306	269,746	1,079,807	720,704	73,203	1,279,513	813,504	(1,979,081)	(93,982)
Transfers	—	—	—	51	—	38	1	5	27	5
Miscellaneous ²	5,507	5,966	5,758	7,956	8,207	6,228	10,792	6,827	7,011	7,870
Total Additions	1,087,308	445,265	506,236	1,297,527	858,849	205,504	1,404,740	953,997	(1,769,383)	53,462
Deductions by Type										
Benefits	911,058	924,377	927,015	925,975	914,610	913,864	899,819	859,250	850,262	844,986
Refunds	1,256	1,182	1,555	2,262	1,989	1,552	1,820	1,504	1,260	1,000
Transfers	407	386	—	—	578	223	159	118	1,449	82
Administrative Expenses	2,445	2,015	1,985	2,195	3,965	2,699	2,686	3,125	3,266	3,646
Total Deductions	915,166	927,960	930,555	930,432	921,142	918,338	904,484	863,997	856,237	849,714
Total Changes in Fiduciary Net Position	\$ 172,142	\$ (482,695)	\$ (424,319)	\$ 367,095	\$ (62,293)	\$ (712,834)	\$ 500,256	\$ 90,000	\$ (2,625,620)	\$ (796,252)
Fiduciary Net Position										
Beginning of Year	5,589,271	6,071,966	6,496,285	6,129,190	6,191,483	6,904,317	6,404,061	6,314,061	8,939,681	9,735,933
End of Year	\$ 5,761,413	\$ 5,589,271	\$ 6,071,966	\$ 6,496,285	\$ 6,129,190	\$ 6,191,483	\$ 6,904,317	\$ 6,404,061	\$ 6,314,061	\$ 8,939,681
Employer Contributions: % of Covered Payroll	6.3%	6.2%	4.7%	4.4%	2.7%	2.5%	2.1%	2.5%	4.0%	2.7%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

TRS Plan 2/3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 364,106	\$ 316,022	\$ 267,038	\$ 249,342	\$ 228,974	\$ 213,852	\$ 168,264	\$ 164,959	\$ 160,793	\$ 109,523
Employee Contributions	75,481	64,263	47,206	41,081	34,494	29,829	21,881	21,126	23,277	14,739
Investment Income (Loss) ¹	1,539,464	258,964	453,535	1,539,901	877,562	96,411	1,175,293	629,396	(1,383,054)	(73,457)
Transfers	118	71	41	45	34	16	850	724	547	339
Miscellaneous ²	9,163	10,386	11,278	8,260	4,178	5,476	5,416	4,551	4,429	4,432
Total Additions	1,988,332	649,706	779,098	1,838,629	1,145,242	345,584	1,371,704	820,756	(1,194,008)	55,576
Deductions by Type										
Benefits	254,721	218,011	183,212	149,522	116,662	91,400	72,138	55,654	44,795	36,016
Refunds	3,010	2,971	2,840	1,988	2,914	2,169	2,281	2,868	2,189	2,190
Transfers	3,462	1,934	659	445	858	652	390	369	2,670	168,866
Administrative Expenses	3,192	5,321	4,909	4,585	2,830	4,020	4,273	3,932	3,824	3,629
Total Deductions	264,385	228,237	191,620	156,540	123,264	98,241	79,082	62,823	53,478	210,701
Total Changes in Fiduciary Net Position	\$ 1,723,947	\$ 421,469	\$ 587,478	\$ 1,682,089	\$ 1,021,978	\$ 247,343	\$ 1,292,622	\$ 757,933	\$ (1,247,486)	\$ (155,125)
Fiduciary Net Position										
Beginning of Year	10,800,260	10,378,791	9,791,313	8,109,224	7,087,246	6,839,903	5,547,281	4,789,348	6,036,834	6,191,959
End of Year	\$ 12,524,207	\$ 10,800,260	\$ 10,378,791	\$ 9,791,313	\$ 8,109,224	\$ 7,087,246	\$ 6,839,903	\$ 5,547,281	\$ 4,789,348	\$ 6,036,834
Employer Contributions: % of Covered Payroll	6.7%	6.3%	5.7%	5.6%	5.5%	5.1%	4.0%	4.1%	4.1%	3.0%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

TRS Plan 3										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	322,155	309,813	286,156	273,656	262,293	255,867	257,718	254,197	247,891	234,661
Investment Income (Loss) ¹	1,000,359	125,289	256,717	1,044,040	627,742	34,065	866,178	424,811	(864,630)	(177,645)
Transfers	3,542	1,585	1,372	1,115	839	618	650	598	971	168,817
Miscellaneous ²	2,054	1,159	789	784	775	811	767	610	605	597
Total Additions	1,328,110	437,846	545,034	1,319,595	891,649	291,361	1,125,313	680,216	(615,163)	226,430
Deductions by Type										
Benefits	14,687	10,034	5,924	3,084	1,569	1,149	542	257	128	45
Refunds	285,910	289,785	269,378	235,635	176,052	150,404	115,571	71,665	76,166	84,776
Transfers	948	938	717	721	522	520	1,368	1,084	550	512
Administrative Expenses	2,054	1,158	788	784	775	811	767	610	605	597
Total Deductions	303,599	301,915	276,807	240,224	178,918	152,884	118,248	73,616	77,449	85,930
Total Changes in Fiduciary Net Position	\$ 1,024,511	\$ 135,931	\$ 268,227	\$ 1,079,371	\$ 712,731	\$ 138,477	\$ 1,007,065	\$ 606,600	\$ (692,612)	\$ 140,500
Fiduciary Net Position										
Beginning of Year	7,367,109	7,231,178	6,962,951	5,883,580	5,170,849	5,032,372	4,025,307	3,418,707	4,111,319	3,970,819
End of Year	\$ 8,391,620	\$ 7,367,109	\$ 7,231,178	\$ 6,962,951	\$ 5,883,580	\$ 5,170,849	\$ 5,032,372	\$ 4,025,307	\$ 3,418,707	\$ 4,111,319
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

LEOFF Plan 1										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ 60	\$ 98	\$ 555	\$ 2	\$ 3	\$ 49	\$ 216	\$ 8
Employee Contributions	—	—	47	—	—	—	—	1	154	—
Investment Income (Loss) ¹	723,823	120,952	248,796	934,125	586,475	61,152	937,507	566,844	(1,353,904)	(68,055)
Transfers	—	—	237	—	—	—	—	112	173	—
Miscellaneous ²	4,342	2,973	3,071	2,931	4,300	3,393	3,130	3,913	2,658	3,185
Total Additions	728,165	123,925	252,211	937,154	591,330	64,547	940,640	570,919	(1,350,703)	(64,862)
Deductions by Type										
Benefits	360,060	360,484	358,411	355,740	351,796	343,438	338,775	338,231	327,033	313,530
Refunds	8	538	334	248	14	435	48	14	193	150
Transfers	405	371	—	—	484	176	331	83	998	56
Administrative Expenses	2,391	1,938	1,822	1,851	2,882	2,064	1,891	2,146	2,339	2,417
Total Deductions	362,864	363,331	360,567	357,839	355,176	346,113	341,045	340,474	330,563	316,153
Total Changes in Fiduciary Net Position	\$ 365,301	\$ (239,406)	\$ (108,356)	\$ 579,315	\$ 236,154	\$ (281,566)	\$ 599,595	\$ 230,445	\$ (1,681,266)	\$ (381,015)
Fiduciary Net Position										
Beginning of Year	5,372,094	5,611,500	5,719,856	5,140,541	4,904,387	5,185,953	4,586,358	4,355,913	6,037,179	6,418,194
End of Year	\$ 5,737,395	\$ 5,372,094	\$ 5,611,500	\$ 5,719,856	\$ 5,140,541	\$ 4,904,387	\$ 5,185,953	\$ 4,586,358	\$ 4,355,913	\$ 6,037,179
Employer Contributions: % of Covered Payroll	0.0%	0.0%	0.6%	0.7%	3.4%	0.0%	0.0%	0.2%	0.5%	0.0%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

LEOFF Plan 2										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 95,920	\$ 92,049	\$ 89,122	\$ 85,532	\$ 82,397	\$ 80,480	\$ 79,733	\$ 76,998	\$ 77,849	\$ 73,364
Employee Contributions	158,316	151,659	146,679	140,921	135,797	132,584	131,252	128,154	128,206	115,567
State Contributions	62,155	60,375	58,339	55,551	54,246	52,770	52,024	51,376	51,137	45,926
Investment Income (Loss) ¹	1,448,382	244,054	430,410	1,456,269	825,071	92,867	1,084,240	568,518	(1,223,154)	(70,257)
Transfers	5	23	—	265	1,833	10	2,936	1,010	1,218	117
Miscellaneous ²	34,658	26,273	22,776	13,496	9,351	9,220	7,754	7,447	4,466	2,987
Total Additions	1,799,436	574,433	747,326	1,752,034	1,108,695	367,931	1,357,939	833,503	(960,278)	167,704
Deductions by Type										
Benefits	219,715	184,067	151,486	124,921	100,532	78,153	61,876	46,158	36,615	27,505
Refunds	7,292	6,645	8,541	9,028	8,677	11,214	8,181	10,947	7,223	7,639
Transfers	832	705	238	24	226	282	147	205	1,146	49
Administrative Expenses	6,759	5,305	4,668	4,192	2,566	3,672	3,309	3,416	2,288	2,298
Total Deductions	234,598	196,722	164,933	138,165	112,001	93,321	73,513	60,726	47,272	37,491
Total Changes in Fiduciary Net Position	\$ 1,564,838	\$ 377,711	\$ 582,393	\$ 1,613,869	\$ 996,694	\$ 274,610	\$ 1,284,426	\$ 772,777	\$ (1,007,550)	\$ 130,213
Fiduciary Net Position										
Beginning of Year	10,211,360	9,833,649	9,251,256	7,637,387	6,640,693	6,366,083	5,081,657	4,308,880	5,316,430	5,186,217
End of Year	\$ 11,776,198	\$ 10,211,360	\$ 9,833,649	\$ 9,251,256	\$ 7,637,387	\$ 6,640,693	\$ 6,366,083	\$ 5,081,657	\$ 4,308,880	\$ 5,316,430
Employer Contributions: % of Covered Payroll	8.4%	8.5%	8.5%	8.4%	8.5%	8.5%	8.5%	8.5%	8.9%	8.9%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

WSPRS Plan 1/2										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 7,587	\$ 7,044	\$ 6,679	\$ 6,587	\$ 6,478	\$ 6,454	\$ 5,251	\$ 5,271	\$ 6,371	\$ 6,064
Employee Contributions	6,365	5,895	5,561	5,489	5,396	5,376	4,166	4,173	5,501	5,239
Investment Income (Loss) ¹	151,021	25,354	49,046	176,856	106,664	11,481	158,571	91,335	(210,676)	(10,992)
Transfers	524	429	293	510	574	54	415	10	331	89
Miscellaneous ²	4,603	3,437	1,179	1,467	1,692	2,010	1,385	1,399	500	478
Total Additions	170,100	42,159	62,758	190,909	120,804	25,375	169,788	102,188	(197,973)	878
Deductions by Type										
Benefits	56,666	53,651	49,772	47,143	43,521	40,368	38,387	36,116	34,522	32,963
Refunds	155	508	303	367	304	262	315	127	211	269
Transfers	86	76	—	—	88	32	22	14	160	8
Administrative Expenses	551	448	425	431	538	392	356	364	354	391
Total Deductions	57,458	54,683	50,500	47,941	44,451	41,054	39,080	36,621	35,247	33,631
Total Changes in Fiduciary Net Position	\$ 112,642	\$ (12,524)	\$ 12,258	\$ 142,968	\$ 76,353	\$ (15,679)	\$ 130,708	\$ 65,567	\$ (233,220)	\$ (32,753)
Fiduciary Net Position										
Beginning of Year	1,098,275	1,110,799	1,098,541	955,573	879,220	894,899	764,191	698,624	931,844	964,597
End of Year	\$ 1,210,917	\$ 1,098,275	\$ 1,110,799	\$ 1,098,541	\$ 955,573	\$ 879,220	\$ 894,899	\$ 764,191	\$ 698,624	\$ 931,844
Employer Contributions: % of Covered Payroll	8.2%	8.1%	7.9%	7.9%	7.9%	7.9%	6.4%	6.4%	7.7%	7.7%

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

JRS										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ 12	\$ 31	\$ 46	\$ 79	\$ 105	\$ 112
Employee Contributions	—	—	—	—	12	31	46	79	104	112
State Contributions	9,300	9,500	10,600	10,600	10,100	8,100	10,860	11,570	10,200	9,600
Investment Income (Loss) ¹	39	78	39	26	(11)	13	8	11	48	98
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous ²	3	3	2	2	2	1	2	2	1	1
Total Additions	9,342	9,581	10,641	10,628	10,115	8,176	10,962	11,741	10,458	9,923
Deductions by Type										
Benefits	8,723	9,131	9,336	9,480	9,697	9,764	9,738	9,723	9,583	9,514
Refunds	—	—	—	—	—	—	—	—	7	—
Transfers	1	—	—	—	—	—	—	—	—	—
Administrative Expenses	2	2	2	2	2	2	2	2	1	—
Total Deductions	8,726	9,133	9,338	9,482	9,699	9,766	9,740	9,725	9,591	9,514
Total Changes in Fiduciary Net Position	\$ 616	\$ 448	\$ 1,303	\$ 1,146	\$ 416	\$ (1,590)	\$ 1,222	\$ 2,016	\$ 867	\$ 409
Fiduciary Net Position										
Beginning of Year	6,784	6,336	5,033	3,887	3,471	5,061	3,839	1,823	956	547
End of Year	\$ 7,400	\$ 6,784	\$ 6,336	\$ 5,033	\$ 3,887	\$ 3,471	\$ 5,061	\$ 3,839	\$ 1,823	\$ 956
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	6,320.0%	1,997.8%	1,784.9%	1,106.3%	739.2%	649.2%

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

Schedules of Changes in Fiduciary Net Position (cont.)

JRF										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	—	—	—	—	—	—	—	—	—	—
State Contributions	499	501	—	—	—	—	—	—	—	—
Investment Income (Loss) ¹	4	7	4	8	(5)	19	11	48	141	179
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous ²	—	—	—	—	—	1	1	1	2	1
Total Additions	503	508	4	8	(5)	20	12	49	143	180
Deductions by Type										
Benefits	402	440	444	444	474	482	499	500	501	545
Refunds	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	1	—
Administrative Expenses	—	1	—	—	1	1	1	1	1	2
Total Deductions	402	441	444	444	475	483	500	501	503	547
Total Changes in Fiduciary Net Position	\$ 101	\$ 67	\$ (440)	\$ (436)	\$ (480)	\$ (463)	\$ (488)	\$ (452)	\$ (360)	\$ (367)
Fiduciary Net Position										
Beginning of Year	583	516	956	1,392	1,872	2,335	2,823	3,275	3,635	4,002
End of Year	\$ 684	\$ 583	\$ 516	\$ 956	\$ 1,392	\$ 1,872	\$ 2,335	\$ 2,823	\$ 3,275	\$ 3,635
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

JRA										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Employer Contributions	\$ 17	\$ 21	\$ 20	\$ 25	\$ 32	\$ 38	\$ 43	\$ 43	\$ 42	\$ 70
Employee Contributions	17	21	20	25	32	38	43	43	42	71
Investment Income (Loss) ¹	1,143	(5)	150	1,372	1,015	(29)	1,940	985	(1,910)	(906)
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous ²	—	—	—	(2)	2	5	5	3	12	6
Total Additions	1,177	37	190	1,420	1,081	52	2,031	1,074	(1,814)	(759)
Deductions by Type										
Benefits	1,661	1,231	976	668	1,071	810	445	389	461	6,540
Refunds	—	—	—	—	—	—	—	1	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Administrative Expenses	—	1	—	—	—	—	—	—	—	—
Total Deductions	1,661	1,232	976	668	1,071	810	445	390	461	6,540
Total Changes in Fiduciary Net Position	\$ (484)	\$ (1,195)	\$ (786)	\$ 752	\$ 10	\$ (758)	\$ 1,586	\$ 684	\$ (2,275)	\$ (7,299)
Fiduciary Net Position										
Beginning of Year	11,050	12,245	13,031	12,279	12,269	13,027	11,441	10,757	13,032	20,331
End of Year	\$ 10,566	\$ 11,050	\$ 12,245	\$ 13,031	\$ 12,279	\$ 12,269	\$ 13,027	\$ 11,441	\$ 10,757	\$ 13,032
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

² "Miscellaneous" includes restorations of employee contributions.

