

Comprehensive Annual Financial Report

Funds of the State of Washington for the Year Ended June 30, 2016



Comprehensive Annual Financial Report

Funds of the State of Washington
for the Fiscal Year Ended June 30, 2016

Prepared by:

The Washington State Department of Retirement Systems

PO Box 48380

Olympia, WA 98504-8380

www.drs.wa.gov



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Introductory Section

2016 Highlights

DRS is a listening organization

To continuously improve, we know we must always listen to our customers, our partners, our stakeholders and our team members — and act on their feedback.

This emphasis on listening is a fundamental part of how we strengthen DRS services and operations and how we stay focused on the agency's key goals: Elated Customers, Engaged Team Members, Vigilant Resource Steward, Best Practice Leader and Reliable Partner.



Introductory Section

Director's Message

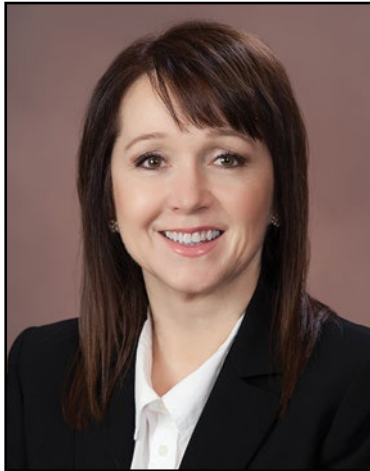
DRS is a listening organization. To continuously improve, we know we must always listen to our customers, our partners, our stakeholders and our team members — and act on their feedback.

This emphasis on listening is a fundamental part of how we strengthen DRS services and operations and how we stay focused on the agency's key goals: Elated Customers, Engaged Team Members, Vigilant Resource Steward, Best Practice Leader and Reliable Partner.

In conversations with the many people who are connected to the state's retirement systems, the themes we've heard are consistent and clear. A high demand exists for resources that help our members engage in retirement readiness throughout their careers. The expectation to facilitate online transactions continues to grow. And, as always, customers expect us to live up to the "3 R's" — respectful, responsive and right.

During the past year, these themes have guided DRS in implementing and initiating a variety of improvements:

- **Single record keeper for DCP and Plan 3:** 2016 marked the culmination of two years of work in successfully transitioning to a single record keeper to serve the state's Plan 3 retirement systems and the Deferred Compensation Program. The transition created immediate benefits for Plan 3 and DCP customers by providing "one-stop" access to their accounts and comprehensive retirement planning information, both online and on the phone. For the long term, the unified approach to recordkeeping services will bring a progression of products and enhancements that will provide personalized retirement readiness tools and services for all DRS customers.
- **Automatic enrollment for DCP:** Enacted by the Legislature in 2016, this program will



automatically enroll all new, full-time state employees in the Deferred Compensation Program starting in January 2017. (Enrollees will have the ability to opt out if they wish.) Patterned after successful programs in other states, auto-enrollment is expected to significantly boost the number of employees who are increasing their supplemental savings for retirement.

- **Online transactions:** During the past year, DRS established new ways for customers to process transactions through their secure online accounts. One new tool allows members to update their beneficiary designations (previously a labor-intensive, paper-based process); the other allows retirees to conveniently set up and update direct (electronic) deposit of their benefit payments to their bank or credit union.
- **Employer reporting:** Work began this year on the first stage of modernizing the legacy systems that support DRS' core business functions. The first effort will replace the 20-year-old system used by government employers to report member account and financial information to DRS.

These are a few of the many improvements taking place at DRS, all guided by our commitment to seeking feedback and using what we learn to meet and exceed customer expectations.

Since this is the last introduction I will make for the DRS CAFR, I'd like to take the opportunity to say thank you to everyone involved in the operation of Washington's retirement systems, which are consistently recognized among the best in the nation. I'd especially like to thank DRS members and retirees — the hundreds of thousands of men and women who have dedicated their careers to public service in support of the people of our state. You are very much appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Marcie Frost". The signature is fluid and cursive.

Marcie Frost
Director

Washington State Department of Retirement Systems' Organization



Pension System Roles and Responsibilities

Pension System Roles and Responsibilities — Page 1 of 3

Organization and Contact Information	Responsibility	Membership/Executive
Department of Retirement Systems PO Box 48380 Olympia, WA 98504-8380 Phone: 360.664.7000 or 800.547.6657 Website: www.drs.wa.gov	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	Marcie Frost – Director (through 8/2016) Tracy Guerin – Director (effective 9/2016) (The governor appoints the director of DRS.)
Washington State Investment Board PO Box 40916 Olympia, WA 98504-0916 Phone: 360.956.4600 Website: www.sib.wa.gov	Invests and accounts for pension funds	The board consists of 10 voting and five nonvoting members. Voting members James L. McIntire – State Treasurer Rep. Timm Ormsby Sen. Mike Hewitt Marcie Frost (chair) – Director, Department of Retirement Systems Joel Sacks – Director, Department of Labor and Industries George Masten – Retired members Kelly Fox (vice chair) – LEOFF Arlista Holman – SERS Judy Kuschel – PERS Stephen Miller – TRS Nonvoting members – investment professionals William A. Longbrake Richard Muhlebach Robert S. Nakahara David Nierenberg Jeffrey T. Seely
Office of Financial Management PO Box 43113 Olympia, WA 98504-3113 Phone: 360.902.0555 Website: www.ofm.wa.gov	Advises the governor on pension and funding policies and issues	David Shumacher – Director (The governor appoints the director of OFM.)
Office of the State Actuary PO Box 40914 Olympia, WA 98504-0914 Phone: 360.786.6140 Website: osa.leg.wa.gov	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	Matt Smith – State Actuary (The State Actuary Appointment Committee appoints the state actuary.)
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	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	Fire fighter representatives Kelly Fox (chair) Michael White Mark Johnston Law enforcement representatives Rep. Jeff Holy (retired) Wally Loucks Jason Granneman Employer representatives David Cline Dave Upthegrove Paul Golnik Legislators Rep. Kevin Van De Wege Sen. Judy Warnick

Pension System Roles and Responsibilities (cont.)

Pension System Roles and Responsibilities — Page 2 of 3

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

Pension System Roles and Responsibilities (cont.)

Pension System Roles and Responsibilities — Page 3 of 3

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

Letter of Transmittal



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

October 14, 2016

The Honorable Jay Inslee, Governor
Members of the Sixty-Fourth Legislature
Members of the Select Committee on Pension Policy
State of Washington
Olympia, WA 98504

We are pleased to present our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. 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).

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, have issued an unmodified ("clean") opinion on DRS' financial statements for the year ended June 30, 2016. 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, 2016, 1,336 employers were covered, 153 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."

DRS' management is responsible for establishing and

Letter of Transmittal (cont.)

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 for all systems is \$71.5 billion. The accrued liability is \$83.6 billion.

The accrued liability exceeds the net actuarial value of assets available for benefits by \$12 billion. The ratio of assets to liabilities is 86%, compared to 87% 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 2016, the CTF investments provided a 2.7% rate of return. The annualized rate of return was 8.0% over the past three years and 7.5% over the past five years.

A listing of investment professionals who provide services to the WSIB begins on page 109 in the Investment Section of this CAFR. Further 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, 2015.

This was the 21st consecutive year DRS has 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 to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility.

Letter of Transmittal (cont.)

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.

We would also like to take this opportunity to acknowledge Marcie Frost, who concluded her service with DRS in August. Marcie served in numerous roles at DRS over the past 15 years, including the last four years as agency director. Her leadership set DRS on

the path to high levels of customer satisfaction and team member engagement, a journey that continues today and into the future. Her service to DRS, public employees and the state of Washington is deeply appreciated.

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

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**Washington State
Department of Retirement Systems**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

2016 Washington State Legislative Actions

In 2016, the Washington state Legislature passed eight pension-related bills that Gov. Jay Inslee signed into law. These laws are described below.

All Pension Systems

SB 5435: This law allows the automatic enrollment of new state employees in the Washington State Deferred Compensation Program (DCP) with a default contribution rate of 3%. Employees will 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.

SB 6091: 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.

PERS

SB 6523: 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.

TRS

SB 6194: This law allows charter school employees to be members of the state retirement systems as long as DRS receives determination from the IRS that the inclusion of those employees won’t jeopardize the status of the systems as government plans.

SB 6455: 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.

LEOFF

SB 5873: 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.

SB 6263: 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.

LEOFF/WSPRS

SB 6264: 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.

Financial Section

2016 Highlights

Transition to single record keeper

2016 marked the culmination of two years of work in successfully transitioning to a single record keeper to serve the state's Plan 3 retirement systems and the Deferred Compensation Program.

The transition created immediate benefits for Plan 3 and DCP customers by providing "one-stop" access to their accounts and comprehensive retirement planning information, both online and on the phone.

For the long term, the unified approach to recordkeeping services will bring a progression of products and enhancements that will provide personalized retirement readiness tools and services for all DRS customers.



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, 2016, 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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, DRS' fiduciary net position as of June 30, 2016, 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, 2016, 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.)

Report on Summarized Comparative Information

We have previously audited the DRS' 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 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 an opinion 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 14, 2016

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, 2016. Please read it in conjunction with the "Letter of Transmittal," beginning on page 8, and the financial statements, beginning on page 20.