Schedules of Changes in Fiduciary Net Position (cont.)

DCP										
Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Additions by Source										
Participant Contributions	\$ 287,130	\$ 213,531	\$ 208,424	\$ 190,538	\$ 182,305	\$ 178,449	\$ 186,734	\$ 185,120	\$ 184,544	\$ 188,735
Investment Income (Loss) ¹	401,891	12,008	51,431	397,083	263,381	(12,292)	451,033	203,075	(344,592)	(169,322)
Charges for Services	2,584	2,317	2,347	1,949	1,566	1,677	1,610	1,780	1,405	838
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous	14	3	11	314	527	794	1,461	1,145	690	833
Total Additions	691,619	227,859	262,213	589,884	447,779	168,628	640,838	391,120	(157,953)	21,084
Deductions by Type										
Refunds	232,229	215,450	225,334	212,298	178,638	171,741	149,010	108,578	106,645	135,877
Transfers	—	—	—	—	—	—	—	—	2	—
Administrative Expenses	2,208	1,941	2,196	1,651	1,568	1,594	1,735	1,512	1,468	1,488
Total Deductions	234,437	217,391	227,530	213,949	180,206	173,335	150,745	110,090	108,115	137,365
Total Changes in Fiduciary										
Net Position	\$ 457,182	\$ 10,468	\$ 34,683	\$ 375,935	\$ 267,573	\$ (4,707)	\$ 490,093	\$ 281,030	\$ (266,068)	\$ (116,281)
Fiduciary Net Position										
Beginning of Year	3,624,391	3,613,923	3,579,240	3,203,305	2,935,732	2,940,439	2,450,346	2,169,316	2,435,384	2,551,665
End of Year	\$ 4,081,573	\$ 3,624,391	\$ 3,613,923	\$ 3,579,240	\$ 3,203,305	\$ 2,935,732	\$ 2,940,439	\$ 2,450,346	\$ 2,169,316	\$ 2,435,384
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

Distribution of Membership by System and Plan

Active Members											
For the Years Ended June 30, 2008–2016, and September 30, 2007											
Plan		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
PERS 1	%	1.04%	1.30%	1.61%	1.94%	2.29%	2.64%	3.03%	3.43%	3.86%	4.41%
	Individuals	3,227	3,927	4,782	5,653	6,635	7,733	9,007	10,354	11,663	12,975
	Avg. Age	64	64	63	62	61	61	60	59	59	58
PERS 2	%	38.73%	39.09%	39.47%	39.73%	40.00%	39.92%	40.27%	40.35%	40.81%	41.00%
	Individuals	119,677	117,768	116,985	115,751	115,877	117,096	119,826	121,800	123,285	120,625
	Avg. Age	48	48	48	48	48	48	48	47	47	46
PERS 3	%	10.76%	10.49%	10.36%	10.06%	9.69%	9.41%	9.31%	8.97%	8.85%	8.30%
	Individuals	33,240	31,602	30,694	29,302	28,078	27,588	27,693	27,081	26,720	24,422
	Avg. Age	43	43	43	44	44	43	43	42	42	42
SERS 2	%	8.40%	8.12%	7.75%	7.47%	7.20%	7.09%	6.84%	6.69%	6.38%	6.04%
	Individuals	25,950	24,479	22,950	21,760	20,846	20,784	20,358	20,197	19,264	17,767
	Avg. Age	50	50	51	51	51	51	51	51	51	51
SERS 3	%	10.46%	10.40%	10.40%	10.48%	10.60%	10.76%	10.75%	10.69%	10.76%	11.24%
	Individuals	32,314	31,326	30,832	30,535	30,712	31,548	31,981	32,277	32,510	33,058
	Avg. Age	50	50	51	51	50	50	49	49	48	47
PSERS 2	%	1.77%	1.73%	1.63%	1.55%	1.47%	1.43%	1.42%	1.44%	1.32%	0.94%
	Individuals	5,483	5,202	4,820	4,513	4,250	4,187	4,210	4,340	3,981	2,755
	Avg. Age	40	40	40	40	40	40	39	38	37	38
TRS 1	%	0.31%	0.45%	0.62%	0.82%	1.04%	1.27%	1.54%	1.72%	2.01%	2.15%
	Individuals	967	1,353	1,824	2,393	3,019	3,740	4,591	5,204	6,061	6,331
	Avg. Age	65	65	64	63	62	62	61	60	59	58
TRS 2	%	5.58%	5.09%	4.60%	4.14%	3.74%	3.51%	3.17%	3.04%	2.68%	2.30%
	Individuals	17,242	15,342	13,632	12,071	10,849	10,285	9,442	9,174	8,103	6,752
	Avg. Age	42	42	43	44	46	46	48	48	49	52
TRS 3	%	17.06%	17.30%	17.50%	17.67%	17.77%	17.79%	17.57%	17.56%	17.33%	17.63%
	Individuals	52,706	52,125	51,837	51,471	51,489	52,178	52,292	53,010	52,360	51,856
	Avg. Age	46	46	46	46	46	45	45	44	43	43
LEOFF 1	%	0.02%	0.03%	0.04%	0.05%	0.06%	0.08%	0.10%	0.12%	0.14%	0.17%
	Individuals	62	82	120	143	186	250	301	356	421	513
	Avg. Age	65	64	63	62	61	60	60	59	58	57
LEOFF 2	%	5.56%	5.65%	5.66%	5.73%	5.77%	5.73%	5.64%	5.62%	5.50%	5.47%
	Individuals	17,186	17,019	16,773	16,687	16,720	16,805	16,775	16,951	16,626	16,099
	Avg. Age	44	44	44	44	43	43	42	42	41	41
WSPRS 1	%	0.16%	0.19%	0.21%	0.22%	0.25%	0.26%	0.27%	0.28%	0.28%	0.30%
	Individuals	498	560	609	657	712	767	806	830	851	885
	Avg. Age	48	47	46	46	45	45	44	43	42	41
WSPRS 2	%	0.15%	0.16%	0.15%	0.14%	0.12%	0.11%	0.09%	0.09%	0.08%	0.05%
	Individuals	470	475	435	409	354	315	281	264	234	152
	Avg. Age	34	33	33	33	32	32	32	31	30	31
JRS	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	–	–	–	–	2	3	5	9	10	11
	Avg. Age	n/a	n/a	n/a	n/a	66	69	69	69	67	66
JRF	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	–	–	–	–	–	–	–	–	–	–
	Avg. Age	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Totals	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	309,022	301,260	296,293	291,345	289,729	293,279	297,568	301,847	302,089	294,201

Distribution of Membership by System and Plan (cont.)

Inactive and Retired Members											
For the Years Ended June 30, 2008–2016, and September 30, 2007											
Plan		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
PERS 1	%	21.69%	23.10%	24.57%	26.14%	27.70%	29.18%	30.63%	31.87%	33.11%	34.34%
	Individuals	50,098	51,269	52,248	53,244	54,266	55,053	55,721	56,272	56,852	57,342
	Avg. Age	76	75	75	74	74	74	74	73	73	73
PERS 2	%	30.31%	29.52%	28.73%	27.84%	26.93%	26.06%	25.04%	24.14%	23.23%	22.34%
	Individuals	70,021	65,523	61,105	56,712	52,773	49,167	45,556	42,614	39,890	37,302
	Avg. Age	64	64	63	63	62	62	61	60	60	59
PERS 3	%	3.86%	3.67%	3.39%	3.15%	2.92%	2.69%	2.46%	2.29%	2.12%	1.91%
	Individuals	8,923	8,147	7,209	6,419	5,718	5,068	4,482	4,045	3,647	3,183
	Avg. Age	60	60	59	58	57	56	55	54	53	52
SERS 2	%	5.67%	5.47%	5.25%	5.04%	4.81%	4.61%	4.44%	4.26%	3.99%	3.61%
	Individuals	13,104	12,134	11,153	10,274	9,429	8,697	8,069	7,514	6,845	6,019
	Avg. Age	64	64	63	62	62	61	60	58	58	57
SERS 3	%	6.35%	5.97%	5.55%	5.10%	4.67%	4.24%	3.86%	3.57%	3.28%	2.87%
	Individuals	14,659	13,241	11,788	10,393	9,142	7,993	7,015	6,308	5,628	4,796
	Avg. Age	63	62	62	61	60	60	59	58	57	56
PSERS 2	%	0.22%	0.17%	0.13%	0.08%	0.04%	0.01%	0.01%	0.00%	0.00%	0.00%
	Individuals	501	374	275	162	87	16	7	2	1	–
	Avg. Age	48	47	46	47	48	59	58	63	66	n/a
TRS 1	%	15.15%	16.00%	16.92%	17.82%	18.65%	19.45%	20.18%	20.88%	21.45%	22.41%
	Individuals	35,004	35,506	35,962	36,303	36,531	36,699	36,716	36,875	36,839	37,420
	Avg. Age	75	75	74	74	73	73	72	72	71	71
TRS 2	%	3.12%	3.03%	2.94%	2.84%	2.76%	2.69%	2.63%	2.59%	2.57%	2.57%
	Individuals	7,219	6,733	6,251	5,775	5,408	5,080	4,787	4,576	4,418	4,288
	Avg. Age	66	66	65	65	64	63	62	61	60	59
TRS 3	%	7.60%	7.08%	6.47%	5.88%	5.37%	4.84%	4.41%	4.04%	3.84%	3.48%
	Individuals	17,561	15,712	13,749	11,965	10,524	9,134	8,017	7,136	6,592	5,811
	Avg. Age	62	61	61	60	59	58	58	57	56	55
LEOFF 1	%	3.19%	3.38%	3.58%	3.80%	4.00%	4.20%	4.40%	4.58%	4.74%	4.89%
	Individuals	7,379	7,507	7,607	7,730	7,845	7,933	8,009	8,089	8,135	8,165
	Avg. Age	74	73	72	72	71	70	70	69	68	68
LEOFF 2	%	2.26%	2.02%	1.87%	1.71%	1.55%	1.42%	1.33%	1.16%	1.04%	0.93%
	Individuals	5,212	4,495	3,984	3,480	3,033	2,670	2,420	2,039	1,783	1,553
	Avg. Age	59	59	58	58	57	56	55	54	54	53
WSPRS 1	%	0.52%	0.52%	0.53%	0.53%	0.53%	0.53%	0.53%	0.54%	0.55%	0.56%
	Individuals	1,200	1,156	1,120	1,083	1,035	992	970	956	947	933
	Avg. Age	66	66	66	66	66	65	65	65	64	64
WSPRS 2	%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Individuals	28	20	15	10	8	6	6	4	2	1
	Avg. Age	38	38	38	36	36	37	35	33	32	29
JRS	%	0.05%	0.05%	0.05%	0.06%	0.06%	0.07%	0.07%	0.07%	0.07%	0.08%
	Individuals	104	106	108	114	119	124	125	124	128	131
	Avg. Age	82	81	80	80	80	80	79	79	79	78
JRF	%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	11	12	12	12	12	13	13	13	13	15
	Avg. Age	87	85	84	83	83	83	82	81	80	79
Totals	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	231,024	221,935	212,586	203,676	195,930	188,645	181,913	176,567	171,720	166,959

Source: Office of the State Actuary

Figures are as of the latest valuation date for each year.

Principal Participating Employers by Plan

PERS Plan 1

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	1,146	1	43.5%	State of Washington	5,920	1	49.5%
King County	158	2	6.0%	King County	343	2	2.9%
Seattle SD 001	72	3	2.7%	KC Metro	315	3	2.6%
Pierce County	31	4	1.2%	Seattle SD 001	185	4	1.5%
Snohomish County	31	5	1.2%	Pierce County	139	5	1.2%
City of Everett	19	6	0.7%	Snohomish County	127	6	1.1%
Tacoma SD 010	17	7	0.6%	Thurston County	85	7	0.7%
Spokane SD 081	16	8	0.6%	Spokane County	84	8	0.7%
Spokane County	15	9	0.6%	Yakima County	76	9	0.6%
Kent SD 415	15	10	0.6%	Spokane SD 081	74	10	0.6%
All Other Employers ²	1,116		42.3%	All Other Employers	4,627		38.6%
Total (393 Employers)	2,636		100.0%	Total (618 Employers)	11,975		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	168	606
Counties/Municipalities	110	306
Other Political Subdivisions	105	204
Total	383	1,116

¹ Includes 110 component units of the state

² In 2017, "all other employers" consisted of the employers at left.

PERS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	64,349	1	51.8%	State of Washington	69,417	1	53.0%
King County	10,398	2	8.4%	King County	4,713	2	3.6%
Pierce County	1,937	3	1.6%	KC Metro	4,569	3	3.5%
Snohomish County	1,851	4	1.5%	Pierce County	2,580	4	2.0%
Spokane County	1,288	5	1.0%	Snohomish County	2,366	5	1.8%
Clark County	1,139	6	0.9%	Spokane County	1,521	6	1.2%
Port of Seattle	1,009	7	0.8%	Clark County	1,385	7	1.1%
Snohomish County PUD 01	913	8	0.7%	King County Public Health Dept.	1,148	8	0.9%
Pierce County PTBA	841	9	0.7%	City of Bellevue	933	9	0.7%
City of Bellevue	836	10	0.7%	Pierce County PTBA	912	10	0.7%
All Other Employers ²	39,563		31.9%	All Other Employers	41,347		31.5%
Total (808 Employers)	124,124		100.0%	Total (743 Employers)	130,891		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	–	–
Counties/Municipalities	274	21,306
Other Political Subdivisions	524	18,257
Total	798	39,563

¹ Includes 155 component units of the state

² In 2017, "all other employers" consisted of the employers at left.

Principal Participating Employers by Plan (cont.)

PERS Plan 3

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	22,093	1	63.8%	State of Washington	18,251	1	62.9%
King County	2,087	2	6.0%	King County	810	2	2.8%
Tacoma Metropolitan Park District	433	3	1.3%	KC Metro	653	3	2.2%
Pierce County	426	4	1.2%	Pierce County	504	4	1.7%
Snohomish County	372	5	1.1%	Snohomish County	407	5	1.4%
Energy Northwest	323	6	0.9%	Energy Northwest	365	6	1.2%
Spokane County	259	7	0.7%	King County Public Health Dept.	281	7	1.0%
Clark County	226	8	0.7%	Spokane County	251	8	0.9%
Port of Seattle	221	9	0.6%	Clark County	239	9	0.8%
Yakima County	191	10	0.6%	Yakima County	225	10	0.8%
All Other Employers ²	7,989		23.1%	All Other Employers	7,046		24.3%
Total (560 Employers)	34,620		100.0%	Total (463 Employers)	29,032		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	–	–
Counties/Municipalities	211	4,408
Other Political Subdivisions	339	3,581
Total	550	7,989

¹ Includes 148 component units of the state

² In 2017, "all other employers" consisted of the employers at left.

SERS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	1,298	1	4.5%	Seattle SD 001	941	1	4.6%
Tacoma SD 010	691	2	2.4%	Tacoma SD 010	726	2	3.5%
Highline SD 401	664	3	2.3%	Spokane SD 081	506	3	2.4%
Spokane SD 081	577	4	2.0%	Vancouver SD 037	485	4	2.3%
Vancouver SD 037	560	5	1.9%	Kent SD 415	470	5	2.3%
Evergreen SD 114	550	6	1.9%	Highline SD 401	449	6	2.2%
Kent SD 415	544	7	1.9%	Evergreen SD 114	403	7	1.9%
Bellevue SD 405	531	8	1.8%	Federal Way SD 210	389	8	1.9%
Puyallup SD 003	506	9	1.8%	Edmonds SD 015	369	9	1.8%
Federal Way SD 210	454	10	1.6%	Lake Washington SD 414	369	10	1.8%
All Other Employers ¹	22,423		77.9%	All Other Employers	15,583		75.3%
Total (309 Employers)	28,798		100.0%	Total (301 Employers)	20,690		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	299	22,423
Counties/Municipalities	–	–
Other Political Subdivisions	–	–
Total	299	22,423

¹ In 2017, "all other employers" consisted of the employers at left.

Principal Participating Employers by Plan (cont.)