Financial Highlights

- The overall financial position of DRS improved during the year; the fiduciary net position of all the pension funds increased \$1,018.0 million.
- The covered payroll requiring both employee and employer pension contributions reported during the year totaled \$18,781.1 million, representing a 5.6% increase over the previous year.
- Employer contributions totaled \$2,025.9 million, and member contributions (including restorations) totaled \$1,342.6 million, representing increases of 26% and 17%, 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) decreased \$1,760.2 million to \$1,967.2 million.
- Pension benefits paid to retirees and beneficiaries increased \$204.8 million, bringing the total benefit payments to \$3,856.5 million. Refunds of contributions paid to former retirement system members increased 1% to \$740.3 million.
- Administrative expenses totaled \$35.6 million and represented a 12% 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" reports the assets, liabilities and resulting net position available for pension and other benefits as of June 30, 2016. The "Statement of Changes in Fiduciary Net Position" 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 are an integral part of the financial statements and include additional information not readily evident in the statements. Note 1 provides a summary of significant accounting policies and plan asset matters. Note 2 provides a general description of each retirement plan and includes membership information, employer net pension liability and actuarial assumptions.

Required Supplementary Information

Two years of financial statements alone might not 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 "Schedule 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.

Supporting Schedules and Other Financial Information

The supporting schedules provide additional detailed information that is useful in evaluating the condition of the plans DRS administers.

Management's Discussion and Analysis (cont.)

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 2016	Fiscal Year 2015	Increase (Decrease) Amount	Increase (Decrease) Percentage
Assets				
Cash and Pooled Investments	\$ 42.8	\$ 40.8	\$ 2.0	5.0%
Receivables	3,470.3	2,641.3	829.0	31.0%
Capital Assets, Net of Depreciation	0.2	0.2	—	0.0%
Investments, Noncurrent	90,648.2	90,284.2	364.0	0.4%
Other Assets	1.4	1.3	0.1	8.0%
Total Assets	94,162.9	92,967.8	1,195.1	1.0%
Liabilities				
Obligations Under Securities Lending Agreements	683.1	843.1	(160.0)	(19.0)%
Other Short-Term Liabilities	2,986.0	2,648.9	337.1	13.0%
Long-Term Obligations	1.4	1.4	—	0.0%
Total Liabilities	3,670.5	3,493.4	177.1	5.0%
Fiduciary Net Position	\$ 90,492.4	\$ 89,474.4	\$ 1,018.0	1.0%

The fiduciary net position increased by \$1,018.0 million in fiscal year 2016 and totaled \$90,492.4 million at fiscal year-end. The increase was mostly due to investment returns and an increase of employer and employee contributions during the fiscal year.

Total trust-fund assets as of June 30, 2016, were \$94,162.9 million, representing an increase of \$1,195.1 million, or 1% over the previous fiscal year. The trust-fund asset growth was primarily due to investment returns and the contribution rate increase during the fiscal year, which resulted in a substantial increase to receivables. Total investments increased by \$364.0 million, or 0.4%. Total trust-fund liabilities as of June 30, 2016, were \$3,670.5 million, representing an increase of \$177.1 million, or 5%, over the previous year. The increase in liabilities is mostly attributable to

pending investment trades.

Analysis of Changes in Fiduciary Net Position Dollars in Millions				
Changes in Fiduciary Net Position	Fiscal Year 2016	Fiscal Year 2015	Increase (Decrease) Amount	Increase (Decrease) Percentage
Additions				
Employer Contributions	\$ 2,025.9	\$ 1,611.1	\$ 414.8	26.0%
Member Contributions	1,342.6	1,146.5	196.1	17.0%
State Contributions	70.4	68.9	1.5	2.0%
Participant Contributions	213.5	208.4	5.1	2.0%
Net Investment Income (Loss)	1,967.2	3,727.4	(1,760.2)	(47.0)%
Charges for Services	36.8	34.4	2.4	7.0%
Transfers from Other Pension Plans	5.9	4.8	1.1	23.0%
Total Additions	5,662.3	6,801.5	(1,139.2)	(17.0)%
Deductions				
Benefits	3,856.5	3,651.7	204.8	6.0%
Refunds of Contributions	740.3	731.7	8.6	1.0%
Transfers to Other Pension Plans	5.9	4.8	1.1	23.0%
Transfers to Other Funds	6.0	—	6.0	100.0%
Administrative Expenses	35.6	31.7	3.9	12.0%
Total Deductions	4,644.3	4,419.9	224.4	5.0%
Net Increase/ (Decrease)	1,018.0	2,381.6	(1,363.6)	(57.0)%
Fiduciary Net Position: July 1	89,474.4	87,092.8	2,381.6	3.0%
Fiduciary Net Position: June 30	\$ 90,492.4	\$ 89,474.4	\$ 1,018.0	1.0%

Additions to the retirement trust funds primarily consist of contributions from employers, active system members and 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 2016 totaled \$5,656.4 million, a decrease of \$1,140.3 million from fiscal year 2015. This was primarily due to the \$1,760.2 million decrease in net income from investment activities. The investment performance yielded a 2.7% total return for the retirement funds' Commingled Trust Fund (CTF), compared to the 4.9% return of the previous year.

Management's Discussion and Analysis (cont.)

Employer contributions increased \$414.8 million, or 26%, and totaled \$2,025.9 million. This increase was the result of increased employment, salaries, and employer and employee contribution rates. Total covered payroll was \$18,781.1 million and represented a 5.6% increase over the previous year.

Member contributions include both regular and restoration contributions as well as service credit purchases. Total contributions increased \$196.1 million, or 17%, over the previous year and totaled \$1,342.6 million for fiscal year 2016.

- Regular member contributions increased \$186.9 million to \$1,277.7 million and reflected increased employment, salaries and member contribution rates.
- Other contributions increased \$9.3 million to \$64.9 million during the current year.

State contributions increased \$1.5 million to \$70.4 million in fiscal year 2016. 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 \$58.3 million to \$60.4 million. State contributions to the Judicial Retirement System (JRS) decreased to \$9.5 million, and the Judges' Retirement Fund (JRF) received \$0.5 million during the current year.

Participant contributions to the Deferred Compensation Program (DCP) increased 2% over the prior year and totaled \$213.5 million in fiscal year 2016. As of June 30, 2016, the number of active and contributing DCP participants was 37,663 and represented an increase of 834, or 2% over the previous year.

Transfers from and to other pension plans was at \$5.9 million in fiscal year 2016. Other additions increased by \$0.01 million to \$0.08 million in fiscal year 2016.

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

Total trust fund deductions (excluding plan transfers) for fiscal year 2016 were \$4,638.3 million, an increase of \$218.4 million, or 5%, over fiscal year 2015. This growth resulted primarily from an increase in benefits paid to retirees and beneficiaries. Benefit payments increased \$204.8 million, or 6%, 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 2016 were \$740.3 million, representing an \$8.6 million increase from the previous year. Of this increase, \$18.5 million can be attributed to employees withdrawing their plan contributions upon terminating public employment and a \$9.9 million decrease can be attributed to reduced 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, 2016, total investment was \$2.5 million, with accumulated depreciation of \$2.3 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. More 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 more information, contact DRS at PO Box 48380, Olympia, WA 98504-8380.

Statement of Fiduciary Net Position

Pension Trust Funds by Plan					
June 30, 2016, with Comparative Totals for June 30, 2015 — 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	\$ 3,072	\$ 7,319	\$ 308	\$ 2,764	\$ 1,147
Receivables					
Due from Other Governments	3,560	72,336	5,525	14,956	5,833
Member Accounts Receivable (Net of Allowance)	588	261	—	15	—
Interest and Dividends	26,104	111,965	5,444	15,489	4,670
Investments Trades Pending Receivable — Short Term	243,085	1,044,125	50,756	144,394	43,547
Due from Pension Funds	43,940	2,071	—	558	—
Due from Other Washington State Agencies	3	3	—	—	—
Total Receivables	<u>317,280</u>	<u>1,230,761</u>	<u>61,725</u>	<u>175,412</u>	<u>54,050</u>
Capital Assets, Net of Depreciation	<u>46</u>	<u>42</u>	<u>—</u>	<u>8</u>	<u>—</u>
Investments					
Equity in CTF	6,897,925	29,614,802	1,439,619	4,095,562	1,235,055
Liquidity	157,790	698,273	41,268	100,934	33,265
Other Noncurrent Investments	—	—	991,774	—	425,680
Collateral Held Under Securities Lending Agreements	59,004	251,928	12,224	34,922	10,487
Total Investments	<u>7,114,719</u>	<u>30,565,003</u>	<u>2,484,885</u>	<u>4,231,418</u>	<u>1,704,487</u>
Other Assets	<u>333</u>	<u>310</u>	<u>—</u>	<u>56</u>	<u>—</u>
Total Assets	<u>7,435,450</u>	<u>31,803,435</u>	<u>2,546,918</u>	<u>4,409,658</u>	<u>1,759,684</u>
Liabilities					
Obligations Under Securities Lending Agreements	59,004	251,928	12,224	34,922	10,487
Accounts Payable	1,709	5,804	4,811	797	4,387
Investment Trades Pending Payable — Short Term	239,094	1,028,982	47,923	142,026	42,829
Due to Other Governments	5,963	3,516	—	752	—
Due to Pension Funds	7	27,233	1,545	16,566	463
Due to Washington State Agencies	106	102	—	13	—
Other Short-Term Liabilities	—	9	—	15	—
Other Long-Term Obligations	333	310	—	56	—
Accrued Salaries	173	163	—	29	—
Unearned Revenues	56	336	—	1	—
Total Liabilities	<u>306,445</u>	<u>1,318,383</u>	<u>66,503</u>	<u>195,177</u>	<u>58,166</u>
Fiduciary Net Position					
Pension Plans	7,129,005	30,485,052	2,480,415	4,214,481	1,701,518
DCP	—	—	—	—	—
Total Fiduciary Net Position	<u>\$ 7,129,005</u>	<u>\$ 30,485,052</u>	<u>\$ 2,480,415</u>	<u>\$ 4,214,481</u>	<u>\$ 1,701,518</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position (cont.)