SERS Plan 3

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	1,334	1	3.8%	Seattle SD 001	1,062	1	3.1%
Kent SD 415	1,028	2	2.9%	Kent SD 415	1,020	2	2.9%
Spokane SD 081	877	3	2.5%	Evergreen SD 114	901	3	2.6%
Tacoma SD 010	875	4	2.5%	Spokane SD 081	874	4	2.5%
Evergreen SD 114	834	5	2.4%	Tacoma SD 010	758	5	2.2%
Lake Washington SD 414	811	6	2.3%	Vancouver SD 037	747	6	2.2%
Vancouver SD 037	762	7	2.2%	Federal Way SD 210	697	7	2.0%
Edmonds SD 015	725	8	2.0%	Lake Washington SD 414	694	8	2.0%
Highline SD 401	703	9	2.0%	Edmonds SD 015	677	9	2.0%
Kennewick SD 017	697	10	1.9%	Bethel SD 403	674	10	1.9%
All Other Employers ¹	26,720		75.5%	All Other Employers	26,514		76.6%
Total (307 Employers)	35,366		100.0%	Total (303 Employers)	34,618		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	297	26,720
Counties/Municipalities	–	–
Other Political Subdivisions	–	–
Total	297	26,720

¹ In 2017, "all other employers" consisted of the employers at left.

PSERS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	3,292	1	56.1%	State of Washington	1,881	1	52.5%
King County	404	2	6.9%	King County	295	2	8.3%
Pierce County	241	3	4.1%	Pierce County	173	3	4.8%
Snohomish County	206	4	3.5%	Snohomish County	140	4	3.9%
Spokane County	192	5	3.3%	Spokane County	112	5	3.1%
Thurston County	137	6	2.3%	Yakima County	109	6	3.0%
South Correctional Entity	129	7	2.2%	Thurston County	97	7	2.7%
Benton County	106	8	1.8%	Benton County	77	8	2.2%
Yakima County	105	9	1.8%	Kitsap County	75	9	2.1%
Clark County	99	10	1.7%	Cowlitz County	67	10	1.9%
All Other Employers ²	959		16.3%	All Other Employers	555		15.5%
Total (68 Employers)	5,870		100.0%	Total (64 Employers)	3,581		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	–	–
Counties/Municipalities	58	959
Other Political Subdivisions	–	–
Total	58	959

¹ Includes six component units of the state

² In 2017, "all other employers" consisted of the employers at left.

Principal Participating Employers by Plan (cont.)

TRS Plan 1

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	44	1	6.2%	Seattle SD 001	360	1	5.6%
State of Washington ¹	42	2	5.9%	State of Washington	359	2	5.6%
Tacoma SD 010	24	3	3.3%	Tacoma SD 010	241	3	3.8%
Lake Washington SD 414	19	4	2.6%	Spokane SD 081	175	4	2.8%
Spokane SD 081	18	5	2.5%	Northshore SD 417	163	5	2.6%
Bellevue SD 405	15	6	2.1%	Lake Washington SD 414	158	6	2.5%
Highline SD 401	15	7	2.1%	Evergreen SD 114	128	7	2.0%
Evergreen SD 114	14	8	2.0%	Kent SD 415	123	8	1.9%
Northshore SD 417	14	9	2.0%	Vancouver SD 037	119	9	1.9%
Central Valley SD 356	13	10	1.8%	Puyallup SD 003	106	10	1.7%
All Other Employers ²	497		69.5%	All Other Employers	4,416		69.6%
Total (163 Employers)	715		100.0%	Total (281 Employers)	6,348		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	153	497
Counties/Municipalities	–	–
Other Political Subdivisions	–	–
Total	153	497

¹ Includes 26 component units of the state

² In 2017, "all other employers" consisted of the employers at left.

TRS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	1,441	1	7.1%	Seattle SD 001	581	1	5.9%
Tacoma SD 010	586	2	2.8%	Tacoma SD 010	424	2	4.3%
Lake Washington SD 414	558	3	2.7%	Spokane SD 081	311	3	3.1%
Spokane SD 081	516	4	2.5%	Kent SD 415	247	4	2.5%
Evergreen SD 114	491	5	2.4%	Evergreen SD 114	243	5	2.4%
Vancouver SD 037	489	6	2.4%	Vancouver SD 037	224	6	2.3%
Highline SD 401	488	7	2.4%	Issaquah SD 411	216	7	2.2%
Kent SD 415	487	8	2.4%	Lake Washington SD 414	215	8	2.2%
Federal Way SD 210	442	9	2.2%	Bethel SD 403	196	9	2.0%
Bellevue SD 405	426	10	2.1%	Bellevue SD 405	175	10	1.8%
All Other Employers ¹	14,481		71.0%	All Other Employers	7,048		71.3%
Total (307 Employers)	20,405		100.0%	Total (281 Employers)	9,880		100.0%

All Other Employers	Number	Employees
State of Washington ²	1	83
School Districts	296	14,398
Counties/Municipalities	–	–
Other Political Subdivisions	–	–
Total	297	14,481

¹ In 2017, "all other employers" consisted of the employers at left.

² Includes 26 component units of the state

Principal Participating Employers by Plan (cont.)

TRS Plan 3

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	2,728	1	4.8%	Seattle SD 001	2,539	1	4.6%
Spokane SD 081	1,889	2	3.3%	Spokane SD 081	1,745	2	3.1%
Tacoma SD 010	1,661	3	2.9%	Tacoma SD 010	1,539	3	2.8%
Lake Washington SD 414	1,558	4	2.7%	Kent SD 415	1,527	4	2.8%
Kent SD 415	1,534	5	2.7%	Evergreen SD 114	1,521	5	2.8%
Evergreen SD 114	1,410	6	2.5%	Lake Washington SD 414	1,300	6	2.4%
Vancouver SD 037	1,243	7	2.2%	Federal Way SD 210	1,268	7	2.3%
Federal Way SD 210	1,224	8	2.1%	Vancouver SD 037	1,183	8	2.1%
Edmonds SD 015	1,127	9	2.0%	Edmonds SD 015	1,119	9	2.0%
Puyallup SD 003	1,119	10	2.0%	Puyallup SD 003	1,111	10	2.0%
All Other Employers ¹	41,620		72.8%	All Other Employers	40,393		73.1%
Total (313 Employers)	57,113		100.0%	Total (302 Employers)	55,245		100.0%

All Other Employers	Number	Employees
State of Washington ²	1	794
School Districts	302	40,826
Counties/Municipalities	–	–
Other Political Subdivisions	–	–
Total	303	41,620

¹ In 2017, "all other employers" consisted of the employers at left.

² Includes 40 component units of the state

LEOFF Plan 1

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
City of Seattle	17	1	40.5%	City of Seattle	113	1	24.6%
City of Bellevue	2	2	4.7%	City of Spokane	32	2	6.9%
King County	2	3	4.7%	City of Tacoma	28	3	6.1%
City of Spokane	2	4	4.7%	City of Bellevue	22	4	4.8%
City of Aberdeen	1	5	2.4%	City of Everett	17	5	3.7%
City of Anacortes	1	6	2.4%	City of Bellingham	16	6	3.5%
City of Bellingham	1	7	2.4%	Pierce County FPD 02	12	7	2.6%
City of Blaine	1	8	2.4%	King County	11	8	2.4%
City of Bremerton	1	9	2.4%	City of Renton	10	9	2.2%
Clark County	1	10	2.4%	Adams County	1	10	0.2%
All Other Employers ¹	13		31.0%	All Other Employers	198		43.0%
Total (23 Employers)	42		100.0%	Total (90 Employers)	460		100.0%

All Other Employers	Number	Employees
State of Washington	–	–
School Districts	–	–
Counties/Municipalities	8	8
Other Political Subdivisions	5	5
Total	13	13

¹ In 2017, "all other employers" consisted of the employers at left.

Principal Participating Employers by Plan (cont.)

LEOFF Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2017				2008 (Calendar Year Statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
City of Seattle	2,386	1	13.4%	City of Seattle	2,173	1	13.1%
King County	777	2	4.3%	City of Tacoma	755	2	4.6%
City of Tacoma	704	3	3.9%	King County	748	3	4.5%
City of Spokane	637	4	3.6%	City of Spokane	535	4	3.2%
City of Vancouver	387	5	2.2%	City of Vancouver	375	5	2.3%
City of Bellevue	382	6	2.1%	City of Bellevue	367	6	2.2%
City of Everett	354	7	2.0%	City of Everett	354	7	2.1%
Pierce County	320	8	1.8%	Pierce County	322	8	1.9%
Snohomish County	273	9	1.5%	City of Kent	285	9	1.7%
City of Bellingham	266	10	1.5%	Snohomish County	272	10	1.6%
All Other Employers ¹	11,359		63.7%	All Other Employers	10,425		62.8%
Total (370 Employers)	17,845		100.0%	Total (371 Employers)	16,611		100.0%

All Other Employers	Number	Employees
State of Washington ²	1	258
School Districts	—	—
Counties/Municipalities	193	6,640
Other Political Subdivisions	166	4,461
Total	360	11,359

¹ In 2017, "all other employers" consisted of the employers at left.

² Includes nine component units of the state

Number of Participating Employers

PERS Plan 1					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	110	115	172	105	502
6/30/2016	115	123	191	120	549
6/30/2015	123	132	200	140	595
6/30/2014	128	147	212	147	634
6/30/2013	135	172	216	183	706
6/30/2012	129	220	155	174	678
6/30/2011	144	227	158	180	709
6/30/2010	146	229	166	193	734
6/30/2009	117	233	172	198	720
6/30/2008	147	239	173	202	761

PERS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	155	280	–	527	962
6/30/2016	153	278	–	515	946
6/30/2015	157	276	–	510	943
6/30/2014	169	275	–	490	934
6/30/2013	167	276	–	491	934
6/30/2012	169	274	–	494	937
6/30/2011	179	271	–	494	944
6/30/2010	178	270	–	485	933
6/30/2009	177	271	–	484	932
6/30/2008	176	272	–	475	923

PERS Plan 3					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	148	217	–	342	707
6/30/2016	145	212	–	330	687
6/30/2015	149	211	–	323	683
6/30/2014	158	209	–	306	673
6/30/2013	157	209	–	298	664
6/30/2012	157	206	–	300	663
6/30/2011	166	205	–	302	673
6/30/2010	163	209	–	287	659
6/30/2009	164	203	–	281	648
6/30/2008	162	199	–	265	626

Number of Participating Employers (cont.)

SERS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	–	–	309	–	309
6/30/2016	–	–	307	–	307
6/30/2015	–	–	302	–	302
6/30/2014	–	–	303	–	303
6/30/2013	–	–	302	–	302
6/30/2012	–	–	299	–	299
6/30/2011	–	–	299	–	299
6/30/2010	–	–	298	–	298
6/30/2009	–	–	298	–	298
6/30/2008	–	–	299	–	299

SERS Plan 3					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	–	–	307	–	307
6/30/2016	–	–	306	–	306
6/30/2015	–	–	300	–	300
6/30/2014	–	–	300	–	300
6/30/2013	–	–	301	–	301
6/30/2012	–	–	301	–	301
6/30/2011	–	–	300	–	300
6/30/2010	1	–	300	–	301
6/30/2009	1	–	301	–	302
6/30/2008	1	–	303	–	304

PSERS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	6	66	–	1	73
6/30/2016	6	64	–	1	71
6/30/2015	9	65	–	1	75
6/30/2014	9	65	–	1	75
6/30/2013	9	65	–	1	75
6/30/2012	10	65	–	1	76
6/30/2011	11	65	–	1	77
6/30/2010	10	63	–	–	73
6/30/2009	10	63	–	–	73
6/30/2008	9	62	–	–	71

Number of Participating Employers (cont.)

TRS Plan 1					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	26	–	162	–	188
6/30/2016	31	–	189	–	220
6/30/2015	34	–	217	–	251
6/30/2014	36	–	228	–	264
6/30/2013	49	–	295	–	344
6/30/2012	47	–	257	–	304
6/30/2011	49	–	263	–	312
6/30/2010	54	–	271	–	325
6/30/2009	62	–	274	–	336
6/30/2008	63	–	276	–	339

TRS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	26	–	306	–	332
6/30/2016	28	–	305	–	333
6/30/2015	26	–	295	–	321
6/30/2014	22	–	295	–	317
6/30/2013	36	–	304	–	340
6/30/2012	24	–	295	–	319
6/30/2011	25	–	288	–	313
6/30/2010	23	–	283	–	306
6/30/2009	21	–	282	–	303
6/30/2008	22	–	277	–	299

TRS Plan 3					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	40	–	312	–	352
6/30/2016	40	–	310	–	350
6/30/2015	41	–	303	–	344
6/30/2014	39	–	302	–	341
6/30/2013	38	–	303	–	341
6/30/2012	35	–	302	–	337
6/30/2011	28	–	302	–	330
6/30/2010	31	–	302	–	333
6/30/2009	31	–	303	–	334
6/30/2008	30	–	302	–	332

Number of Participating Employers (cont.)

LEOFF Plan 1					
Fiscal Year Ended	Component Units of WA State	Counties/ Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	–	18	–	5	23
6/30/2016	–	23	–	6	29
6/30/2015	–	27	–	6	33
6/30/2014	–	36	–	9	45
6/30/2013	–	41	–	10	51
6/30/2012	–	42	–	12	54
6/30/2011	–	48	–	14	62
6/30/2010	–	54	–	15	69
6/30/2009	–	60	–	16	76
6/30/2008	–	71	–	16	87

LEOFF Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/ Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2017	9	203	–	166	378
6/30/2016	8	204	–	164	376
6/30/2015	8	205	–	157	370
6/30/2014	8	204	–	157	369
6/30/2013	8	212	–	154	374
6/30/2012	8	212	–	153	373
6/30/2011	8	214	–	152	374
6/30/2010	8	215	–	149	372
6/30/2009	8	217	–	150	375
6/30/2008	7	219	–	148	374

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2017 — Page 1 of 12

Aging and Long-Term Care	Charter Schools	Cities and Towns (cont.)
Aging & Long-Term Care of Eastern WA Olympic Area Agency on Aging SE WA Aging & Long Term Care Council of Governments SW WA Council Government on Aging and Disability	Excel Public Charter School Green Dot Public Schools PRIDE Prep Schools Quileute Tribal School Rainier Prep SOAR Academy Spokane International Academy Summit Public Schools	Centralia Chehalis Chelan Cheney Chewelah Clarkston Cle Elum Clyde Hill Colfax
Air Quality Agencies	Cities and Towns	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 Ellensburg Elma Elmer City (Town of) Entiat Enumclaw Ephrata Everett Everson Fairfield (Town of)
Benton Clean Air Agency NW Clean Air Agency Olympic Region Clean Air Agency Puget Sound Clean Air Agency Spokane Regional Clean Air Agency SW Clean Air Agency Yakima Regional Clean Air Agency	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 Brier Buckley Burien Burlington Camas Carbonado (Town of) Carnation Cashmere Castle Rock Cathlamet (Town of)	
Airports, Airport Boards	Pangborn Memorial Airport Snohomish Co. Airport Spokane International Airport Walla Walla Regional Airport	
Associations, Unions	King Co. Directors' Association Sound Cities Association WA Federation of State Employees	
Cemetery Districts	Cowlitz Co. Cemetery Dist. 1, 2 & 5 Pend Oreille Cemetery Dist. 1 Skagit Co. Cemetery Dist. 2	

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 2 of 12

Cities and Towns (cont.)	Cities and Towns (cont.)	Cities and Towns (cont.)
Federal Way	Lynden	Orting
Ferndale	Lynnwood	Othello
Fife	Mabton	Pacific
Fircrest	Mansfield (Town of)	Palouse
Forks	Maple Valley	Pasco
Friday Harbor (Town of)	Marysville	Pateros
Garfield (Town of)	Mattawa (City of)	Pe Ell (Town of)
George	McCleary	Port Angeles
Gig Harbor	Medical Lake	Port Orchard
Gold Bar	Medina	Port Townsend
Goldendale	Mercer Island	Poulsbo
Grand Coulee	Metaline Falls (Town of)	Prosser
Grandview	Mill Creek	Pullman
Granger (Town of)	Millwood (Town of)	Puyallup
Granite Falls	Milton	Quincy
Hamilton (Town of)	Monroe	Rainier
Harrington (Town of)	Montesano	Raymond
Hoquiam	Morton	Reardan (Town of)
Hunts Point (Town of)	Moses Lake	Redmond
Ilwaco	Mossyrock	Renton
Issaquah	Mount Vernon	Republic
Kalama	Mountlake Terrace	Richland
Kelso	Moxee	Ridgefield
Kenmore	Mukilteo	Ritzville
Kennewick	Naches (Town of)	Riverside (Town of)
Kent	Napavine	Rock Island
Kettle Falls	Newcastle	Rosalia (Town of)
Kirkland	Newport	Roslyn
Kittitas	Nooksack	Roy
La Center	Normandy Park	Royal City
La Conner (Town of)	North Bend	Ruston (Town of)
LaCrosse (Town of)	North Bonneville	Sammamish
Lacey	Northport (Town of)	SeaTac
Lake Forest Park	Oak Harbor	Seattle
Lake Stevens	Oakesdale (Town of)	Sedro-Woolley
Lakewood	Oakville	Selah
Langley	Ocean Shores	Sequim
Leavenworth	Odessa (Town of)	Shelton
Liberty Lake	Okanogan	Shoreline
Lind (Town of)	Olympia	Skykomish (Town of)
Long Beach	Omak	Snohomish
Longview	Oroville	Snoqualmie

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 4 of 12

Counties (cont.)	Emergency Services and Communications Districts (cont.)	Fire Protection Districts (cont.)
Thurston Wahkiakum Walla Walla Whatcom Whitman Yakima	Island Co. Emergency Services Communication Ctr. Jefferson Co. 911 Communications Kitsap 911 Public Auth. KITTCOM Mason Co. Emergency Communications Multi Agency Communications Center NORCOM 911 North Country Emergency Medical Service RIVERCOM San Juan Island Emergency Medical Service Skagit Emergency Communication Center SNOCOM 911 Snohomish Co. Emergency Radio System South Beach Ambulance Service South Sound 911 Thurston 911 Communications Valley Communication Center	Cowlitz 02 Fire & Rescue 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 East Pierce Co. 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. FPD 1 Jefferson Co. FPDs 1, 2, 3 & 4 King Co. FPDs 2, 10, 16, 20, 27, 28, 34, 39, 40, 43, 44, 45 & 50 Kitsap Co. FPDs 7, 10 & 18 Kittitas Co. FPDs 1, 2 & 7 Klickitat Co. FPDs 3 & 7 Lake Stevens Fire Lewis Co. FPDs 2, 3, 5, 6, 10, 14 & 15 Mason Co. FPDs 3, 4, 5, 6, 11 & 13 North County Regional Fire Auth. North Highline Fire Dist. North Mason Regional Fire Auth. North Whidbey Fire & Rescue Okanogan Co. FPD 6 Pacific Co. FPD 1 Pend Oreille FPDs 2, 3 & 4 Pierce Co. FPDs 3, 5, 6, 10, 13, 14, 16, 17, 18, 21, 23 & 27 Puget Sound Regional Fire Auth. Renton Regional Fire Auth. Riverside Fire Auth. San Juan Co. FPDs 2, 3 & 4 Shoreline Fire Dept. Skagit Co. FPDs 6, 8, 13 & 14 Snohomish Co. FPDs 1, 4, 5, 7, 12, 15, 17, 19, 21, 22 & 26
Development Authorities/Districts	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 1, 2, 3 & 5 Clark Co. Fire & Rescue Clark Co. FPDs 3, 5, 6, 10 & 13 Columbia Co. FPD 3	
Cultural Development Auth. of King Co. North Bonneville Public Development Auth. Seattle Southside Regional Tourism Auth. Tricounty Economic Development Dist. Walla Walla Valley Metro Planning Org.		
Educational Service Districts		
ESD 101 ESD 105 ESD 112 ESD 113 ESD 123 North Central ESD 171 Northwest ESD 189 Olympic ESD 114 Puget Sound ESD 121		
Emergency Services and Communication Districts		
Clark Regional Emergency Services Agency Franklin Co. Emergency Management Grays Harbor Communications		

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 5 of 12

Fire Protection Districts (cont.)

Snoqualmie Pass Fire & Rescue
Southeast Thurston Fire Auth.
South Whatcom Fire Auth.
South Whidbey Fire & EMS
Spokane Co. FPDs 1, 3, 4, 8, 9,
10 & 13
Stevens Co. FPD 1
Thurston Co. FPDs 3, 5, 6, 8, 9,
12, 13 & 17
Valley Regional Fire Auth.
Vashon Island Fire & Rescue
Walla Walla Co. FPDs 4 & 5
West Benton Regional Fire Auth.
West Thurston Regional Fire Auth.
Whatcom Co. FPDs 1, 7, 11, 14,
17, 18 & 21
Woodinville Fire & Rescue
Yakima Co. FPDs 4, 5, 6 & 12

Housing Authorities

Anacortes
Asotin Co.
Bellingham
Bremerton
Chelan Co./Wenatchee
Everett
Grant Co.
Grays Harbor Co.
Island Co.
Joint Republic Ferry Co.
Kelso
Kennewick
King Co.
Kitsap Co. Consolidated
Kittitas Co.
Longview
Okanogan Co.
Othello
Pasco/Franklin Co.
Peninsula

Housing Authorities (cont.)

Pierce Co.
Renton
Seattle
Skagit Co.
Snohomish Co.
Spokane
Tacoma
Thurston Co.
Vancouver
Walla Walla

Insurance Authorities

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

Irrigation, Sewer and Water Districts

Agnew Irrigation Dist.
Ahtanum Irrigation Dist.
Alderwood Water & Wastewater
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.

Irrigation, Sewer and Water Districts (cont.)

Cowlitz Consolidated Diking
Improvement Dist. 1 & 2
Consolidated Irrigation Dist. 19
Covington Water Dist.
Cross Valley Water Dist.
Dallesport Water Dist.
Diamond Lake Water & Sewer
Dist.
Douglas Co. Sewer Dist. 1
East Columbia Basin Irrigation
Dist.
East Spokane Water Dist. 1
East Wenatchee Water Dist.
Eastsound Sewer & Water Dist.
Fall City Water Dist.
Franklin Co. Irrigation Dist. 1
Gardena Farms Dist. 13
Glacier Water Dist.
Grays Harbor Co. Water Dist. 1
Greater Wenatchee Irrigation
Dist.
Highland Irrigation Dist.
Highline Water Dist.
Holmes Harbor Sewer Dist.
Icicle Irrigation Dist.
Irvin Water Dist. 6
Kennewick Irrigation Dist.
King Co. Water Dist. 19, 20, 45,
49, 54, 90, 111, 119 & 125
Kiona Irrigation Dist.
Kittitas Reclamation Dist.
Lake Chelan Reclamation Dist.
Lake Forest Park Water Dist.
Lake Stevens Sewer Dist.
Lake Whatcom Water & Sewer
Dist.
Lakehaven Water & Sewer Dist.
Lakewood Water Dist.
Loon Lake Sewer Dist. 4
Lopez Solid Waste Disposal Dist.
LOTT Clean Water Alliance

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 6 of 12

Irrigation, Sewer and Water Districts (cont.)

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 City 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.
 Seaview Sewer Dist.
 Selah-Moxee Irrigation Dist.
 Silver Lake Water Dist.
 Silverdale Water Dist. 16
 Skyway Water & Sewer Dist.
 Snoqualmie Pass Utility Dist.
 Soos Creek Water & Sewer Dist.
 South Columbia Basin Irrigation Dist.
 South Kitsap Water Reclamation Facility

Irrigation, Sewer and Water Districts (cont.)

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 Regional Wastewater Auth.
 Trentwood Irrigation Dist. 3
 Valley View Sewer Dist.
 Valley Water Dist.
 Vera Water & Power
 Walla Walla Watershed Management
 Wenatchee Reclamation Dist.
 Whatcom Co. Water Dist. 2 & 7
 Whitestone Reclamation Dist.
 Whitworth Water Dist. 2
 Willapa Valley Water Dist.
 Woodinville Water Dist.
 Yakima-Tieton Irrigation Dist.

Libraries, Library Districts

Asotin Co. Rural Library Dist.
 Central Skagit Rural Library Dist.
 Columbia Co. Rural Library Dist.
 Fort Vancouver Regional Library
 Jefferson Co. Rural Library Dist.
 King Co. Law Library
 King Co. Rural Library Dist.
 Kitsap Co. Rural Library Dist.
 La Conner Regional Library
 Lopez Island Library Dist.
 Mid-Columbia Library
 North Central Regional Library
 North Olympic Library System
 Orcas Island Library Dist.
 Pend Oreille Library
 Pierce Co. Law Library

Libraries, Library Districts (cont.)

Pierce Co. Rural Library Dist.
 San Juan Island Co. Library
 Sno-Isle Regional Library
 Spokane Co. Law Library
 Spokane Co. Library Dist.
 Stevens Co. Rural Library
 Timberland Regional Library
 Upper Skagit Library Dist.
 Walla Walla Co. Rural Library Dist.
 Whatcom Co. Public Library
 Whitman Co. Rural Library
 Yakima Valley Regional Library

Mosquito Districts

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

Parks and Recreation Districts

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

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 7 of 12

Ports	Ports (cont.)	Public Utility Districts (cont.)
Allyn	Wahkiakum Co. 1	Douglas Co. PUD 1
Anacortes	Whitman Co.	Energy Northwest
Bellingham	Willapa Harbor	Ferry Co. PUD 1
Benton	Woodland	Franklin Co. Public Works 1
Bremerton		Franklin Co. PUD 1
Brownsville		Grant Co. Public Works
Camas-Washougal		Grant Co. PUD 2
Centralia		Grays Harbor Co. PUD 1
Chehalis		Jefferson Co. PUD 1
Chelan Co.		Kitsap Co. PUD 1
Clarkston		Kittitas Co. PUD 1
Columbia		Klickitat Co. PUD 1
Douglas Co.		Lewis Co. PUD 1
Edmonds		Mason Co. PUD 1 & 3
Everett		Okanogan Co. PUD 1
Friday Harbor		Pacific Co. PUD 2
Garfield Co.		Pend Oreille Co. PUD 1
Grant Co. 1, 2, 9 & 10		Skagit Co. PUD 1
Grays Harbor		Skamania Co. PUD 1
Ilwaco		Snohomish Co. PUD 1
Kalama		Stevens Co. PUD
Kennewick		Thurston Co. PUD 1
Kingston		Wahkiakum Co. PUD 1
Klickitat		West Sound Utility Dist.
Longview		
Mattawa		
Olympia		
Orcas		
Othello		
Pasco		
Peninsula		
Port Angeles		
Port Townsend		
Ridgefield		
Seattle		
Shelton		
Skagit Co.		
Skamania Co.		
Sunnyside		
Tacoma		
Vancouver		
Walla Walla		
	Public Facility Districts	
	Asotin Co. Public Facilities Dist.	
	Edmonds Public Facilities Dist.	
	Lynnwood Public Facilities Dist.	
	Public Stadium Auth.	
	Spokane Public Facility Dist.	
	Public Health	
	Asotin Co. Health Dist.	
	Benton-Franklin Health Dist.	
	Chelan-Douglas Health Dist.	
	Garfield Co. Health Dist.	
	Grant Co. Health Dist.	
	Great Rivers Behavioral Health Organization	
	Greater Columbia Behavioral Health	
	Kittitas Co. Public Hospital Dist. 2	
	Kitsap Public Health Dist.	
	NE Tricounty Health Dist.	
	North Sound Regional Support Network	
	Snohomish Health Dist.	
	Spokane Regional Health Dist.	
	Yakima Co. Health Dist.	
	Public Utility Districts	
	Asotin Co. PUD 1	
	Benton Co. PUD 1	
	Chelan Co. PUD 1	
	Clallam Co. PUD 1	
	Clark Co. PUD	
	Columbia Basin Hydropower	
	Cowlitz Co. PUD 1	
		Road Departments
		Chelan Co. Roads
		Lincoln Co. Highway Dept.
		School Districts
		Aberdeen
		Adna
		Almira
		Anacortes
		Arlington
		Asotin Anatone
		Auburn
		Bainbridge Island
		Battle Ground

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 8 of 12

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

Employers Covered by DRS-Administered Retirement Systems (cont.)

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School Districts (cont.)	School Districts (cont.)	School Districts (cont.)
Medical Lake	Orchard Prairie	Satsop
Mercer Island	Orient	Seattle
Meridian	Orondo	Sedro-Woolley
Methow Valley	Oroville	Selah
Mill A	Orting	Selkirk
Monroe	Othello	Sequim
Montesano	Palisades	Shaw Island
Morton	Palouse	Shelton
Moses Lake	Pasco	Shoreline
Mossyrock	Pateros	Skamania
Mount Adams	Paterson	Skykomish
Mount Baker	Pe Ell	Snohomish
Mount Pleasant	Peninsula	Snoqualmie Valley
Mount Vernon	Pioneer	Soap Lake
Mukilteo	Pomeroy	South Bend
Naches Valley	Port Angeles	South Kitsap
Napavine	Port Townsend	South Whidbey
Naselle-Grays River Valley	Prescott	Southside
Nespelem	Prosser	Spokane
Newport	Pullman	Sprague
Nine Mile Falls	Puyallup	Stanwood-Camano
Nooksack Valley	Queets-Clearwater	Star
North Beach	Quilcene	Starbuck
North Franklin	Quillayute	Stehekin
North Kitsap	Quinault Lake	Steilacoom Historical
North Mason	Quincy	Steptoe
North River	Rainier	Stevenson-Carson
North Thurston	Raymond	Sultan
Northport	Reardan-Edwall	Summit
Northshore	Renton	Sumner
Oak Harbor	Republic	Sunnyside
Oakesdale	Richland	Tacoma
Oakville	Ridgefield	Taholah
Ocean Beach	Ritzville	Tahoma
Ocosta	Riverside	Tekoa
Odessa	Riverview	Tenino
Okanogan	Rochester	Thorp
Olympia	Roosevelt	Toledo
Omak	Rosalia	Tonasket
Onalaska	Royal	Toppenish
Onion Creek	Saint John	Touchet
Orcas Island	San Juan Island	Toutle Lake

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2017 — Page 10 of 12

School Districts (cont.)	Transportation Authorities, Transportation Districts (cont.)	Other Other Government Entities
Trout Lake Tukwila Tumwater Union Gap University Place Valley Vancouver Vashon Island Wahkiakum Wahluke Waitsburg Walla Walla Wapato Warden Jr. Consolidated Washougal Washtucna Waterville Wellpinit Wenatchee West Valley (Spokane Co.) West Valley (Yakima Co.) White Pass White River White Salmon Wilbur Willapa Valley Wilson Creek Winlock Wishkah Valley Wishram Woodland Yakima Yelm Zillah	Chelan-Douglas Transportation Council Clallam Transit System Clark Co. P.T.B.A. Columbia Co. Public Transportation Garfield Co. P.T.B.A. Grant Co. P.T.B.A. Grays Harbor Transportation Auth. Island Co. P.T.B.A. Jefferson Transit Auth. Kitsap Co. P.T.B.A. Lewis P.T.B.A. Mason Co. P.T.B.A. Okanogan Co. Transit Auth. Pacific Transit System Pierce Co. P.T.B.A. Snohomish Co. P.T.B.A. Spokane Regional Transportation Council Spokane Transit Auth. SW WA Regional Transportation Council Thurston Co. P.T.B.A. Valley Transit Whatcom Transportation Auth.	Housing Authorities Risk Retention Pool Lower Columbia Fish Recovery Board Northwest Seaport Alliance Port Development Auth. School Information Processing Cooperative Snohomish Co. Police Staff Auxiliary South Correctional Entity Tacoma-Pierce Co. Employment & Training Consortium Yakima Valley Conference of Governments
Transportation Authorities, Transportation Districts	Weed Control Districts	State Entities State Agencies
Asotin Co. Ben Franklin Transit Chelan-Douglas P.T.B.A.	Benton Co. Noxious Weed Control Board Grant Co. Noxious Weed Board Grant Co. Weed Dist. 3 Pierce Co. Noxious Weed Board Spokane Co. Noxious Weed Control Board	Administrative Office of the Courts Archaeology-Historic Preservation Board for Volunteer Firefighters Board of Industrial Insurance Appeals Board of Tax Appeals Child Study & Treatment Center Civil Legal Aide Consolidated Support Services Consolidated Technology Services County Road Administration Board Court of Appeals Dept. of Agriculture Dept. of Commerce Dept. of Corrections Dept. of Early Learning Dept. of Ecology Dept. of Employment Security Dept. of Enterprise Services

Employers Covered by DRS-Administered Retirement Systems (cont.)