Pension Trust Funds by Plan					
June 30, 2016, with Comparative Totals for June 30, 2015 — 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	\$ 568	\$ 2,634	\$ 4,231	\$ 5,125	\$ 1,856
Receivables					
Due from Other Governments	2,443	1,089	40,796	26,201	411
Member Accounts Receivable (Net of Allowance)	—	172	110	—	186
Interest and Dividends	1,456	20,238	39,861	16,681	19,771
Investments Trades Pending Receivable — Short Term	13,570	188,448	371,608	155,527	184,268
Due from Pension Funds	5	98,607	2,505	—	266
Due from Other Washington State Agencies	—	2	1	—	1
Total Receivables	17,474	308,556	454,881	198,409	204,903
Capital Assets, Net of Depreciation	—	40	23	—	22
Investments					
Equity in CTF	388,300	5,349,038	10,539,999	4,411,245	5,228,445
Liquidity	8,809	122,325	269,330	124,737	119,611
Other Noncurrent Investments	—	—	—	2,792,850	—
Collateral Held Under Securities Lending Agreements	3,288	45,731	89,837	37,455	44,528
Total Investments	400,397	5,517,094	10,899,166	7,366,287	5,392,584
Other Assets	3	288	170	—	157
Total Assets	418,442	5,828,612	11,358,471	7,569,821	5,599,522
Liabilities					
Obligations Under Securities Lending Agreements	3,288	45,731	89,837	37,455	44,528
Accounts Payable	73	1,238	2,062	10,068	1,378
Investment Trades Pending Payable — Short Term	13,348	185,354	365,506	152,973	181,243
Due to Other Governments	2	6,011	1,516	—	1
Due to Pension Funds	983	5	98,838	2,216	4
Due to Washington State Agencies	2	66	41	—	37
Other Short-Term Liabilities	—	—	31	—	—
Other Long-Term Obligations	3	288	170	—	157
Accrued Salaries	2	148	87	—	80
Unearned Revenues	—	500	123	—	—
Total Liabilities	17,701	239,341	558,211	202,712	227,428
Fiduciary Net Position					
Pension Plans	400,741	5,589,271	10,800,260	7,367,109	5,372,094
DCP	—	—	—	—	—
Total Fiduciary Net Position	\$ 400,741	\$ 5,589,271	\$ 10,800,260	\$ 7,367,109	\$ 5,372,094

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position (cont.)

Pension Trust Funds by Plan June 30, 2016, with Comparative Totals for June 30, 2015 — Page 3 of 4				
Dollars in Thousands	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	JRF
Assets				
Cash and Pooled Investments	\$ 2,104	\$ 829	\$ 6,807	\$ 585
Receivables				
Due from Other Governments	15,207	546	—	—
Member Accounts Receivable (Net of Allowance)	72	1	2	—
Interest and Dividends	37,480	4,038	6	—
Investments Trades Pending Receivable — Short Term	349,500	37,635	—	—
Due from Pension Funds	161	32	—	—
Due from Other Washington State Agencies	1	—	—	—
Total Receivables	402,421	42,252	8	—
Capital Assets, Net of Depreciation	13	3	—	—
Investments				
Equity in CTF	9,927,219	1,068,266	—	—
Liquidity	226,500	24,430	—	—
Other Noncurrent Investments	—	—	—	—
Collateral Held Under Securities Lending Agreements	84,304	9,110	222	19
Total Investments	10,238,023	1,101,806	222	19
Other Assets	95	19	—	—
Total Assets	10,642,656	1,144,909	7,037	604
Liabilities				
Obligations Under Securities Lending Agreements	84,304	9,110	222	19
Accounts Payable	2,432	226	1	—
Investment Trades Pending Payable — Short Term	343,761	37,018	—	—
Due to Other Governments	29	229	30	2
Due to Pension Funds	276	9	—	—
Due to Washington State Agencies	33	5	—	—
Other Short-Term Liabilities	—	—	—	—
Other Long-Term Obligations	95	19	—	—
Accrued Salaries	53	10	—	—
Unearned Revenues	313	8	—	—
Total Liabilities	431,296	46,634	253	21
Fiduciary Net Position				
Pension Plans	10,211,360	1,098,275	6,784	583
DCP	—	—	—	—
Total Fiduciary Net Position	\$ 10,211,360	\$ 1,098,275	\$ 6,784	\$ 583

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position (cont.)

Pension Trust Funds by Plan June 30, 2016, with Comparative Totals for June 30, 2015 — Page 4 of 4				
Dollars in Thousands	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation Program	June 30, 2016	June 30, 2015
Assets				
Cash and Pooled Investments	\$ 9	\$ 3,392	\$ 42,750	\$ 40,779
Receivables				
Due from Other Governments	—	—	188,903	175,762
Member Accounts Receivable (Net of Allowance)	2	2,144	3,553	3,755
Interest and Dividends	—	2	303,205	229,634
Investments Trades Pending Receivable — Short Term	—	—	2,826,463	2,178,827
Due from Pension Funds	—	—	148,145	53,192
Due from Other Washington State Agencies	—	—	11	157
Total Receivables	2	2,146	3,470,280	2,641,327
Capital Assets, Net of Depreciation	—	—	197	210
Investments				
Equity in CTF	—	—	80,195,475	79,714,373
Liquidity	—	—	1,927,272	1,908,916
Other Noncurrent Investments	11,039	3,621,024	7,842,367	7,817,770
Collateral Held Under Securities Lending Agreements	—	110	683,169	843,162
Total Investments	11,039	3,621,134	90,648,283	90,284,221
Other Assets	—	—	1,431	1,353
Total Assets	11,050	3,626,672	94,162,941	92,967,890
Liabilities				
Obligations Under Securities Lending Agreements	—	110	683,169	843,162
Accounts Payable	—	567	35,553	32,358
Investment Trades Pending Payable — Short Term	—	—	2,780,057	2,542,543
Due to Other Governments	—	—	18,051	17,103
Due to Pension Funds	—	—	148,145	53,192
Due to Washington State Agencies	—	11	416	541
Other Short-Term Liabilities	—	1,546	1,601	1,435
Other Long-Term Obligations	—	—	1,431	1,353
Accrued Salaries	—	47	792	724
Unearned Revenues	—	—	1,337	1,026
Total Liabilities	—	2,281	3,670,552	3,493,437
Fiduciary Net Position				
Pension Plans	11,050	—	86,867,998	85,860,530
DCP	—	3,624,391	3,624,391	3,613,923
Total Fiduciary Net Position	\$ 11,050	\$ 3,624,391	\$ 90,492,389	\$ 89,474,453

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

Pension Trust Funds by Plan					
June 30, 2016, with Comparative Totals for June 30, 2015 — 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	\$ 595,982	\$ 563,328	\$ —	\$ 115,480	\$ —
Plan Member	13,663	472,528	119,988	45,946	67,713
State	—	—	—	—	—
Plan Member Restorations	4,794	24,745	—	1,209	—
Total Retirement Contributions	614,439	1,060,601	119,988	162,635	67,713
Participant Contributions	—	—	—	—	—
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	21,749	168,034	8,847	23,541	8,107
Interest and Other Investment Income	117,349	482,056	25,493	66,448	21,149
Dividends	46,465	192,607	9,340	26,580	8,061
Less: Investment Expenses	(29,313)	(120,667)	(6,651)	(16,834)	(5,290)
Subtotal Net Investment Income/(Loss)	156,250	722,030	37,029	99,735	32,027
Securities Lending Income					
Securities Lending Income	1,223	5,048	245	696	213
Less: Costs of Lending Securities	(390)	(1,602)	(78)	(220)	(69)
Net Securities Lending Income	833	3,446	167	476	144
Total Net Investment Income/(Loss)	157,083	725,476	37,196	100,211	32,171
Charges for Services	2,830	12,702	375	2,019	330
Transfers from Other Pension Plans	117	360	2,165	27	1,102
Miscellaneous	6	30	—	5	—
Total Additions	774,475	1,799,169	159,724	264,897	101,316
Deductions					
Benefits	1,198,836	776,213	—	112,753	—
Contribution Refunds	4,373	36,302	92,444	2,494	85,019
Annuity Payments	—	—	4,112	—	2,610
Transfers to Other Pension Plans	27	2,463	567	833	311
Transfers to Other Funds	493	2,277	—	409	—
Administrative Expenses	2,819	12,023	375	1,782	330
Total Deductions	1,206,548	829,278	97,498	118,271	88,270
Net Increase (Decrease)	(432,073)	969,891	62,226	146,626	13,046
Fiduciary Net Position					
Beginning of Year: July 1	7,561,078	29,515,161	2,418,189	4,067,855	1,688,472
End of Year: June 30	\$ 7,129,005	\$ 30,485,052	\$ 2,480,415	\$ 4,214,481	\$ 1,701,518

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position (cont.)