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State Agencies (cont.)	State Agencies (cont.)	State Agencies (cont.)
<p>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 (8) Dept. of Transportation Dept. of Veterans Affairs Eastern State Hospital Eastern WA State Historical Society Echo Glen Children’s Center Economic Development Finance Auth. Environmental & Land Use Hearings Office Fircrest School Green Hill School Health Care Facilities Auth. House of Representatives Indian Advisory Council 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 & Cannabis Board Military Dept. Naselle Youth Camp Office of Administrative Hearings Office of Financial Management Office of Minority & Women’s Business Enterprises</p>	<p>Office of Public Defense Office of the Attorney General Office of Forecast Council Office of the Governor Office of the Insurance Commissioner Office of Legislative Support Services 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 Special Commitment Center State Board for Community & Technical Colleges State Board of Accountancy Statute Law Committee Student Achievement Council Superintendent of Public Instruction Supreme Court Transportation Improvement Board Veterans Home — Spokane Veterans Home — Walla Walla WA Pollution Liability Insurance Agency WA Soldiers Home & Colony WA State Bar Association WA State Caseload Forecast Council WA State Ferries WA State Health Care Auth. WA State Historical Society WA State Investment Board WA State Patrol</p>	<p>WA State School Directors’ Association WA State School for the Blind WA State School for the Deaf WA Veterans Home Western State Hospital Workforce Training & Education Coordinating Board Yakima Valley School</p> <p>State Commissions</p> <p>African-American Affairs Apple Arts Asian American Affairs Beef Charter School Columbia River Gorge Conservation Criminal Justice Training Dairy Products Fruit Gambling Grain Hispanic Affairs Hop Horse Racing Housing Finance Human Rights Judicial Conduct Lottery Parks & Recreation Potato Public Disclosure Public Employment Relations Puget Sound Pilotage Salaries for Elected Officials Traffic Safety Tree Fruit Research Utilities & Transportation Wine</p>

Employers Covered by DRS-Administered Retirement Systems (cont.)

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Technical Colleges, Community Colleges

Bates Technical College
Bellevue Community College
Bellingham Technical College
Big Bend Community College
Cascadia 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 College
Highline Community College
Lake Washington Institute of
Technology
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

Schedules of Benefit Recipients by Type of Benefit

PERS Plan 1									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500 ²	3,449	2,597	5	175	672	2,273	774	363	39
501-1,000	7,556	5,301	3	327	1,925	4,625	1,600	1,193	138
1,001-1,500	7,781	6,006	2	244	1,529	4,754	1,755	1,073	199
1,501-2,000	9,407	8,526	–	129	752	6,541	1,582	990	294
2,001-2,500	7,059	6,659	–	25	375	4,749	1,163	819	328
2,501-3,000	5,088	4,894	–	11	183	3,355	797	654	282
3,001-3,500	3,369	3,273	–	4	92	2,247	445	425	252
3,501-4,000	2,175	2,131	–	–	44	1,397	349	268	161
Over 4,000	3,384	3,324	–	1	59	1,976	512	513	383
Totals	49,268	42,711	10	916	5,631	31,917	8,977	6,298	2,076

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

² Includes L&I holdoffs

PERS Plan 2									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	8,316	6,231	–	1,067	1,018	5,587	2,053	488	188
501-1,000	9,676	8,097	–	612	967	6,206	2,377	730	363
1,001-1,500	7,975	7,365	–	168	442	5,171	1,636	795	373
1,501-2,000	5,552	5,337	–	32	183	3,708	893	652	299
2,001-2,500	3,715	3,621	–	12	82	2,334	601	523	257
2,501-3,000	2,492	2,448	–	3	41	1,623	325	369	175
3,001-3,500	1,710	1,684	–	3	23	1,064	221	281	144
3,501-4,000	1,041	1,030	–	1	10	662	127	168	84
Over 4,000	2,114	2,100	–	2	12	1,331	206	377	200
Totals	42,591	37,913	–	1,900	2,778	27,686	8,439	4,383	2,083

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

Schedules of Benefit Recipients by Type of Benefit (cont.)

PERS Plan 3									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	1,401	1,171	–	76	154	902	369	85	45
501-1,000	1,100	1,032	–	14	54	712	233	106	49
1,001-1,500	580	571	–	1	8	385	92	71	32
1,501-2,000	335	330	–	2	3	214	54	37	30
2,001-2,500	159	158	–	–	1	102	21	25	11
2,501-3,000	70	70	–	–	–	44	7	12	7
3,001-3,500	28	28	–	–	–	19	2	4	3
3,501-4,000	5	5	–	–	–	4	1	–	–
Over 4,000	6	6	–	–	–	5	–	1	–
Totals	3,684	3,371	–	93	220	2,387	779	341	177

¹ **1 (Life):** Retiree's lifetime; **2 (100%):** Beneficiary receives same monthly benefit for life; **3 (50%):** Beneficiary receives half the monthly benefit for life; or **4 (66%):** Beneficiary receives two-thirds the monthly benefit for life

SERS Plan 2									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	2,590	2,212	–	195	183	1,872	538	123	57
501-1,000	2,590	2,418	–	57	115	1,884	446	183	77
1,001-1,500	1,203	1,159	–	7	37	851	167	122	63
1,501-2,000	530	522	–	2	6	392	65	54	19
2,001-2,500	235	232	–	1	2	156	28	38	13
2,501-3,000	107	105	–	–	2	79	8	17	3
3,001-3,500	55	55	–	–	–	36	8	6	5
3,501-4,000	29	29	–	–	–	25	2	1	1
Over 4,000	41	41	–	–	–	27	2	9	3
Totals	7,380	6,773	–	262	345	5,322	1,264	553	241

¹ **1 (Life):** Retiree's lifetime; **2 (100%):** Beneficiary receives same monthly benefit for life; **3 (50%):** Beneficiary receives half the monthly benefit for life; or **4 (66%):** Beneficiary receives two-thirds the monthly benefit for life

Schedules of Benefit Recipients by Type of Benefit (cont.)

SERS Plan 3									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	4,506	4,232	–	81	193	3,253	938	216	99
501-1,000	1,685	1,649	–	6	30	1,212	257	152	64
1,001-1,500	376	373	–	1	2	270	44	44	18
1,501-2,000	102	102	–	–	–	81	9	8	4
2,001-2,500	26	26	–	–	–	21	5	–	–
2,501-3,000	4	4	–	–	–	2	2	–	–
3,001-3,500	6	6	–	–	–	4	1	1	–
3,501-4,000	2	2	–	–	–	2	–	–	–
Over 4,000	1	1	–	–	–	1	–	–	–
Totals	6,708	6,395	–	88	225	4,846	1,256	421	185

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

PSERS Plan 2									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	49	36	–	8	5	31	13	1	4
501-1,000	47	46	–	–	1	36	6	3	2
1,001-1,500	11	11	–	–	–	11	–	–	–
1,501-2,000	1	1	–	–	–	1	–	–	–
2,001-2,500	–	–	–	–	–	–	–	–	–
2,501-3,000	–	–	–	–	–	–	–	–	–
3,001-3,500	–	–	–	–	–	–	–	–	–
3,501-4,000	–	–	–	–	–	–	–	–	–
Over 4,000	–	–	–	–	–	–	–	–	–
Totals	108	94	–	8	6	79	19	4	6

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

Schedules of Benefit Recipients by Type of Benefit (cont.)

TRS Plan 1									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	1,336	1,145	–	32	159	918	314	86	18
501-1,000	2,754	1,811	–	120	823	1,493	571	643	47
1,001-1,500	3,643	2,667	–	122	854	1,802	1,075	641	125
1,501-2,000	9,266	8,521	–	180	565	6,228	1,834	896	308
2,001-2,500	7,343	7,031	–	57	255	4,998	1,266	786	293
2,501-3,000	4,452	4,314	–	20	118	2,722	909	547	274
3,001-3,500	2,887	2,843	–	2	42	1,737	587	352	211
3,501-4,000	1,555	1,526	–	2	27	923	314	201	117
Over 4,000	1,551	1,524	–	3	24	888	299	225	139
Totals	34,787	31,382	–	538	2,867	21,709	7,169	4,377	1,532

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

TRS Plan 2									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	501	441	–	27	33	349	118	26	8
501-1,000	767	651	–	37	79	487	182	57	41
1,001-1,500	696	655	–	11	30	471	134	50	41
1,501-2,000	730	699	–	5	26	467	142	72	49
2,001-2,500	737	731	–	1	5	482	115	89	51
2,501-3,000	498	494	–	1	3	357	71	47	23
3,001-3,500	345	339	–	–	6	231	48	42	24
3,501-4,000	228	226	–	–	2	175	11	21	21
Over 4,000	185	184	–	–	1	133	20	24	8
Totals	4,687	4,420	–	82	185	3,152	841	428	266

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

Schedules of Benefit Recipients by Type of Benefit (cont.)

TRIS Plan 3									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	1,888	1,605	–	71	212	1,210	537	86	55
501-1,000	2,461	2,344	–	11	106	1,684	481	194	102
1,001-1,500	2,129	2,091	–	2	36	1,308	453	233	135
1,501-2,000	1,623	1,609	–	1	13	1,098	227	196	102
2,001-2,500	554	552	–	–	2	422	44	59	29
2,501-3,000	128	127	–	–	1	91	16	15	6
3,001-3,500	36	36	–	–	–	25	1	6	4
3,501-4,000	17	17	–	–	–	16	1	–	–
Over 4,000	7	7	–	–	–	5	1	1	–
Totals	8,843	8,388	–	85	370	5,859	1,761	790	433

¹ **1 (Life):** Retiree's lifetime; **2 (100%):** Beneficiary receives same monthly benefit for life; **3 (50%):** Beneficiary receives half the monthly benefit for life; or **4 (66%):** Beneficiary receives two-thirds the monthly benefit for life

LEOFF Plan 1										
For the 12 Months Ended June 30, 2016										
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹				
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 ² 100%	3 ² 50%	4 ² 66%	A (Standard)
\$ 0-500	19	14	–	–	5	–	1	1	–	17
501-1,000	49	37	–	–	12	1	2	–	–	46
1,001-1,500	51	27	1	–	23	–	5	3	–	43
1,501-2,000	76	24	11	11	30	–	7	4	2	63
2,001-2,500	303	50	109	51	93	2	59	6	9	227
2,501-3,000	873	127	383	118	245	9	149	8	9	698
3,001-3,500	1,605	247	788	150	420	8	158	16	24	1,399
3,501-4,000	1,534	335	792	54	353	21	58	9	9	1,437
Over 4,000	2,868	1,651	761	11	445	8	55	11	17	2,777
Totals	7,378	2,512	2,845	395	1,626	49	494	58	70	6,707

¹ **1 (Life):** Retiree's lifetime; **2 (100%):** Beneficiary receives same monthly benefit for life; **3 (50%):** Beneficiary receives half the monthly benefit for life; **4 (66%):** Beneficiary receives two-thirds the monthly benefit for life; or **A (Standard):** Standard option, 100% joint and survivor, with additional benefits to eligible children

² Joint and survivor options are available for post-retirement marriages.

Schedules of Benefit Recipients by Type of Benefit (cont.)

LEOFF Plan 2									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 ² 100%	3 ² 50%	4 ² 66%
\$ 0-500	101	62	11	6	22	51	41	8	1
501-1,000	219	155	24	3	37	95	102	12	10
1,001-1,500	268	205	33	7	23	105	119	24	20
1,501-2,000	273	197	36	8	32	101	122	28	22
2,001-2,500	321	267	30	5	19	112	140	41	28
2,501-3,000	378	316	34	3	25	149	148	49	32
3,001-3,500	438	379	35	7	17	195	142	57	44
3,501-4,000	432	384	30	7	11	179	142	65	46
Over 4,000	1,829	1,695	93	7	34	822	449	293	265
Totals	4,259	3,660	326	53	220	1,809	1,405	577	468

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; or **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life

² Joint and survivor options are available for post-retirement marriages.

WSPRS Plan 1									
For the 12 Months Ended June 30, 2016									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	A	B	Life	
\$ 0-500	4	4	–	–	–	2	2	–	
501-1,000	10	3	–	–	7	7	3	–	
1,001-1,500	27	10	–	–	17	22	5	–	
1,501-2,000	25	6	–	–	19	25	–	–	
2,001-2,500	37	12	–	–	25	28	9	–	
2,501-3,000	39	16	–	–	23	31	8	–	
3,001-3,500	123	90	–	–	33	45	75	3	
3,501-4,000	185	168	–	–	17	74	110	1	
Over 4,000	628	609	–	–	19	273	341	14	
Totals	1,078	918	–	–	160	507	553	18	

¹ **A**: 100% joint and survivor, with initial pension equal to the lesser of 50% AFC and 100% member's accrued benefit; **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; or **Life**: Single-life annuity, joint annuitant removed post-retirement

Schedules of Benefit Recipients by Type of Benefit (cont.)

JRS										
For the 12 Months Ended June 30, 2016										
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected ¹				
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 ² 100%	3 ² 50%	4 ² 66%	A (Standard)
\$ 0-500	–	–	–	–	–	–	–	–	–	–
501-1,000	–	–	–	–	–	–	–	–	–	–
1,001-1,500	–	–	–	–	–	–	–	–	–	–
1,501-2,000	–	–	–	–	–	–	–	–	–	–
2,001-2,500	1	–	–	–	1	–	–	–	–	1
2,501-3,000	1	–	–	–	1	–	–	–	–	1
3,001-3,500	2	–	–	–	2	–	–	–	–	2
3,501-4,000	7	–	–	–	7	–	–	–	–	7
Over 4,000	93	62	–	–	31	–	6	–	1	86
Totals	104	62	–	–	42	–	6	–	1	97

¹ **1 (Life)**: Retiree's lifetime; **2 (100%)**: Beneficiary receives same monthly benefit for life; **3 (50%)**: Beneficiary receives half the monthly benefit for life; **4 (66%)**: Beneficiary receives two-thirds the monthly benefit for life; or **A (Standard)**: Standard option, 50% joint and survivor, for eligible spouses

² Joint and survivor options are available for post-retirement marriages.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees

PERS Plan 1						
Retirement Effective Dates¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 583.78	\$ 1,182.09	\$ 1,503.50	\$ 2,267.38	\$ 2,802.09	\$ 3,537.80
Average Final Salary (Monthly)	\$ 4,315.92	\$ 4,300.77	\$ 4,073.05	\$ 4,801.12	\$ 5,083.25	\$ 5,700.81
Number of Active Retirees	139	96	124	124	136	300
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 479.68	\$ 1,087.93	\$ 1,596.68	\$ 2,134.72	\$ 2,739.83	\$ 3,555.06
Average Final Salary (Monthly)	\$ 3,853.94	\$ 4,104.79	\$ 4,283.15	\$ 4,644.25	\$ 4,975.68	\$ 5,707.66
Number of Active Retirees	175	121	137	156	143	343
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 528.85	\$ 1,112.60	\$ 1,690.84	\$ 2,097.07	\$ 2,838.69	\$ 3,414.25
Average Final Salary (Monthly)	\$ 4,065.76	\$ 3,942.11	\$ 4,645.48	\$ 4,592.51	\$ 5,163.22	\$ 5,511.91
Number of Active Retirees	163	98	127	173	165	377
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 517.46	\$ 1,039.77	\$ 1,830.73	\$ 2,210.82	\$ 2,944.52	\$ 3,496.40
Average Final Salary (Monthly)	\$ 4,096.87	\$ 4,051.23	\$ 4,622.29	\$ 4,716.57	\$ 5,296.58	\$ 5,653.00
Number of Active Retirees	188	113	139	169	180	420
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 542.78	\$ 1,027.23	\$ 1,523.69	\$ 2,158.86	\$ 3,070.71	\$ 3,387.70
Average Final Salary (Monthly)	\$ 4,003.50	\$ 3,927.11	\$ 4,023.64	\$ 4,625.35	\$ 5,559.31	\$ 5,635.18
Number of Active Retirees	160	145	125	187	198	474
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

PERS Plan 2						
Retirement Effective Dates¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 520.94	\$ 1,161.40	\$ 1,705.85	\$ 2,141.31	\$ 2,884.22	\$ 3,708.40
Average Final Salary (Monthly)	\$ 4,171.09	\$ 4,586.29	\$ 5,046.10	\$ 5,352.40	\$ 5,663.64	\$ 6,084.77
Number of Active Retirees	909	602	668	736	715	703
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 541.28	\$ 1,150.56	\$ 1,673.61	\$ 2,133.07	\$ 2,844.06	\$ 3,591.82
Average Final Salary (Monthly)	\$ 4,267.06	\$ 4,470.17	\$ 5,015.36	\$ 5,360.33	\$ 5,626.32	\$ 5,940.62
Number of Active Retirees	795	612	572	746	695	557
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 506.78	\$ 1,079.98	\$ 1,589.12	\$ 1,966.73	\$ 2,823.53	\$ 3,690.55
Average Final Salary (Monthly)	\$ 3,952.36	\$ 4,301.58	\$ 4,735.08	\$ 5,044.72	\$ 5,602.89	\$ 6,184.80
Number of Active Retirees	852	592	527	777	710	655
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 486.05	\$ 1,082.39	\$ 1,525.94	\$ 1,947.79	\$ 2,681.87	\$ 3,529.08
Average Final Salary (Monthly)	\$ 3,934.94	\$ 4,373.18	\$ 4,574.85	\$ 4,996.22	\$ 5,328.35	\$ 5,938.56
Number of Active Retirees	823	653	544	724	546	492
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 480.30	\$ 1,074.08	\$ 1,491.74	\$ 1,869.00	\$ 2,561.98	\$ 3,266.37
Average Final Salary (Monthly)	\$ 3,701.65	\$ 4,256.13	\$ 4,532.75	\$ 4,857.44	\$ 5,227.28	\$ 5,651.05
Number of Active Retirees	735	556	526	679	446	372
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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	—

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

PERS Plan 3						
Retirement Effective Dates¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 365.39	\$ 499.19	\$ 840.05	\$ 1,225.74	\$ 1,605.33	\$ 2,164.84
Average Final Salary (Monthly)	\$ 4,977.35	\$ 4,631.89	\$ 5,438.66	\$ 5,737.42	\$ 6,439.90	\$ 7,084.10
Number of Active Retirees	108	87	71	81	79	79
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 353.70	\$ 479.36	\$ 768.60	\$ 1,074.86	\$ 1,548.70	\$ 1,788.16
Average Final Salary (Monthly)	\$ 4,664.91	\$ 4,706.12	\$ 4,964.99	\$ 5,480.57	\$ 6,169.68	\$ 6,006.73
Number of Active Retirees	99	96	67	102	96	74
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 326.31	\$ 506.34	\$ 796.50	\$ 1,123.54	\$ 1,383.54	\$ 1,690.94
Average Final Salary (Monthly)	\$ 4,499.32	\$ 4,640.98	\$ 5,090.91	\$ 5,678.77	\$ 5,511.32	\$ 5,758.12
Number of Active Retirees	93	65	69	97	90	78
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 349.56	\$ 464.15	\$ 732.71	\$ 1,079.98	\$ 1,456.36	\$ 1,701.71
Average Final Salary (Monthly)	\$ 4,695.89	\$ 4,418.39	\$ 4,744.94	\$ 5,710.41	\$ 5,865.60	\$ 5,987.62
Number of Active Retirees	84	56	68	67	48	52
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 287.76	\$ 435.93	\$ 704.13	\$ 940.02	\$ 1,415.65	\$ 1,796.37
Average Final Salary (Monthly)	\$ 4,436.89	\$ 4,220.74	\$ 4,816.97	\$ 5,293.55	\$ 5,929.81	\$ 6,378.63
Number of Active Retirees	58	60	61	70	61	37
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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	\$ 5,518.83	\$ –
Number of Active Retirees	9	24	34	25	11	–

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

SERS Plan 2						
Retirement Effective Dates¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 279.35	\$ 614.17	\$ 868.70	\$ 1,042.68	\$ 1,530.65	\$ 2,284.69
Average Final Salary (Monthly)	\$ 2,429.88	\$ 2,454.73	\$ 2,618.60	\$ 2,661.27	\$ 3,000.84	\$ 3,649.45
Number of Active Retirees	189	126	192	192	113	57
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 264.55	\$ 561.61	\$ 847.17	\$ 1,037.71	\$ 1,567.41	\$ 2,214.59
Average Final Salary (Monthly)	\$ 2,307.13	\$ 2,212.53	\$ 2,542.82	\$ 2,655.90	\$ 3,162.58	\$ 3,633.35
Number of Active Retirees	138	147	191	185	95	52
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 268.86	\$ 551.46	\$ 859.70	\$ 1,074.79	\$ 1,574.79	\$ 2,109.51
Average Final Salary (Monthly)	\$ 2,311.08	\$ 2,199.65	\$ 2,605.06	\$ 2,729.61	\$ 3,057.53	\$ 3,485.55
Number of Active Retirees	119	142	159	164	97	55
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 295.83	\$ 547.42	\$ 867.06	\$ 984.72	\$ 1,587.72	\$ 2,455.16
Average Final Salary (Monthly)	\$ 2,552.68	\$ 2,277.65	\$ 2,634.94	\$ 2,549.87	\$ 3,178.29	\$ 4,042.17
Number of Active Retirees	109	137	132	151	97	43
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 277.30	\$ 561.49	\$ 773.26	\$ 1,081.18	\$ 1,519.44	\$ 2,026.86
Average Final Salary (Monthly)	\$ 2,044.49	\$ 2,295.27	\$ 2,292.04	\$ 2,755.05	\$ 3,061.83	\$ 3,424.90
Number of Active Retirees	77	141	143	145	79	42
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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	—

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

SERS Plan 3						
Retirement Effective Dates¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 191.19	\$ 287.54	\$ 353.89	\$ 583.84	\$ 789.54	\$ 1,124.96
Average Final Salary (Monthly)	\$ 2,585.52	\$ 2,495.26	\$ 2,268.22	\$ 2,807.68	\$ 3,147.46	\$ 3,773.25
Number of Active Retirees	142	208	158	236	147	79
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 207.81	\$ 289.89	\$ 424.98	\$ 590.73	\$ 836.68	\$ 1,157.83
Average Final Salary (Monthly)	\$ 2,725.94	\$ 2,583.33	\$ 2,691.20	\$ 2,915.61	\$ 3,323.25	\$ 3,749.84
Number of Active Retirees	136	182	153	241	147	69
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 195.52	\$ 292.50	\$ 434.43	\$ 565.35	\$ 758.22	\$ 1,115.16
Average Final Salary (Monthly)	\$ 2,650.92	\$ 2,682.89	\$ 2,755.34	\$ 2,798.40	\$ 3,080.10	\$ 3,628.01
Number of Active Retirees	126	161	143	200	122	71
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 177.27	\$ 265.79	\$ 355.84	\$ 568.30	\$ 814.29	\$ 1,043.69
Average Final Salary (Monthly)	\$ 2,488.97	\$ 2,326.54	\$ 2,309.34	\$ 2,813.97	\$ 3,255.70	\$ 3,449.99
Number of Active Retirees	132	138	162	184	106	48
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 162.22	\$ 264.03	\$ 350.01	\$ 557.10	\$ 748.97	\$ 946.98
Average Final Salary (Monthly)	\$ 2,333.34	\$ 2,426.20	\$ 2,244.00	\$ 2,853.50	\$ 2,945.74	\$ 3,105.56
Number of Active Retirees	107	81	150	160	78	31
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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	—

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

PSERS Plan 2 ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Retirement Effective Dates²						
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 887.22	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 5,590.67	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	27	—	—	—	—	—
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 668.47	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 5,087.53	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	17	—	—	—	—	—
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 666.76	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 5,168.06	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	15	—	—	—	—	—
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 510.68	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 5,261.25	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	16	—	—	—	—	—
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 339.82	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 4,376.32	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	9	—	—	—	—	—
Period 7/1/2010 to 6/30/2011						
Average Monthly Benefit	\$ 324.12	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 4,822.01	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	6	—	—	—	—	—
Period 7/1/2009 to 6/30/2010						
Average Monthly Benefit	\$ 271.60	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Salary (Monthly)	\$ 5,230.39	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Active Retirees	3	—	—	—	—	—

¹ PSERS Plan 2 became effective July 1, 2006.

² Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

TRS Plan 1						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 660.74	\$ 1,423.73	\$ 1,748.99	\$ 2,670.86	\$ 3,299.09	\$ 3,835.48
Average Final Salary (Monthly)	\$ 3,085.66	\$ 5,458.84	\$ 5,334.95	\$ 6,354.70	\$ 6,423.42	\$ 6,919.97
Number of Active Retirees	36	28	31	50	58	242
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 647.12	\$ 1,092.42	\$ 1,893.48	\$ 2,623.54	\$ 3,228.70	\$ 3,801.44
Average Final Salary (Monthly)	\$ 3,099.63	\$ 3,884.19	\$ 5,272.62	\$ 6,078.62	\$ 6,375.43	\$ 6,776.52
Number of Active Retirees	38	28	41	76	67	286
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 509.01	\$ 1,156.89	\$ 1,984.68	\$ 2,661.17	\$ 3,231.48	\$ 3,794.79
Average Final Salary (Monthly)	\$ 3,485.83	\$ 4,498.77	\$ 5,693.54	\$ 6,148.49	\$ 6,303.26	\$ 6,705.36
Number of Active Retirees	38	36	37	89	125	317
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 470.00	\$ 1,123.24	\$ 1,894.30	\$ 2,644.85	\$ 3,539.29	\$ 3,775.79
Average Final Salary (Monthly)	\$ 3,065.75	\$ 4,277.86	\$ 5,538.86	\$ 6,107.19	\$ 6,783.63	\$ 6,667.23
Number of Active Retirees	59	51	61	94	102	350
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 536.53	\$ 1,127.71	\$ 1,649.43	\$ 2,643.64	\$ 3,191.03	\$ 3,629.98
Average Final Salary (Monthly)	\$ 3,395.33	\$ 4,447.26	\$ 5,174.59	\$ 5,944.53	\$ 6,243.29	\$ 6,622.17
Number of Active Retirees	60	50	69	122	134	406
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

TRS Plan 2		Years of Credited Service					
Retirement Effective Dates¹		5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	\$	528.55	\$ 1,111.93	\$ 1,984.42	\$ 2,544.85	\$ 3,319.06	\$ 3,894.51
Average Final Salary (Monthly)	\$	4,150.53	\$ 4,276.44	\$ 5,741.58	\$ 6,172.50	\$ 6,417.27	\$ 6,311.66
Number of Active Retirees		95	36	54	97	77	68
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	\$	508.94	\$ 1,177.99	\$ 2,034.14	\$ 2,514.55	\$ 3,094.29	\$ 4,103.13
Average Final Salary (Monthly)	\$	4,167.38	\$ 4,573.45	\$ 5,878.92	\$ 6,226.79	\$ 6,168.76	\$ 6,449.36
Number of Active Retirees		63	44	84	133	55	50
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	\$	484.37	\$ 1,142.52	\$ 1,850.92	\$ 2,509.87	\$ 3,200.19	\$ 3,986.80
Average Final Salary (Monthly)	\$	3,682.29	\$ 4,621.38	\$ 5,436.82	\$ 6,290.13	\$ 6,282.34	\$ 6,753.01
Number of Active Retirees		88	50	88	126	65	53
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	\$	483.41	\$ 1,029.99	\$ 1,904.03	\$ 2,302.44	\$ 2,928.52	\$ 3,588.57
Average Final Salary (Monthly)	\$	3,666.26	\$ 4,265.74	\$ 5,590.87	\$ 5,843.14	\$ 5,920.89	\$ 6,298.04
Number of Active Retirees		53	40	129	97	53	37
Period 7/1/2011 to 6/30/2012							
Average Monthly Benefit	\$	469.38	\$ 1,098.85	\$ 1,815.96	\$ 2,256.40	\$ 2,970.89	\$ 3,762.08
Average Final Salary (Monthly)	\$	3,553.53	\$ 4,411.40	\$ 5,558.73	\$ 5,771.40	\$ 6,059.92	\$ 6,219.80
Number of Active Retirees		79	54	98	97	48	33
Period 7/1/2010 to 6/30/2011							
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 7/1/2009 to 6/30/2010							
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 7/1/2008 to 6/30/2009							
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 7/1/2007 to 6/30/2008							
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 10/1/2006 to 6/30/2007							
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	—

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

TRS Plan 3						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 377.66	\$ 638.40	\$ 986.79	\$ 1,341.00	\$ 1,688.85	\$ 2,040.18
Average Final Salary (Monthly)	\$ 4,827.43	\$ 5,352.54	\$ 5,985.23	\$ 6,366.61	\$ 6,625.67	\$ 6,588.75
Number of Active Retirees	136	218	240	288	221	290
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 356.11	\$ 631.90	\$ 961.06	\$ 1,318.54	\$ 1,675.09	\$ 2,007.23
Average Final Salary (Monthly)	\$ 4,799.72	\$ 5,380.43	\$ 5,918.12	\$ 6,307.98	\$ 6,508.21	\$ 6,580.13
Number of Active Retirees	137	214	224	264	216	289
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 354.31	\$ 628.17	\$ 946.36	\$ 1,274.12	\$ 1,661.82	\$ 1,944.26
Average Final Salary (Monthly)	\$ 4,564.18	\$ 5,273.10	\$ 5,799.82	\$ 6,236.91	\$ 6,569.09	\$ 6,484.91
Number of Active Retirees	130	198	208	231	193	269
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 345.92	\$ 593.34	\$ 961.44	\$ 1,242.35	\$ 1,572.79	\$ 1,909.04
Average Final Salary (Monthly)	\$ 4,553.37	\$ 5,264.59	\$ 5,891.15	\$ 6,152.65	\$ 6,282.97	\$ 6,453.23
Number of Active Retirees	150	179	165	227	167	140
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 331.43	\$ 570.43	\$ 863.21	\$ 1,139.55	\$ 1,610.39	\$ 1,737.76
Average Final Salary (Monthly)	\$ 4,727.90	\$ 5,068.13	\$ 5,473.33	\$ 5,966.01	\$ 6,235.28	\$ 6,143.64
Number of Active Retirees	108	164	151	184	131	105
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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	—

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

Retirement Effective Dates ¹	Years of Credited Service											
	5-10		11-15		16-20		21-25		26-30		31+	
Period 7/1/2015 to 6/30/2016												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	5,469.87	\$	8,201.17
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	8,204.76	\$	9,650.11
Number of Active Retirees		–		–		–		–		1		19
Period 7/1/2014 to 6/30/2015												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	3,891.00	\$	8,081.82
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	6,708.00	\$	9,859.16
Number of Active Retirees		–		–		–		–		1		40
Period 7/1/2013 to 6/30/2014												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	3,690.00	\$	7,788.21
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	6,220.00	\$	9,665.96
Number of Active Retirees		–		–		–		–		1		23
Period 7/1/2012 to 6/30/2013												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	7,105.97
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	9,171.69
Number of Active Retirees		–		–		–		–		–		42
Period 7/1/2011 to 6/30/2012												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	6,776.58
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	8,906.14
Number of Active Retirees		–		–		–		–		–		63
Period 7/1/2010 to 6/30/2011												
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 7/1/2009 to 6/30/2010												
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 7/1/2008 to 6/30/2009												
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 7/1/2007 to 6/30/2008												
Average Monthly Benefit	\$	–	\$	737.71	\$	–	\$	4,083.42	\$	3,717.62	\$	5,275.22
Average Final Salary (Monthly)	\$	–	\$	2,147.00	\$	–	\$	8,695.00	\$	6,687.05	\$	7,715.25
Number of Active Retirees		–		1		–		2		9		85
Period 10/1/2006 to 6/30/2007												
Average Monthly Benefit	\$	–	\$	1,086.00	\$	–	\$	–	\$	3,785.27	\$	5,086.57
Average Final Salary (Monthly)	\$	–	\$	5,204.00	\$	–	\$	–	\$	6,727.37	\$	7,548.05
Number of Active Retirees		–		1		–		–		20		63

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

LEOFF Plan 2						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 758.78	\$ 1,616.33	\$ 2,564.02	\$ 3,865.95	\$ 4,902.78	\$ 6,347.89
Average Final Salary (Monthly)	\$ 5,915.24	\$ 6,911.12	\$ 7,401.28	\$ 8,542.15	\$ 9,038.72	\$ 9,929.16
Number of Active Retirees	22	32	41	100	152	176
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 887.31	\$ 1,696.16	\$ 2,488.40	\$ 3,750.72	\$ 4,733.82	\$ 5,936.02
Average Final Salary (Monthly)	\$ 6,230.50	\$ 6,686.77	\$ 7,183.01	\$ 8,294.40	\$ 8,604.70	\$ 9,482.73
Number of Active Retirees	17	18	49	95	118	155
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ 803.11	\$ 1,600.48	\$ 2,477.29	\$ 3,531.18	\$ 4,758.98	\$ 5,607.91
Average Final Salary (Monthly)	\$ 6,199.64	\$ 6,603.23	\$ 7,405.91	\$ 7,967.27	\$ 8,837.62	\$ 9,087.48
Number of Active Retirees	27	18	30	107	100	149
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ 751.29	\$ 1,612.33	\$ 2,510.38	\$ 3,404.26	\$ 4,547.01	\$ 5,529.49
Average Final Salary (Monthly)	\$ 5,948.81	\$ 6,336.73	\$ 7,145.42	\$ 7,691.69	\$ 8,400.58	\$ 9,100.80
Number of Active Retirees	27	25	32	63	123	132
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 918.50	\$ 1,913.13	\$ 2,270.71	\$ 3,261.72	\$ 4,377.04	\$ 5,398.33
Average Final Salary (Monthly)	\$ 5,730.21	\$ 7,272.37	\$ 6,685.73	\$ 7,510.37	\$ 8,172.98	\$ 8,963.58
Number of Active Retirees	21	17	30	61	82	112
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