Pension Trust Funds by Plan					
June 30, 2016, with Comparative Totals for June 30, 2015 — 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	\$ 20,058	\$ 315,934	\$ 316,022	\$ —	\$ —
Plan Member	21,134	5,059	64,263	309,813	—
State	—	—	—	—	—
Plan Member Restorations	14	3,743	4,324	—	837
Total Retirement Contributions	<u>41,206</u>	<u>324,736</u>	<u>384,609</u>	<u>309,813</u>	<u>837</u>
Participant Contributions	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment Income					
Net Appreciation (Depreciation) in Fair Value of Investments	3,108	11,783	63,006	39,620	19,273
Interest and Other Investment Income	6,028	92,454	171,196	75,414	88,086
Dividends	2,421	36,519	68,027	28,752	34,974
Less: Investment Expenses	(1,504)	(23,105)	(43,337)	(20,155)	(22,008)
Subtotal Net Investment Income/(Loss)	<u>10,053</u>	<u>117,651</u>	<u>258,892</u>	<u>123,631</u>	<u>120,325</u>
Securities Lending Income					
Securities Lending Income	63	962	638	1,897	920
Less: Costs of Lending Securities	(19)	(307)	(566)	(239)	(293)
Net Securities Lending Income	<u>44</u>	<u>655</u>	<u>72</u>	<u>1,658</u>	<u>627</u>
Total Net Investment Income/(Loss)	<u>10,097</u>	<u>118,306</u>	<u>258,964</u>	<u>125,289</u>	<u>120,952</u>
Charges for Services	<u>159</u>	<u>2,218</u>	<u>6,046</u>	<u>1,159</u>	<u>2,131</u>
Transfers from Other Pension Plans	<u>1</u>	<u>—</u>	<u>71</u>	<u>1,585</u>	<u>—</u>
Miscellaneous	<u>—</u>	<u>5</u>	<u>16</u>	<u>—</u>	<u>5</u>
Total Additions	<u>51,463</u>	<u>445,265</u>	<u>649,706</u>	<u>437,846</u>	<u>123,925</u>
Deductions					
Benefits	630	912,055	218,011	—	360,484
Contribution Refunds	2,647	1,182	2,971	289,785	538
Annuity Payments	—	12,322	—	10,034	—
Transfers to Other Pension Plans	62	—	679	938	—
Transfers to Other Funds	28	386	1,255	—	371
Administrative Expenses	<u>150</u>	<u>2,015</u>	<u>5,321</u>	<u>1,158</u>	<u>1,938</u>
Total Deductions	<u>3,517</u>	<u>927,960</u>	<u>228,237</u>	<u>301,915</u>	<u>363,331</u>
Net Increase (Decrease)	<u>47,946</u>	<u>(482,695)</u>	<u>421,469</u>	<u>135,931</u>	<u>(239,406)</u>
Fiduciary Net Position					
Beginning of Year: July 1	<u>352,795</u>	<u>6,071,966</u>	<u>10,378,791</u>	<u>7,231,178</u>	<u>5,611,500</u>
End of Year: June 30	<u>\$ 400,741</u>	<u>\$ 5,589,271</u>	<u>\$ 10,800,260</u>	<u>\$ 7,367,109</u>	<u>\$ 5,372,094</u>

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position (cont.)

Pension Trust Funds by Plan				
June 30, 2016, with Comparative Totals for June 30, 2015 — Page 3 of 4				
Dollars in Thousands	Pension Trust			
	LEOFF Plan 2	WSPRS Plan 1/2	JRS	JRF
Additions				
Retirement Contributions				
Employer	\$ 92,049	\$ 7,044	\$ —	\$ —
Plan Member	151,659	5,895	—	—
State	60,375	—	9,500	501
Plan Member Restorations	22,212	3,000	—	—
Total Retirement Contributions	326,295	15,939	9,500	501
Participant Contributions	—	—	—	—
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	57,610	4,864	30	3
Interest and Other Investment Income	161,133	17,735	48	4
Dividends	64,384	7,058	—	—
Less: Investment Expenses	(40,223)	(4,429)	—	—
Subtotal Net Investment Income/(Loss)	242,904	25,228	78	7
Securities Lending Income				
Securities Lending Income	1,685	185	—	—
Less: Costs of Lending Securities	(535)	(59)	—	—
Net Securities Lending Income	1,150	126	—	—
Total Net Investment Income/(Loss)	244,054	25,354	78	7
Charges for Services	4,052	436	3	—
Transfers from Other Pension Plans	23	429	—	—
Miscellaneous	9	1	—	—
Total Additions	574,433	42,159	9,581	508
Deductions				
Benefits	184,067	53,651	9,131	440
Contribution Refunds	6,645	508	—	—
Annuity Payments	—	—	—	—
Transfers to Other Pension Plans	—	—	—	—
Transfers to Other Funds	705	76	—	—
Administrative Expenses	5,305	448	2	1
Total Deductions	196,722	54,683	9,133	441
Net Increase (Decrease)	377,711	(12,524)	448	67
Fiduciary Net Position				
Beginning of Year: July 1	9,833,649	1,110,799	6,336	516
End of Year: June 30	\$ 10,211,360	\$ 1,098,275	\$ 6,784	\$ 583

The accompanying notes are an integral part of this statement.

Statement of Changes in Fiduciary Net Position (cont.)

Pension Trust Funds by Plan				
June 30, 2016, with Comparative Totals for June 30, 2015 — Page 4 of 4				
Dollars in Thousands	Pension Trust		Totals	
	JRA Defined Contribution	Deferred Compensation Program	June 30, 2016	June 30, 2015
Additions				
Retirement Contributions				
Employer	\$ 21	\$ —	\$ 2,025,918	\$ 1,611,122
Plan Member	21	—	1,277,682	1,090,841
State	—	—	70,376	68,939
Plan Member Restorations	—	—	64,878	55,615
Total Retirement Contributions	42	—	3,438,854	2,826,517
Participant Contributions	—	213,531	213,531	208,424
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	(45)	1,967	431,497	2,216,836
Interest and Other Investment Income	37	8,048	1,332,678	1,289,777
Dividends	18	7,174	532,380	526,304
Less: Investment Expenses	(15)	(5,181)	(338,712)	(312,736)
Subtotal Net Investment Income/(Loss)	(5)	12,008	1,957,843	3,720,181
Securities Lending Income				
Securities Lending Income	—	—	13,775	10,954
Less: Costs of Lending Securities	—	—	(4,377)	(3,720)
Net Securities Lending Income	—	—	9,398	7,234
Total Net Investment Income/(Loss)	(5)	12,008	1,967,241	3,727,415
Charges for Services	—	2,317	36,777	34,415
Transfers from Other Pension Plans	—	—	5,880	4,754
Miscellaneous	—	3	80	67
Total Additions	37	227,859	5,662,363	6,801,592
Deductions				
Benefits	1,231	—	3,827,502	3,628,379
Contribution Refunds	—	215,450	740,358	731,693
Annuity Payments	—	—	29,078	23,365
Transfers to Other Pension Plans	—	—	5,880	4,754
Transfers to Other Funds	—	—	6,000	—
Administrative Expenses	1	1,941	35,609	31,754
Total Deductions	1,232	217,391	4,644,427	4,419,945
Net Increase (Decrease)	(1,195)	10,468	1,017,936	2,381,647
Fiduciary Net Position				
Beginning of Year: July 1	12,245	3,613,923	89,474,453	87,092,806
End of Year: June 30	\$ 11,050	\$ 3,624,391	\$ 90,492,389	\$ 89,474,453

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 net fiduciary position for each plan. The SCFNP includes information about the additions

to, deductions from and net increase (or decrease) in fiduciary net position for each plan for the year. 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.

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 hierarchy established by generally accepted accounting principles.

The table below presents fair value measurements as of June 30, 2016, for the retirement funds that the WSIB manages within the Commingled Trust Fund (CTF).