WSPRS Plan 1						
Retirement Effective Dates¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
Period 7/1/2015 to 6/30/2016						
Average Monthly Benefit	\$ 1,057.39	\$ 1,949.09	\$ 3,951.29	\$ 4,285.84	\$ 4,956.68	\$ 5,609.04
Average Final Salary (Monthly)	\$ 5,325.53	\$ 6,460.99	\$ 7,333.01	\$ 8,608.50	\$ 8,623.81	\$ 8,319.79
Number of Active Retirees	1	1	4	15	29	6
Period 7/1/2014 to 6/30/2015						
Average Monthly Benefit	\$ 515.10	\$ 1,616.68	\$ 3,108.68	\$ 4,153.86	\$ 4,386.37	\$ 4,883.71
Average Final Salary (Monthly)	\$ 6,961.40	\$ 6,969.05	\$ 7,161.79	\$ 8,328.60	\$ 8,007.96	\$ 7,820.79
Number of Active Retirees	1	2	2	16	24	3
Period 7/1/2013 to 6/30/2014						
Average Monthly Benefit	\$ —	\$ 2,075.14	\$ 2,290.15	\$ 3,490.49	\$ 4,335.50	\$ 4,441.61
Average Final Salary (Monthly)	\$ —	\$ 5,791.02	\$ 4,655.27	\$ 7,110.57	\$ 7,755.76	\$ 7,017.09
Number of Active Retirees	—	1	1	14	20	4
Period 7/1/2012 to 6/30/2013						
Average Monthly Benefit	\$ —	\$ 1,946.46	\$ 3,228.52	\$ 3,916.57	\$ 4,033.93	\$ 5,808.61
Average Final Salary (Monthly)	\$ —	\$ 7,447.17	\$ 9,971.82	\$ 8,046.79	\$ 7,561.30	\$ 8,363.83
Number of Active Retirees	—	2	2	12	30	9
Period 7/1/2011 to 6/30/2012						
Average Monthly Benefit	\$ 332.19	\$ 1,371.65	\$ 1,641.71	\$ 4,047.82	\$ 4,524.91	\$ 3,944.59
Average Final Salary (Monthly)	\$ 4,280.74	\$ 5,911.76	\$ 5,475.29	\$ 7,926.38	\$ 8,487.26	\$ 6,294.76
Number of Active Retirees	1	2	2	19	20	3
Period 7/1/2010 to 6/30/2011						
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 7/1/2009 to 6/30/2010						
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 7/1/2008 to 6/30/2009						
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 7/1/2007 to 6/30/2008						
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 10/1/2006 to 6/30/2007						
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

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Average Benefit Payments to Service Retirees (cont.)

JRS												
Retirement Effective Dates ¹	Years of Credited Service											
	5-10		11-15		16-20		21-25		26-30		31+	
Period 7/1/2015 to 6/30/2016												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Number of Active Retirees		–		–		–		–		–		–
Period 7/1/2014 to 6/30/2015												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Number of Active Retirees		–		–		–		–		–		–
Period 7/1/2013 to 6/30/2014												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Number of Active Retirees		–		–		–		–		–		–
Period 7/1/2012 to 6/30/2013												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	9,302.01	\$	–
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	12,402.68	\$	–
Number of Active Retirees		–		–		–		–		2		–
Period 7/1/2011 to 6/30/2012												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	10,263.81
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	13,685.08
Number of Active Retirees		–		–		–		–		–		1
Period 7/1/2010 to 6/30/2011												
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 7/1/2009 to 6/30/2010												
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 7/1/2008 to 6/30/2009												
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 7/1/2007 to 6/30/2008												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	9,255.00
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	12,340.00
Number of Active Retirees		–		–		–		–		–		1
Period 10/1/2006 to 6/30/2007												
Average Monthly Benefit	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Average Final Salary (Monthly)	\$	–	\$	–	\$	–	\$	–	\$	–	\$	–
Number of Active Retirees		–		–		–		–		–		–

¹ Average monthly benefit and average final salary (monthly) figures include members at retirement who might not be audited. Retirees with missing or invalid data elements were excluded.

Source: Office of the State Actuary

Schedules of Benefit Expenses and Refunds by Type

PERS Plan 1

For the Years Ended 2008–2017 — Dollars in Thousands

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 1,100,375	\$ 1,103,092	\$ 1,104,025	\$ 1,095,467	\$ 1,088,705	\$ 1,082,344	\$ 1,059,536	\$ 1,024,555	\$ 987,383	\$ 947,353
Disability	11,961	11,646	12,222	13,240	13,496	13,810	14,431	14,718	14,871	15,121
Survivor	83,724	84,098	82,718	80,789	79,180	77,529	75,555	72,113	68,675	65,460
Refunds										
Separation	2,654	2,912	3,171	3,373	3,365	3,667	2,930	3,997	3,612	4,011
Death	505	1,461	858	846	633	887	540	949	1,459	1,562
Total	\$ 1,199,219	\$ 1,203,209	\$ 1,202,994	\$ 1,193,715	\$ 1,185,379	\$ 1,178,237	\$ 1,152,992	\$ 1,116,332	\$ 1,076,000	\$ 1,033,507

PERS Plan 2/3

For the Years Ended 2008–2017 — Dollars in Thousands

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 849,518	\$ 734,381	\$ 626,959	\$ 531,509	\$ 430,352	\$ 350,550	\$ 287,560	\$ 230,776	\$ 188,971	\$ 154,388
Disability	8,942	13,645	13,217	12,417	11,695	10,901	10,140	9,795	9,014	8,294
Survivor	35,769	28,188	25,232	21,734	18,028	15,548	13,243	11,194	9,334	7,635
Refunds										
Separation	29,152	28,527	28,494	28,119	28,286	30,148	27,956	25,005	22,798	24,498
Death	8,222	7,778	7,004	7,083	7,393	5,568	5,730	6,420	3,644	2,076
Total	\$ 931,603	\$ 812,519	\$ 700,906	\$ 600,862	\$ 495,754	\$ 412,715	\$ 344,629	\$ 283,190	\$ 233,761	\$ 196,891

Schedules of Benefit Expenses and Refunds by Type (cont.)

PERS Plan 3										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 6,400	\$ 3,731	\$ 2,640	\$ 1,435	\$ 697	\$ 322	\$ 164	\$ 80	\$ 51	\$ 23
Disability	–	–	–	–	–	–	–	–	–	–
Survivor	–	–	–	–	–	–	–	–	–	–
Refunds										
Separation	98,499	84,734	89,446	80,489	68,671	66,095	56,974	40,215	38,856	35,702
Death	–	–	–	–	–	150	2,169	1,508	1,346	2,589
Total	\$ 104,899	\$ 88,465	\$ 92,086	\$ 81,924	\$ 69,368	\$ 66,567	\$ 59,307	\$ 41,803	\$ 40,253	\$ 38,314

SERS Plan 2/3										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 124,838	\$ 107,962	\$ 91,986	\$ 77,320	\$ 63,134	\$ 50,597	\$ 40,753	\$ 32,202	\$ 26,468	\$ 20,944
Disability	1,300	1,604	1,549	1,553	1,457	1,387	1,198	1,068	1,037	928
Survivor	3,901	3,187	2,649	2,343	1,835	1,646	1,387	1,179	802	755
Refunds										
Separation	2,227	1,932	2,084	2,076	1,984	1,947	1,916	1,779	1,693	1,752
Death	1,000	562	807	656	671	569	576	346	432	293
Total	\$ 133,266	\$ 115,247	\$ 99,075	\$ 83,948	\$ 69,081	\$ 56,146	\$ 45,830	\$ 36,574	\$ 30,432	\$ 24,672

Schedules of Benefit Expenses and Refunds by Type (cont.)

SERS Plan 3										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 4,055	\$ 2,354	\$ 1,526	\$ 854	\$ 464	\$ 302	\$ 182	\$ 91	\$ 62	\$ 8
Disability	–	–	–	–	–	–	–	–	–	–
Survivor	–	–	–	–	–	–	–	–	–	–
Refunds										
Separation	85,577	78,843	84,767	72,972	65,643	60,929	51,431	31,383	40,501	39,438
Death	–	–	–	–	–	–	1,811	2,533	1,540	377
Total	\$ 89,632	\$ 81,197	\$ 86,293	\$ 73,826	\$ 66,107	\$ 61,231	\$ 53,424	\$ 34,007	\$ 42,103	\$ 39,823

PSERS Plan 2										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 1,079	\$ 593	\$ 411	\$ 237	\$ 129	\$ 63	\$ 30	\$ 14	\$ 1	\$ –
Disability	46	13	12	12	17	5	4	3	4	–
Survivor	23	24	21	7	2	2	1	–	–	–
Refunds										
Separation	2,551	2,630	2,520	2,107	2,142	1,868	1,747	895	450	151
Death	79	17	92	87	44	53	33	33	16	1
Total	\$ 3,778	\$ 3,277	\$ 3,056	\$ 2,450	\$ 2,334	\$ 1,991	\$ 1,815	\$ 945	\$ 471	\$ 152

Schedules of Benefit Expenses and Refunds by Type (cont.)

TRS Plan 1										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 856,395	\$ 866,940	\$ 870,547	\$ 871,366	\$ 860,631	\$ 860,848	\$ 847,353	\$ 809,214	\$ 801,974	\$ 798,668
Disability	9,111	9,529	10,013	10,074	10,606	10,618	11,111	10,905	11,068	11,186
Survivor	45,553	47,908	46,455	44,535	43,372	42,398	41,355	39,131	37,220	35,132
Refunds										
Separation	1,067	976	915	1,348	1,512	1,120	1,389	574	930	827
Death	188	206	640	914	478	432	431	930	330	173
Total	\$ 912,314	\$ 925,559	\$ 928,570	\$ 928,237	\$ 916,599	\$ 915,416	\$ 901,639	\$ 860,754	\$ 851,522	\$ 845,986

TRS Plan 2/3										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 247,080	\$ 211,967	\$ 177,689	\$ 144,464	\$ 112,521	\$ 87,707	\$ 68,782	\$ 52,921	\$ 42,587	\$ 33,984
Disability	2,547	1,145	1,176	1,126	1,117	1,071	1,118	921	838	882
Survivor	5,094	4,899	4,347	3,932	3,024	2,622	2,238	1,812	1,370	1,150
Refunds										
Separation	2,348	2,409	2,401	1,460	2,115	1,652	1,584	2,092	1,423	1,712
Death	662	562	439	528	799	517	697	776	766	478
Total	\$ 257,731	\$ 220,982	\$ 186,052	\$ 151,510	\$ 119,576	\$ 93,569	\$ 74,419	\$ 58,522	\$ 46,984	\$ 38,206

Schedules of Benefit Expenses and Refunds by Type (cont.)

TRS Plan 3										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 14,687	\$ 9,146	\$ 5,924	\$ 3,084	\$ 1,569	\$ 1,149	\$ 542	\$ 257	\$ 128	\$ 45
Disability	–	–	–	–	–	–	–	–	–	–
Survivor	–	–	–	–	–	–	–	–	–	–
Refunds										
Separation	285,910	272,792	263,454	232,551	176,052	150,404	110,425	67,158	74,586	82,756
Death	–	–	–	–	–	–	5,146	4,507	1,580	2,020
Total	\$ 300,597	\$ 281,938	\$ 269,378	\$ 235,635	\$ 177,621	\$ 151,553	\$ 116,113	\$ 71,922	\$ 76,294	\$ 84,821

LEOFF Plan 1										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 151,225	\$ 149,411	\$ 147,957	\$ 146,285	\$ 143,906	\$ 138,884	\$ 134,321	\$ 132,450	\$ 126,562	\$ 119,464
Disability	136,823	141,526	143,951	145,666	146,643	146,207	147,653	150,521	148,846	145,795
Survivor	72,012	69,547	66,503	63,789	61,247	58,347	56,801	55,260	51,625	48,271
Refunds										
Separation	–	440	330	248	14	4	48	11	43	–
Death	8	–	4	–	–	431	–	3	150	150
Total	\$ 360,068	\$ 360,924	\$ 358,745	\$ 355,988	\$ 351,810	\$ 343,873	\$ 338,823	\$ 338,245	\$ 327,226	\$ 313,680

Schedules of Benefit Expenses and Refunds by Type (cont.)

LEOFF Plan 2										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 197,744	\$ 163,879	\$ 134,364	\$ 110,170	\$ 87,232	\$ 67,331	\$ 52,547	\$ 39,100	\$ 30,694	\$ 23,096
Disability	15,380	14,266	12,340	10,599	9,693	7,318	6,710	5,356	4,632	3,480
Survivor	6,591	5,922	4,782	4,152	3,607	3,504	2,619	1,702	1,289	929
Refunds										
Separation	6,490	6,287	6,798	7,730	8,117	9,774	7,155	6,739	6,112	6,350
Death	802	358	1,743	1,298	560	1,440	1,026	4,208	1,111	1,289
Total	\$ 227,007	\$ 190,712	\$ 160,027	\$ 133,949	\$ 109,209	\$ 89,367	\$ 70,057	\$ 57,105	\$ 43,838	\$ 35,144

WSPRS Plan 1										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 51,000	\$ 48,540	\$ 45,034	\$ 42,805	\$ 39,537	\$ 36,687	\$ 35,073	\$ 33,015	\$ 31,643	\$ 30,293
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	5,666	5,111	4,738	4,338	3,984	3,681	3,314	3,101	2,879	2,670
Refunds										
Separation	—	476	119	344	98	46	148	97	68	269
Death	65	15	—	—	88	216	99	—	138	—
Total	\$ 56,731	\$ 54,142	\$ 49,891	\$ 47,487	\$ 43,707	\$ 40,630	\$ 38,634	\$ 36,213	\$ 34,728	\$ 33,232

Schedules of Benefit Expenses and Refunds by Type (cont.)

WSPRS Plan 2										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	—	—	—	—	—	—	—	—	—	—
Refunds										
Separation	90	7	184	23	118	—	63	30	5	—
Death	—	10	—	—	—	—	5	—	—	—
Total	\$ 90	\$ 17	\$ 184	\$ 23	\$ 118	\$ —	\$ 68	\$ 30	\$ 5	\$ —

JRS										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 6,368	\$ 6,821	\$ 7,178	\$ 7,388	\$ 7,504	\$ 7,569	\$ 7,678	\$ 7,704	\$ 7,811	\$ 7,719
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	2,355	2,310	2,158	2,092	2,193	2,195	2,060	2,019	1,772	1,795
Refunds										
Separation	—	—	—	—	—	—	—	—	—	—
Death	—	—	—	—	—	—	—	—	7	—
Total	\$ 8,723	\$ 9,131	\$ 9,336	\$ 9,480	\$ 9,697	\$ 9,764	\$ 9,738	\$ 9,723	\$ 9,590	\$ 9,514

Schedules of Benefit Expenses and Refunds by Type (cont.)

JRF										
For the Years Ended 2008–2017 — Dollars in Thousands										
	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Benefit Expenses										
Service	\$ 265	\$ 347	\$ 346	\$ 346	\$ 402	\$ 421	\$ 420	\$ 421	\$ 422	\$ 466
Disability	–	–	–	–	72	–	–	–	–	–
Survivor	137	93	98	98	–	61	79	79	79	79
Refunds										
Separation	–	–	–	–	–	–	–	–	–	–
Death	–	–	–	–	–	–	–	–	–	–
Total	\$ 402	\$ 440	\$ 444	\$ 444	\$ 474	\$ 482	\$ 499	\$ 500	\$ 501	\$ 545

Deferred Compensation Program Status Report

DCP Status Report								
Dollars in Thousands — Page 1 of 2								
Funding Media	6/30/2017		6/30/2016		6/30/2015		6/30/2014	
	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
Active U.S. Core Stock Fund ¹	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Active U.S. Value Stock Fund ¹	—	—	—	—	—	—	—	—
Emerging Market Equity Index ²	69,912	1.72%	49,471	1.37%	56,912	1.58%	59,894	1.68%
Fidelity Growth Company Fund ¹	—	—	—	—	—	—	—	—
Global Equity Index ²	143,069	3.51%	116,099	3.21%	121,679	3.37%	114,142	3.19%
International Stock Fund ¹	—	—	—	—	—	—	—	—
Savings Pool	869,125	21.31%	868,269	23.98%	863,001	23.91%	937,359	26.21%
U.S. Large Cap Equity Index ²	444,276	10.90%	384,369	10.61%	364,343	10.09%	312,282	8.74%
U.S. Small Cap Equity Index ²	221,996	5.44%	179,182	4.95%	188,368	5.22%	199,588	5.58%
U.S. Small Stock Index Fund ¹	—	—	—	—	—	—	—	—
U.S. Stock Market Index Fund ¹	—	—	—	—	—	—	—	—
Washington State Bond Fund	248,808	6.10%	242,947	6.71%	230,429	6.38%	222,168	6.21%
Washington State Long-Horizon Fund ³	—	—	—	—	—	—	—	—
Washington State Mid-Horizon Fund ³	—	—	—	—	—	—	—	—
Washington State Short-Horizon Fund ³	—	—	—	—	—	—	—	—
Washington State Socially Responsible Balanced Fund	154,665	3.79%	141,740	3.91%	132,229	3.66%	128,312	3.59%
Retirement Maturity Strategy Fund ⁴	27,015	0.66%	24,052	0.66%	23,772	0.66%	24,999	0.70%
Retirement Strategy 2005 ⁴	35,738	0.88%	36,136	1.00%	37,874	1.05%	39,905	1.12%
Retirement Strategy 2010 ⁴	102,286	2.51%	100,244	2.77%	111,130	3.08%	121,329	3.39%
Retirement Strategy 2015 ⁴	286,150	7.02%	280,694	7.75%	313,588	8.69%	332,310	9.29%
Retirement Strategy 2020 ⁴	454,443	11.14%	399,657	11.04%	401,305	11.12%	380,889	10.65%
Retirement Strategy 2025 ⁴	400,990	9.83%	324,826	8.97%	313,852	8.70%	288,862	8.08%
Retirement Strategy 2030 ⁴	262,780	6.44%	205,154	5.67%	197,681	5.48%	183,453	5.13%
Retirement Strategy 2035 ⁴	172,841	4.24%	134,634	3.72%	129,075	3.58%	120,809	3.38%
Retirement Strategy 2040 ⁴	95,102	2.33%	72,012	1.99%	68,789	1.90%	61,489	1.72%
Retirement Strategy 2045 ⁴	51,859	1.27%	36,635	1.01%	32,737	0.91%	28,288	0.79%
Retirement Strategy 2050 ⁴	18,587	0.46%	12,411	0.34%	10,782	0.30%	9,694	0.27%
Retirement Strategy 2055 ⁵	13,239	0.33%	10,319	0.28%	9,760	0.27%	9,964	0.28%
Retirement Strategy 2060 ⁶	4,976	0.12%	2,172	0.06%	1,801	0.05%	—	—
Total	\$4,077,857	100.00%	\$3,621,024	100.00%	\$3,609,107	100.00%	\$3,575,736	100.00%

¹ This investment option was discontinued in October 2011.

² This investment option was added in October 2011.

³ This investment option was discontinued in October 2008.

⁴ This investment option was added in October 2008. Retirement Maturity Strategy Fund replaced Retirement Strategy 2000 in January 2015.

⁵ This investment option was added in January 2010.

⁶ This investment option was added in January 2015.

Deferred Compensation Program Status Report (cont.)

DCP Status Report											
Dollars in Thousands — Page 2 of 2											
6/30/2013		6/30/2012		6/30/2011		6/30/2010		6/30/2009		6/30/2008	
Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
\$ -	\$ -	\$ -	\$ -	\$ 238,087	8.11%	\$ 192,558	7.87%	\$ 180,558	8.34%	\$ 267,879	11.02%
-	-	-	-	299,662	10.20%	245,272	10.03%	213,669	9.87%	326,400	13.43%
54,693	1.71%	52,542	1.79%	-	-	-	-	-	-	-	-
-	-	-	-	366,490	12.48%	268,855	10.99%	224,090	10.35%	315,284	12.97%
84,495	2.64%	65,500	2.23%	-	-	-	-	-	-	-	-
-	-	-	-	123,184	4.20%	97,897	4.00%	89,981	4.16%	140,526	5.78%
1,000,437	31.27%	1,045,569	35.66%	1,013,313	34.51%	959,255	39.21%	954,969	44.10%	819,272	33.71%
227,917	7.12%	178,250	6.08%	-	-	-	-	-	-	-	-
150,240	4.69%	109,915	3.75%	-	-	-	-	-	-	-	-
-	-	-	-	116,776	3.98%	77,248	3.16%	52,854	2.44%	64,641	2.66%
-	-	-	-	163,011	5.55%	124,866	5.10%	102,935	4.75%	134,940	5.55%
257,135	8.04%	267,316	9.12%	179,032	6.10%	178,187	7.28%	134,101	6.19%	132,298	5.44%
-	-	-	-	-	-	-	-	-	-	64,478	2.65%
-	-	-	-	-	-	-	-	-	-	72,182	2.97%
-	-	-	-	-	-	-	-	-	-	34,602	1.42%
109,148	3.41%	101,014	3.45%	73,021	2.49%	58,828	2.41%	49,115	2.27%	58,317	2.40%
25,468	0.80%	24,435	0.83%	6,312	0.21%	3,973	0.16%	3,458	0.16%	-	-
38,443	1.20%	35,891	1.22%	11,313	0.39%	9,269	0.38%	6,919	0.32%	-	-
117,647	3.68%	115,133	3.93%	48,294	1.64%	38,435	1.57%	29,057	1.34%	-	-
290,316	9.07%	253,859	8.66%	100,846	3.43%	69,852	2.86%	44,406	2.05%	-	-
308,468	9.64%	256,143	8.74%	81,120	2.76%	51,674	2.11%	34,220	1.58%	-	-
223,555	6.99%	179,951	6.14%	50,278	1.71%	30,265	1.24%	19,402	0.90%	-	-
143,763	4.49%	114,916	3.92%	29,300	1.00%	17,133	0.70%	10,986	0.51%	-	-
91,183	2.85%	73,173	2.50%	17,332	0.59%	10,869	0.44%	7,444	0.34%	-	-
44,745	1.40%	35,038	1.19%	10,251	0.35%	6,417	0.26%	4,163	0.19%	-	-
19,892	0.62%	14,996	0.51%	5,554	0.19%	3,301	0.14%	2,215	0.10%	-	-
5,706	0.18%	4,355	0.15%	2,228	0.08%	1,491	0.06%	882	0.04%	-	-
6,358	0.20%	3,868	0.13%	1,023	0.03%	769	0.03%	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$3,199,609	100.00%	\$2,931,864	100.00%	\$2,936,427	100.00%	\$2,446,414	100.00%	\$2,165,424	100.00%	\$2,430,819	100.00%

DCP Performance

DCP Performance Performance Periods Ending June 30, 2017

Fund Name Benchmark	Quarter Ending 6/30/2017	Performance History ¹ Average Annual Total Returns			
		1 Year	3 Years ²	5 Years ²	10 Years/ Since Inception
Emerging Market Equity Index Fund	5.84%	22.72%	0.94%	3.83%	5.40%
MSCI Emerging Markets Investable Market Index	5.78%	22.82%	1.03%	4.09%	5.60%
Global Equity Index Fund	4.43%	19.64%	5.38%	11.22%	12.21%
MSCI ACWI Investable Market Index	4.25%	19.01%	4.87%	10.74%	11.67%
Savings Pool	0.43%	1.53%	0.99%	1.06%	2.42%
U.S. Large Cap Equity Index Fund	3.11%	17.93%	9.67%	14.68%	7.30%
S&P 500 Index	3.09%	17.90%	9.61%	14.63%	7.18%
U.S. Small Cap Value Equity Index Fund	0.81%	25.16%	7.32%	13.66%	6.00%
Russell 2000 Value Index	0.67%	24.86%	7.02%	13.39%	5.92%
Washington State Bond Fund	1.37%	1.89%	2.99%	3.24%	5.63%
Barclays Capital Intermediate Credit Index	1.38%	1.36%	2.60%	2.99%	4.87%
Washington State Socially Responsible Balanced Fund	3.30%	11.31%	6.76%	9.12%	7.03%
Custom Benchmark ³	2.81%	10.62%	5.45%	8.57%	6.06%
Retirement Maturity Strategy Fund⁴	1.88%	5.45%	3.00%	5.11%	6.14%
2000 Composite Benchmark ³	1.66%	4.83%	2.66%	4.89%	5.64%
2005 Retirement Strategy	2.12%	6.77%	3.21%	6.08%	6.83%
2005 Composite Benchmark ³	1.90%	6.19%	2.90%	5.93%	6.39%
2010 Retirement Strategy	2.56%	8.98%	3.65%	7.21%	7.50%
2010 Composite Benchmark ³	2.33%	8.39%	3.37%	7.11%	7.21%
2015 Retirement Strategy	2.89%	11.19%	4.13%	8.27%	7.99%
2015 Composite Benchmark ³	2.76%	10.60%	3.85%	8.20%	7.75%
2020 Retirement Strategy	3.26%	12.90%	4.44%	9.04%	8.23%
2020 Composite Benchmark ³	3.12%	12.31%	4.21%	9.01%	8.06%
2025 Retirement Strategy	3.63%	14.38%	4.70%	9.74%	8.43%
2025 Composite Benchmark ³	3.42%	13.72%	4.46%	9.75%	8.33%
2030 Retirement Strategy	3.88%	15.75%	4.92%	10.30%	8.48%
2030 Composite Benchmark ³	3.71%	15.13%	4.69%	10.38%	8.49%
2035 Retirement Strategy	4.14%	17.03%	5.02%	10.62%	8.34%
2035 Composite Benchmark ³	3.92%	16.37%	4.82%	10.77%	8.47%
2040 Retirement Strategy	4.27%	17.87%	5.09%	10.79%	8.41%
2040 Composite Benchmark ³	4.07%	17.25%	4.90%	11.01%	8.57%
2045 Retirement Strategy	4.31%	18.20%	5.14%	10.84%	8.46%
2045 Composite Benchmark ³	4.13%	17.54%	4.95%	11.04%	8.59%
2050 Retirement Strategy	4.30%	18.17%	5.16%	10.84%	8.48%
2050 Composite Benchmark ³	4.13%	17.54%	4.95%	11.04%	8.59%
2055 Retirement Strategy	4.26%	18.20%	5.15%	10.83%	8.06%
2055 Composite Benchmark ³	4.13%	17.54%	4.95%	11.04%	8.92%
2060 Retirement Strategy⁵	4.30%	18.21%	–	–	7.16%
2060 Composite Benchmark ³	4.13%	17.54%	–	–	6.89%

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

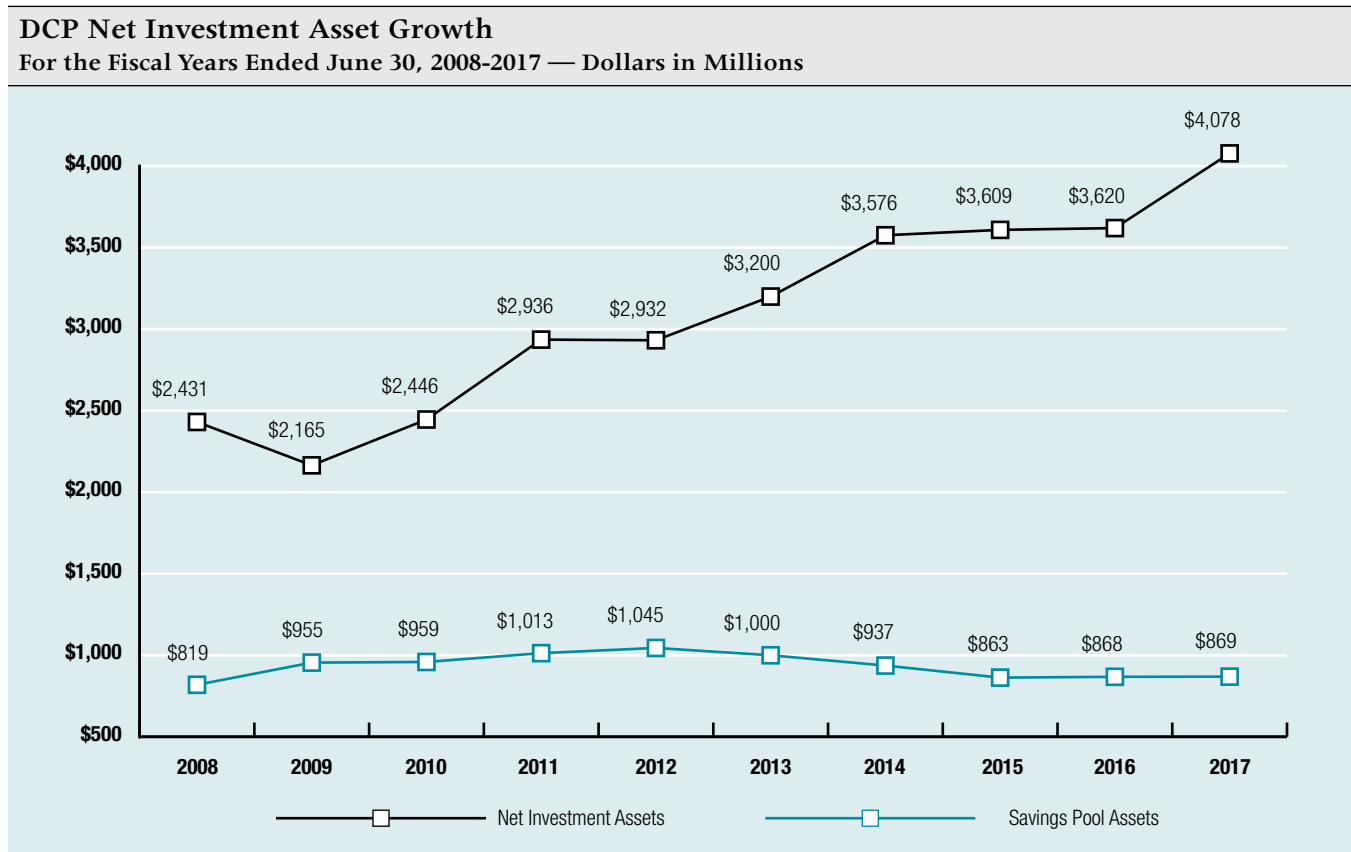
² Dashed spaces indicate that data is not available. These funds have not been in existence long enough to have performance history for these periods.

³ For the Washington State Socially Responsible Balanced Fund Custom Benchmark and all Composite Benchmark years 2000 through 2060, the benchmark returns are estimated based on what the portfolio would have earned using the return data from the various components.

⁴ Retirement Maturity Strategy Fund replaced Retirement Strategy 2000 in January 2015.

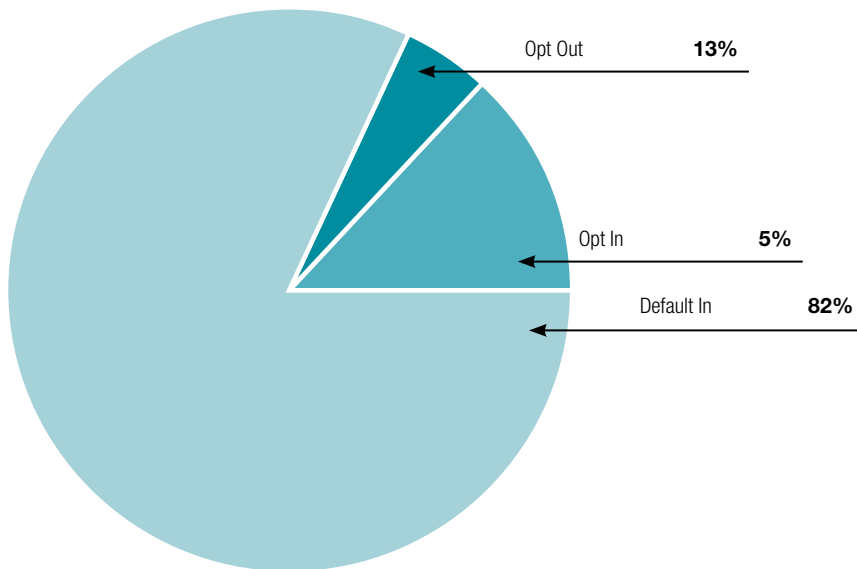
⁵ This investment option was added in January 2015.

DCP Net Asset Growth and Automatic Enrollment



New DCP Participation Between January 1 and June 30, 2017

As of January 1, 2017, new state employees are automatically enrolled in DCP, the state's supplemental savings program. During this time period, about 1,400 participants were automatically enrolled each month. They have the option to stay in at the default rate of 3%, opt in at a different rate or opt out of DCP. The chart below shows what those auto-enrolled employees chose to do.



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