Investments Measured at Fair Value				
As of June 30, 2016 — Dollars in Thousands				
Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
Mortgage- and Other Asset-Backed Securities	\$ 1,075,525	\$ —	\$ 1,075,525	\$ —
Corporate Bonds	9,059,916	—	9,059,916	—
U.S. and Foreign Government and Agency Securities	7,609,073	—	7,609,073	—
Total Debt Securities	17,744,514	—	17,744,514	—
Equity Securities				
Common and Preferred Stock	17,657,739	17,624,497	33,242	—
Depository Receipts and Other Miscellaneous	805,770	803,626	2,144	—
Mutual Funds and Exchange-Traded Funds	1,813	1,813	—	—
Real Estate Investment Trusts	321,054	321,054	—	—
Private Equity and Tangible Asset Funds	158,092	158,092	—	—
Total Equity Securities	18,944,468	18,909,082	35,386	—
Total Return Swap Contracts (Investment Derivative)	22	—	22	—
Total Investments by Fair Value Level	36,689,004	18,909,082	17,779,922	—
Investments Measured at Net Asset Value				
Private Equity	17,297,657	—	—	—
Real Estate	13,210,236	—	—	—
Tangible Assets	2,462,636	—	—	—
Collective Investment Trust Funds (Equity Securities)	10,463,890	—	—	—
Total Investments at Net Asset Value	43,434,419	—	—	—
Total Investments Measured at Fair Value	\$ 80,123,423	\$ —	\$ —	\$ —
Other Assets at Fair Value				
Collateral Held Under Securities Lending Agreements ¹	683,169	—	683,169	—
Net Foreign Exchange Contracts Receivable — Forward and Spot	10,303	—	10,303	—
Margin Variation Receivable — Futures Contracts	17,474	—	17,474	—
Total Other Assets Measured at Fair Value	\$ 710,946	\$ —	\$ 710,946	\$ —

¹ This entry includes \$2.5 million of collateral the OST holds under securities lending agreements. Collateral the OST holds under securities lending agreement is classified in Level 2 of the fair value hierarchy and is valued using observable inputs, including quoted prices for similar securities and interest rates.

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 \$1.9 billion are reported as liquidity in the SFNP.

Investments Classified as Level 1: Investments classified as Level 1 in the table on the previous page are exchange-traded equity securities whose values are based on published market prices and quotations from national security exchanges as of the New York Stock Exchange's close at the end of each reporting period.

Investments Classified as Level 2: Investments classified as Level 2 in the table on the previous page 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 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 capital account balance the general partner reports 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.

Even though the limited partnerships' annual financial statements are audited by independent auditors, due to the inherent uncertainties in estimating fair values, it is possible that the estimates will change in the near-term or the subsequent sale of assets will be different from the reported net asset value.

With the exception of two publicly traded funds, these investments can never be redeemed. Instead, the nature of these investments provides for distributions through the liquidation of the underlying assets or net operating cash flows. It is anticipated that the various investments within each asset class will be liquidated over the following periods:

Liquidation Periods	Private Equity	Real Estate	Tangible Assets	Total	% of Total
Publicly Traded, Level 1	99,640	—	58,452	158,092	0.5%
Fewer Than 3 years	124,200	168,081	40	292,321	0.9%
3 to 9 years	8,151,758	2,033,012	763,507	10,948,277	33.0%
10 or more years	9,021,699	11,009,143	1,699,090	21,729,932	65.6%
Total	17,397,297	13,210,236	2,521,089	33,128,622	100.0%

Private Equity: This includes 262 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 valuation reported by private equity partnerships using the following methodologies to value the underlying portfolio companies:

- Valuations of publicly traded portfolio companies are based on active exchanges using quoted market prices as of the close of trading 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 unique factors that affect the fair value of the investment held.
- When portfolio company investments are private holdings and are not traded on active security exchanges, methodologies 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

Notes to the Financial Statements (cont.)

valuing a company at a multiple of a specified financial measure, generally earnings before interest, taxes, depreciation and amortization, based on multiples of comparable publicly traded companies.

Real Estate: This includes 31 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 quarterly valuations to the pension trust fund management. Individual properties are valued by the investment management at least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are generally externally appraised every one to five years, depending on the investment. Structured finance investments receive quarterly adjustments by the partners, generally applying the assumption that all such positions will be held to maturity. Annual audits of partnerships include a review of compliance with each partnership's valuation policies.

Tangible Assets: This includes 29 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 net asset value 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 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 a notional (underlying) principal value, and do not involve an actual transfer of the specific

Notes to the Financial Statements (cont.)

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.

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

DCP, JRA and Plan 3 Self-Directed Investments As of June 30, 2016 — Dollars in Thousands	
	Fair Value
Investments Measured at Net Asset Value	
Target Date Funds (Retirement Strategy Funds)	\$ 3,593,054
Equity Index Funds	1,949,231
Bond Funds	673,910
Short-Term Investment Funds	501,793
Balanced Fund	252,675
Subtotal	6,970,663
Investments Measured at Contract Value	
Guaranteed Investment Contracts	871,704
Total	\$ 7,842,367

DCP, JRA and Plan 3 defined contribution Self plan assets 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 is allowed to deviate from the index's duration by plus or minus 15%. The Bond Fund staff determines a net asset value per share by obtaining fair values of the underlying 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. The valuation methodologies the fund uses maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. 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

Notes to the Financial Statements (cont.)

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 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.

Notes to the Financial Statements (cont.)

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 are 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 a valuation 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

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. Unrealized gains and losses are included in the SCFNP.

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, Investments and Securities Lending

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 Corporation (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 (43.84.080 RCW) specifies that whenever a fund or cash balance in the state treasury is more than sufficient to meet the current expenditures, the OST may invest or reinvest such portion of the funds or balances as the OST deems expedient. Statute authorizes the OST to buy and sell the following types of instruments: U.S. government and agency securities, bankers'

Notes to the Financial Statements (cont.)

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.

Deposits — 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, 2016, the carrying amount of DRS' cash and pooled investment deposits is \$42.8 million, all of which is insured or collateralized.

Investments: The WSIB has been authorized by statute as having the investment management responsibility for 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; and derivative securities, including futures, options, options on futures, forward contracts and swap transactions.

There were no violations of these investment restrictions during fiscal year 2016.

Investments — Interest Rate Risk: "Interest rate risk" is the risk that changes in interest rates over time will adversely affect the fair value of an investment. 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 into decreases in the fair values of those investments.

The retirement funds' fixed income investments are to be 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, 2016, the retirement funds' duration was within the duration target of this index.

The schedule on page 36 provides information about the interest rate risks associated with the categorized investments in the Commingled Trust Fund (CTF) as of June 30, 2016. 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.

Investments — 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, 2016, were rated by Moody's and/or an equivalent national rating organization.

Credit ratings for the retirement funds' rated debt investments as of June 30, 2016, are presented in the schedule on page 36.

Notes to the Financial Statements (cont.)

Investment Maturities

As of June 30, 2016 — 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	\$ 1,075,525	\$ 99,821	\$ 942,448	\$ 33,256	\$ —	2.8
Corporate Bonds	9,059,916	545,196	3,695,920	3,463,220	1,355,580	6
U.S. Government and Agency Securities	6,291,884	1,009,773	2,756,616	1,730,337	795,158	6.2
Foreign Government and Agency Securities	1,317,189	119,441	436,992	474,919	285,837	5.6
Total Retirement Funds Investment Categorized	\$ 17,744,514	\$ 1,774,231	\$ 7,831,976	\$ 5,701,732	\$ 2,436,575	5.9 ¹
Investments Not Required to Be Categorized						
Cash and Cash Equivalents	1,999,324					
Equity Securities	29,250,266					
Alternative Investments	33,128,621					
Return Swap Contracts	22					
Total Investments Not Categorized	\$ 64,378,233					
DCP, JRA and Defined Contribution Self Plan Assets						
Retirement Strategy Funds (Target Date Funds)	3,593,054					
Equity Index Funds	1,949,231					
Guaranteed Investment Contracts	871,704					
Bond Funds	673,910					
Short-Term Investment Funds	501,793					
Balanced Fund	252,675					
Total DCP, JRA and Defined Contribution Self Plan Assets	\$ 7,842,367					
Securities Under Lending Agreements	683,169					
Total Investments as of June 30, 2016	\$ 90,648,283					

¹ Excludes cash balances in calculation

Investment Credit Ratings

As of June 30, 2016 — 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	\$ 7,964,150	\$ 1,069,082	\$ 455,439	\$ 6,291,884	\$ 147,745
Aa1	76,812	—	17,549	—	59,263
Aa2	190,569	389	95,469	—	94,711
Aa3	877,712	—	668,309	—	209,403
A1	737,437	—	737,437	—	—
A2	455,817	—	455,817	—	—
A3	1,178,755	—	1,106,334	—	72,421
Baa1	1,292,003	—	1,187,267	—	104,736
Baa2	1,204,009	—	1,050,247	—	153,762
Baa3	2,161,786	5,135	1,982,213	—	174,438
Ba1 or Lower	1,605,464	919	1,303,835	—	300,710
Total	\$ 17,744,514	\$ 1,075,525	\$ 9,059,916	\$ 6,291,884	\$ 1,317,189

Notes to the Financial Statements (cont.)

Foreign Currency Exposure by Country As of June 30, 2016 — 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	Total
Australian Dollar	\$ 5,798	\$ 282,611	\$ 462,452	\$ —	\$ 6,665	\$ 1,866	\$ 759,392
Brazilian Real	241	142,924	129,527	(176)	—	3,987	276,503
Canadian Dollar	9,791	—	656,922	—	—	(300)	666,413
Chilean Peso	195	60,847	14,364	—	—	(14)	75,392
Colombian Peso	—	77,670	—	—	—	1,127	78,797
Danish Krone	536	—	177,424	—	—	(2,249)	175,711
Euro	20,795	—	2,531,600	—	2,332,868	3,101	4,888,364
Hong Kong Dollar	2,974	—	584,272	528	—	14	587,788
Indian Rupee	360	103,926	230,786	—	—	16	335,088
Indonesian Rupiah	126	29,686	67,647	—	—	(50)	97,409
Japanese Yen	25,175	—	1,922,926	—	—	1,465	1,949,566
Malaysian Ringgit	746	52,644	60,409	—	—	320	114,119
Mexican Peso	1,060	84,993	86,525	—	—	(197)	172,381
Philippine Peso	36	29,838	27,660	—	—	29	57,563
Pound Sterling	9,958	—	2,017,233	—	—	(2,818)	2,024,373
Singapore Dollar	1,129	—	169,391	—	—	106	170,626
South African Rand	1,552	—	128,324	—	—	1,186	131,062
South Korean Won	4,460	—	307,308	(293)	—	(1,032)	310,443
Swedish Krona	2,032	—	282,958	—	—	629	285,619
Swiss Franc	371	—	993,081	—	—	(117)	993,335
Taiwan Dollar	3,134	—	208,055	(31)	—	(509)	210,649
Thai Baht	1,110	43,303	68,132	—	—	(50)	112,495
Turkish Lira	1,029	48,745	74,731	3	—	1,249	125,757
Other	1,757	92,281	152,801	—	—	2,544	249,383
Total Foreign Currency Exposure	\$ 94,365	\$ 1,049,468	\$ 11,354,528	\$ 31	\$ 2,339,533	\$ 10,303	\$ 14,848,228

Source: Washington State Investment Board

Investments — Concentration of Credit Risk:

“Concentration of credit risk” is the risk of loss attributed to the magnitude of an investment in a single issuer.

The 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, 2016. 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 2016.

Investments — Custodial Credit Risk: “Custodial credit risk” is the risk that, in the event that a depository institution or counterparty fails, the WSIB would not be able to recover the value of its deposits, investments or collateral securities.

As of June 30, 2016, 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

Notes to the Financial Statements (cont.)

custodial credit risk.

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

The WSIB manages 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, 2016, is presented in the schedule on page 37. The schedule, stated in U.S. dollars, provides information on deposits and investments held in various foreign currencies. Private equity and real estate are presented according to the financial reporting currency of the individual funds and is not a presentation of currency exposure relating to the underlying holdings.

Securities Lending and Repurchase Agreements:

Management responsibilities for securities lending and repurchase agreements are described in the following paragraphs.

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 Corporation (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, 2016, was about \$1.5 billion. The securities on loan remain in the SFNP in their respective categories. Cash collateral received totaling \$683.1 million is reported as a securities lending obligation, and the fair value of the reinvested cash collateral totaling \$683.1 million is reported as securities lending collateral in the SFNP. Collateral held under securities lending agreements and obligations under securities lending agreements reported in the SFNP include \$2.5 million the OST managed. OST securities lending

is documented on page 39.

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, 2016, totaled \$900.0 million.

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 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, 2016:

Cash and Securities Held as Collateral As of June 30, 2016 — Dollars in Millions		
Mortgage-Backed Securities	\$	461.8
Repurchase Agreements		270.4
Yankee CD		151.3
Commercial Paper		115.0
U.S. Treasuries		437.2
Cash Equivalents and Other		137.3
Total Collateral Held	\$	1,573.0

During fiscal year 2016, securities lending transactions could be terminated on demand by either the WSIB or the borrower.

As of June 30, 2016, the collateral held had an average duration of 17.2 days and an average weighted final maturity of 73.4 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

Notes to the Financial Statements (cont.)

investment guidelines specifically prohibit European domiciled holdings. No restrictions exist 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 2016, 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.

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

OST: State statutes permit the OST to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST, 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 a borrower fails to return the securities (or the securities' collateral is inadequate to replace the securities lent) or a 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, 2016, securities lent totaled \$2.4 million. Collateral held under securities lending agreements and obligations under securities lending agreements each totaled \$2.5 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 2016, 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, 2016, no obligations were under reverse repurchase agreements.

Credit Risk: The OST limits its credit risk with an investment policy that restricts the types of investments in which the OST can participate. Additionally, the OST investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. During fiscal year 2016, the OST had no credit-risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the OST.

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, 2016 — Investment Derivative	
		Amount	Amount	Notional
Futures Contracts				
Bond Index Futures	Investment	\$ 10,094	\$ —	\$ —
Equity Index Futures	Investment	20,522	17,474	172,045
		30,616	17,474	172,045
Forward Currency Contracts				
	Investment	(4,504)	10,346	2,458,962
Total Return Swap Contracts				
Total Return Swap Bond	Investment	325	(216)	5,224
Total Return Swap Equity	Investment	(246)	238	(33,005)
		\$ 79	\$ 22	\$ (27,781)

Custodial Credit Risk: The OST investment policy requires that securities purchased be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities-utilized repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the OST's exposure to risk and ensure the safety of the investment.

During fiscal year 2016, there were no violations of legal or contractual provisions or any losses resulting from a default by either borrowers or securities lending agents.

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

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, 2016, 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 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, 2016, 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

Notes to the Financial Statements (cont.)

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, 2016, the retirement funds had outstanding forward currency contracts with a net unrealized gain of \$10.3 million, which is included in the accompanying SCFNP. The contracts have varying maturity dates ranging from July 1, 2016, through September 21, 2016.

As of June 30, 2016, 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, 2016, the retirement funds' fixed income portfolio held derivative securities consisting of collateralized mortgage obligations of \$59.6 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 on page 40 presents the significant terms for derivatives held as investments by the WSIB.

OST: The OST did not engage in derivative transactions during fiscal year 2016.

Deferred Compensation Program (DCP), Judicial Retirement Account (JRA) and Defined Contribution

— **Self Plan Assets:** The assets within DCP, JRA and Self investments total \$7.8 billion and represent less than 9% of the total investments DRS administers. Withdrawals from the options are restricted to those who have left employment (except in the case of hardship withdrawals from DCP). The participants/ members own these assets, have full control over their investment choices and assume the responsibility for the results of those choices.

Investment Maturities

As of June 30, 2016 — Dollars in Thousands

Investment Type	Total Fair Value	Maturity				Effective Duration
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	
Corporate Bonds	\$ 613,258	\$ 83,261	\$ 280,990	\$ 244,297	\$ 4,710	4.50
Foreign Government and Agency Securities	60,652	7,176	20,439	33,037	—	5.20
Total	\$ 673,910	\$ 90,437	\$ 301,429	\$ 277,334	\$ 4,710	

Credit Ratings (Moody's Equivalent)

As of June 30, 2016 — Dollars in Thousands

Investment Type	Fair Value	Moody's Equivalent Credit Rating										Ba1 or Lower
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	
Corporate Bonds	\$613,258	\$ 27,328	\$ 1,661	\$ 3,959	\$ 46,392	\$ 72,868	\$ 82,902	\$ 89,942	\$ 86,164	\$ 78,908	\$ 90,048	\$ 33,086
Foreign Government and Agency Securities	60,652	12,057	—	8,442	26,887	1,226	—	—	4,133	2,121	4,119	1,669
Total	\$673,910	\$ 39,385	\$ 1,661	\$ 12,400	\$ 73,279	\$ 74,094	\$ 82,902	\$ 89,942	\$ 90,296	\$ 81,028	\$ 94,167	\$ 34,755

Notes to the Financial Statements (cont.)

The composition of these assets is:

- 46% Retirement Strategy Funds (Target Date Funds)
- 25% Equity Index Funds
- 11% Guaranteed Investment Contracts (GIC)
- 6% Short-Term Investment Fund
- 3% U.S. Socially Responsible Fund
- 9% Bond Fund

Refer to the tables on page 41 for the maturities, 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, 2016, total investment management fees paid were \$343.1 million and total netted fees were \$15.8 million. For a detailed disclosure, refer to the "Schedule of Investment Expenses" in the "Supporting Schedules" of the Financial Section of this report.

Unfunded Commitments: The WSIB has entered into agreements that commit the DRS pension funds, upon request, to make additional investment purchases up to a predetermined amount. As of June 30, 2016, the retirement funds had the following unfunded investment commitments:

Unfunded Commitments As of June 30, 2016 — Dollars in Millions	
Private Equity	\$ 12,940.5
Real Estate	\$ 7,762.1
Innovation Portfolio	\$ 21.9
Tangible Assets	\$ 3,155.1

I. Reserves

Member Reserves: Member reserves reflect the total liability for all contributions members make. 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 reserves the WSIB manages account for members who participate in the WSIB's Total Allocation Portfolio (TAP). The reserves for Self account for members who participate in the self-directed investment offerings.

Member reserves as of June 30, 2016 and 2015, are as follows:

Member Reserves as of June 30, 2016 and 2015 Dollars in Thousands		
	6/30/2016	6/30/2015
PERS Plan 1	\$ 509,696	\$ 592,792
PERS Plan 2/3	6,158,740	5,739,362
PERS Plan 3 — WSIB	1,484,245	1,431,839
PERS Plan 3 — Self	996,170	986,350
SERS Plan 2/3	481,862	444,825
SERS Plan 3 — WSIB	1,272,515	1,259,742
SERS Plan 3 — Self	429,003	428,729
PSERS Plan 2	171,872	146,187
TRS Plan 1	219,887	295,734
TRS Plan 2/3	675,956	623,425
TRS Plan 3 — WSIB	4,556,884	4,429,634
TRS Plan 3 — Self	2,810,225	2,801,545
LEOFF Plan 1	13,497	16,987
LEOFF Plan 2	2,521,679	2,411,042
WSPRS Plan 1/2	87,525	86,466
JRS	—	—
JRF	—	—
Total Member Reserves	\$ 22,389,756	\$ 21,694,659

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.

Notes to the Financial Statements (cont.)

Benefit reserves as of June 30, 2016 and 2015, are as follows:

Benefit Reserves as of June 30, 2016 and 2015 Dollars in Thousands		
	6/30/2016	6/30/2015
PERS Plan 1	\$ 6,616,706	\$ 6,965,520
PERS Plan 2/3	24,323,885	23,772,597
SERS Plan 2/3	3,732,178	3,622,452
PSERS Plan 2	228,844	206,574
TRS Plan 1	5,367,134	5,773,853
TRS Plan 2/3	10,122,970	9,753,606
LEOFF Plan 1	5,357,372	5,593,163
LEOFF Plan 2	7,673,990	7,409,453
LEOFF Plan 2 — Medical	14,951	12,173
WSPRS Plan 1/2	1,010,521	1,024,084
WSPRS Plan 1/2 — Medical	82	76
JRS	6,776	6,333
JRF	581	514
Total Benefit Reserves	\$ 64,455,990	\$ 64,140,398

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.

J. Capital Assets

All capital assets with a unit cost (including ancillary costs) of \$5,000 or greater are capitalized and reported in the accompanying financial statements. Capital leases with a net present value or fair market value, whichever is less, of \$10,000 or more are capitalized and also included in these financial statements. All purchased capital assets are valued at cost 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 2016:

Changes in Capital Assets For Fiscal Year 2016 — Dollars in Thousands				
Assets	Beginning Balance	Acquisition/ Increase Depreciation	Disposal	Ending Balance
Improvements Other Than Buildings	\$ 645	\$ —	\$ —	\$ 645
Furnishing and Equipment	1,851	66	—	1,917
Accumulated Depreciation	(2,286)	(79)	—	(2,365)
Total	\$ 210	\$ (13)	\$ —	\$ 197

K. 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, 2016:

Future Minimum Payments for Operating Leases As of June 30, 2016 — Dollars in Thousands	
Fiscal Year	Payments
2016	\$ 1,467
2017	1,512
2018	1,511
2019	1,085
2020	208
2021 and beyond	31
Total Future Minimum Payment	\$ 5,814

The total operating lease rental expenditure for fiscal year 2016 was \$1.5 million.

Notes to the Financial Statements (cont.)

L. Other Long-Term Obligations

Annual Leave: DRS employees accrue annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 30 days at the employee's anniversary date. The expense and accrued liability is recognized when the annual leave is earned. DRS' liability for accumulated annual leave was \$0.9 million as of June 30, 2016.

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 accumulated sick leave was \$0.4 million as of June 30, 2016.

The following is a summary of changes in compensated absences for the fiduciary funds for fiscal year 2016:

Changes in Compensated Absences For Fiscal Year 2016 — Dollars in Thousands				
Compensated Absences	Beginning Balance	Additions	Deletions	Ending Balance
Annual Leave	\$ 933	\$ 1,115	\$ (1,050)	\$ 998
Sick Leave	420	158	(145)	433
Total	\$ 1,353	\$ 1,273	\$ (1,195)	\$ 1,431

M. Transfers

Transfers from and to other pension plans, as reported in the financial statements, typically reflect routine transfers among the various trust funds resulting from plan membership changes and member-directed defined contribution plan selections. In fiscal year 2016, these transfers totaled \$5.9 million and represented a \$1.1 million increase from the previous year.

N. 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.

O. Adoption of New Accounting Standards

GASB Statement No. 72, Fair Value Measurement and Application, became effective for financial statements for fiscal years beginning after June 15, 2015. The statement addresses accounting and reporting issues related to fair value measurements and requires disclosures be made about fair value measurements, the level of fair value hierarchy and valuation techniques. This report has been prepared to conform with this newly adopted GASB statement.

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
Public Employees’ Retirement System (PERS) Plan 1: Defined benefit Plan 2: Defined benefit Plan 3: Defined benefit/defined contribution	Washington State Patrol Retirement System (WSPRS) Plan 1: Defined benefit Plan 2: Defined benefit
School Employees’ Retirement System (SERS) Plan 2: Defined benefit Plan 3: Defined benefit/defined contribution	Judicial Retirement System (JRS) Defined benefit
Public Safety Employees’ Retirement System (PSERS) Plan 2: Defined benefit	Judges’ Retirement Fund (JRF) Defined benefit
Teachers’ Retirement System (TRS) Plan 1: Defined benefit Plan 2: Defined benefit Plan 3: Defined benefit/defined contribution	
Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF) Plan 1: Defined benefit Plan 2: Defined benefit	

Notes to the Financial Statements (cont.)

Number of Participating Members As of June 30, 2016

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	49,417	827	3,021	209	53,474
PERS Plan 2	42,706	54,916	82,809	37,290	217,721
PERS Plan 3	3,693	5,238	13,871	19,052	41,854
SERS Plan 2	7,391	5,704	13,430	12,697	39,222
SERS Plan 3	6,715	7,899	19,470	12,939	47,023
PSERS Plan 2	108	400	3,091	2,390	5,989
TRS Plan 1	34,859	223	949	13	36,044
TRS Plan 2	4,700	2,443	7,449	10,163	24,755
TRS Plan 3	8,866	8,373	36,635	16,782	70,656
LEOFF Plan 1	7,431	1	62	—	7,494
LEOFF Plan 2	4,508	839	13,966	3,355	22,668
WSPRS Plan 1	1,078	76	498	—	1,652
WSPRS Plan 2	—	28	291	179	498
JRS	103	—	—	—	103
JRF	12	—	—	—	12

Number of Participating Employers As of June 30, 2016

Plan	Component Units of the State of Washington	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
PERS Plan 1	115	123	191	120	549
PERS Plan 2	153	278	—	515	946
PERS Plan 3	145	212	—	330	687
SERS Plan 2	—	—	307	—	307
SERS Plan 3	—	—	306	—	306
PSERS Plan 2	6	64	—	1	71
TRS Plan 1	31	—	189	—	220
TRS Plan 2	28	—	305	—	333
TRS Plan 3	40	—	310	—	350
LEOFF Plan 1	—	23	—	6	29
LEOFF Plan 2	8	204	—	164	376
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, 2016, is 1,336. Of that number, 153 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 only be a member of either 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, 2016, 435 employers and 703 nonemployer contributing entities were participating in PERS Plan 1. The plan is closed to new entrants.

Plan Membership: As of June 30, 2016, PERS Plan 1 membership consisted of the following:

PERS Plan 1	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	49,417
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	827
Active Plan Members	3,230
Total Membership	53,474

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 determined eligible by the Washington State Department of Labor & Industries.

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 2016 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 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

Notes to the Financial Statements (cont.)

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, 2016, the annual money-weighted rate of return on PERS Plan 1 pension investments, net of pension plan investment expense, was 2.19%. 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, 2016, were as follows:

PERS Plan 1 Dollars in Thousands	
Total Pension Liability	\$ 12,496,872
Plan Fiduciary Net Position	(7,126,401)
Participating Employers' Net Pension Liability	\$ 5,370,471
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.03%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the 2015 *Report on Financial Condition and Economic Experience Study* on the OSA website for additional

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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.)

information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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 are assumed to continue to be 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	\$ 6,476,248	\$ 5,370,471	\$ 4,418,882

PERS Plan 2/3

As of June 30, 2016, 794 employers were participating in PERS Plan 2/3.

Plan Membership: As of June 30, 2016, 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	42,706	3,693
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	54,916	5,238
Active Plan Members	120,099	32,923
Total Membership	217,721	41,854

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.

Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS

Notes to the Financial Statements (cont.)

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 determined eligible by the Washington State Department of Labor & Industries.

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 2016 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 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, 2016, the annual money-weighted rate of return on PERS Plan 2/3 pension investments, net of pension plan investment expense, was 2.47%. 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, 2016, were as follows:

PERS Plan 2/3 Dollars in Thousands	
Total Pension Liability	\$ 35,517,545
Plan Fiduciary Net Position	(30,482,624)
Participating Employers' Net Pension Liability	\$ 5,034,921
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.82%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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%

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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 are assumed to continue to be 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 table on the top of page 52 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

Notes to the Financial Statements (cont.)

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	\$ 9,270,195	\$ 5,034,921	\$ (2,620,967)

PERS Plan 3

As of June 30, 2016, 543 employers were participating in PERS Plan 3.

Plan Membership: As of June 30, 2016, PERS Plan 3 membership consisted of the following:

PERS Plan 3	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3,693
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5,238
Active Plan Members	32,923
Total Membership	41,854

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 only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of the 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, 2016, 307 employers were participating in SERS Plan 2/3.

Plan Membership: As of June 30, 2016, 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	7,391	6,715
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5,704	7,899
Active Plan Members	26,127	32,409
Total Membership	39,222	47,023

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.

Members are eligible for retirement with a full benefit at

Notes to the Financial Statements (cont.)

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 determined eligible by the Washington State Department of Labor & Industries.

Contributions: The SERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary (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 2016 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 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, 2016, the annual money-weighted rate of return on SERS Plan 2/3 pension investments, net of pension plan investment expense, was 2.49%. 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 Plan 2/3 as of June 30, 2016, were as follows:

SERS Plan 2/3 Dollars in Thousands	
Total Pension Liability	\$ 4,870,806
Plan Fiduciary Net Position	(4,214,039)
Participating Employers' Net Pension Liability	\$ 656,767
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.52%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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%

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this

assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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 members and employers are assumed to continue to be 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 table on the top of page 55 presents the net pension liability of the employers calculated using the discount rate of 7.50% as well as what the

Notes to the Financial Statements (cont.)

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	\$ 1,600,655	\$ 656,767	\$ (75,324)

SERS Plan 3

As of June 30, 2016, 306 employers were participating in SERS Plan 3.

Plan Membership: As of June 30, 2016, SERS Plan 3 membership consisted of the following:

SERS Plan 3	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	6,715
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7,899
Active Plan Members	32,409
Total Membership	47,023

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, 2016, 66 employers were participating in PSERS Plan 2.

Plan Membership: As of June 30, 2016, PSERS Plan 2 membership consisted of the following:

PSERS Plan 2	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	108
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	400
Active Plan Members	5,481
Total Membership	5,989

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, an optional Cost-of-Living Adjustment (COLA), and duty-related death benefit, if determined eligible by the Washington State Department of Labor & Industries.

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 2016 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 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, 2016, the annual money-weighted rate of return on PSERS Plan 2 pension investments, net of pension plan investment expense, was 2.75%. 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.

¹The Washington State Investment Board 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, 2016, were as follows:

PSERS Plan 2 Dollars in Thousands	
Total Pension Liability	443,214
Plan Fiduciary Net Position	(400,716)
Participating Employers' Net Pension Liability	42,498
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.41%

Actuarial Assumptions¹: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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 published. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of

pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

¹The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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.)

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 are assumed to continue to be 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 table below 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	\$ 184,533	\$ 42,498	\$ (58,674)	

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 only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of the 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, 2016, 190 employers and 119 nonemployer contributing entities were participating in TRS Plan 1. The plan is closed to new entrants.

Plan Membership: As of June 30, 2016, TRS Plan 1 membership consisted of the following:

TRS Plan 1	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	34,859
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	223
Active Plan Members	962
Total Membership	36,044

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 found eligible by the Washington State Department of Labor & Industries.

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 2016 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 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,

2016, the annual money-weighted rate of return on TRS Plan 1 pension investments, net of pension plan investment expense, was 2.09%. 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, 2016, were as follows:

TRS Plan 1 Dollars in Thousands	
Total Pension Liability	\$ 9,001,257
Plan Fiduciary Net Position	(5,587,020)
Participating Employers' Net Pension Liability	\$ 3,414,237
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.07%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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 published. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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.)

subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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 are assumed to continue to be 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 table below 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	\$ 4,197,137	\$ 3,414,237	\$ 2,739,882

Notes to the Financial Statements (cont.)

TRS Plan 2/3

As of June 30, 2016, 306 employers were participating in TRS Plan 2/3.

Plan Membership: As of June 30, 2016, 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	4,700	8,866
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2,443	8,373
Active Plan Members	17,612	53,417
Total Membership	24,755	70,656

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 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 found eligible by the Washington State Department of Labor & Industries.

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 2016 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 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, 2016, the annual money-weighted rate of return on

¹The Washington State Investment Board provided the money-weighted rates of return.

Notes to the Financial Statements (cont.)

TRS Plan 2/3 pension investments, net of pension plan investment expense, was 2.51%. 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 2/3 as of June 30, 2016, were as follows:

TRS Plan 2/3 Dollars in Thousands	
Total Pension Liability	\$ 12,172,222
Plan Fiduciary Net Position	(10,798,925)
Participating Employers' Net Pension Liability	\$ 1,373,297
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.72%

Actuarial Assumptions¹: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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 published. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

¹The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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 on page 62 is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

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 are assumed to continue to be 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 table below 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	\$ 3,107,958	\$ 1,373,297	\$ (1,595,357)

TRS Plan 3

As of June 30, 2016, 311 employers were participating in TRS Plan 3.

Plan Membership: As of June 30, 2016, TRS Plan 3 membership consisted of the following:

TRS Plan 3	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8,866
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8,373
Active Plan Members	53,417
Total Membership	70,656

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, 2016, 29 employers were participating in LEOFF Plan 1. The plan is closed to new entrants.

Plan Membership: As of June 30, 2016, LEOFF Plan 1 membership consisted of the following:

LEOFF Plan 1	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7,431
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	62
Total Membership	7,494

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%
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 with five years of service at age 50.

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

Contributions: LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2016. Employers paid only the administrative expense of 0.18% of covered payroll.

Investments

Investment Policy: The 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, 2016, the annual money-weighted rate of return on LEOFF Plan 1 pension investments, net of pension plan investment expense, was 2.25%. 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, 2016, were as follows:

LEOFF Plan 1 Dollars in Thousands	
Total Pension Liability	\$ 4,340,582
Plan Fiduciary Net Position	(5,370,868)
Participating Employers' Net Pension Liability	\$ (1,030,286)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.74%

¹The Washington State Investment Board provided the money-weighted rates of return.

Notes to the Financial Statements (cont.)

Actuarial Assumptions¹: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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 published. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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.

¹The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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.)

Contributions from plan members and employers are assumed to continue to be 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 table below 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	\$ (612,032)	\$ (1,030,286)	\$ (1,387,800)

LEOFF Plan 2

As of June 30, 2016, 369 employers were participating in LEOFF Plan 2.

Plan Membership: As of June 30, 2016, LEOFF Plan 2 membership consisted of the following:

LEOFF Plan 2	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4,508
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	839
Active Plan Members	17,321
Total Membership	22,668

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 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 Allowance based on the Consumer Price Index, capped at 3% annually; and a one-time, duty-related death benefit, if found eligible by the Washington State Department of Labor & Industries.

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 2016 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 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'

Notes to the Financial Statements (cont.)

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, 2016, the annual money-weighted rate of return on LEOFF Plan 2 pension investments, net of pension plan investment expense, was 2.48%. 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, 2016, were as follows:

LEOFF Plan 2 Dollars in Thousands	
Total Pension Liability	\$ 9,628,990
Plan Fiduciary Net Position	(10,210,620)
Participating Employers' Net Pension Liability	\$ (581,630)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.04%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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 published. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

Best estimates of arithmetic real rates of return for each

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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.)

major asset class included in the pension plan's target asset allocation as of June 30, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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 are assumed to continue to be 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 table below 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	\$ 1,631,051	\$ (581,630)	\$ (2,249,349)

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, 2016, one employer was participating in WSPRS.

Plan Membership: As of June 30, 2016, membership consisted of the following:

WSPRS Plan 1/2		
	Plan 1	Plan 2
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,078	0
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	76	28
Active Plan Members	498	470
Total Membership	1,652	498

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.

Notes to the Financial Statements (cont.)

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 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 found eligible by the Washington State Department of Labor & Industries.

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 2016 were as follows:

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

Investments

Investment Policy: The 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, 2016, the annual money-weighted rate of return on WSPRS Plan 1/2 pension investments, net of pension plan investment expense, was 2.34%. 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 Plan 1/2 as of June 30, 2016, were as follows:

WSPRS Plan 1/2 Dollars in Thousands	
Total Pension Liability	\$ 1,167,443
Plan Fiduciary Net Position	(1,098,127)
Participating Employers' Net Pension Liability	\$ 69,316
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.06%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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%

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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. The 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, 2015, valuation were based on the results of the 2007-2012 *Experience Study Report*. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops a best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected returns make up one component of the WSIB's Capital Market Assumptions (CMAs).

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 Office of the State Actuary (OSA) selected a 7.50% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided. See the *2015 Report on Financial Condition and Economic Experience Study* on the OSA website for additional information on how this assumption was selected.

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, 2016, 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%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

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

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 are assumed to continue to be 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 table at the top of page 71 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

Notes to the Financial Statements (cont.)

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	\$ 260,659	\$ 69,316	\$ (81,250)	

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, 2016, JRS membership consisted of the following:

JRS	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	103
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	0
Total Membership	103

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 age 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 2016; therefore, no employer and 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, 2016, the annual money-weighted rate of return on JRS pension investments, net of pension plan investment expense, was 0.62%. 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, 2016, were as follows:

JRS Dollars in Thousands		
Total Pension Liability	\$	104,642
Plan Fiduciary Net Position		(6,775)
Participating Employers' Net Pension Liability	\$	<u>97,867</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		6.47%

Actuarial Assumptions²: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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	4.00%

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

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 2.85% for the June 30, 2016, measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employers calculated using the discount rate of 2.85% 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 (1.85%) or 1 percentage point higher (3.85%) than the current rate.

JRS Dollars in Thousands			
	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Employers' Net Pension Liability	\$ 108,084	\$ 97,867	\$ 89,146

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.

¹The Washington State Investment Board provided the money-weighted rates of return.

²The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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.)

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

Plan Membership: As of June 30, 2016, JRF membership consisted of the following:

JRF	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	0
Total Membership	12

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 2016; therefore, no employer and 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

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, 2016, the annual money-weighted rate of return on JRF pension investments, net of pension plan investment expense, was 0.62%. 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, 2016, were as follows:

JRF Dollars in Thousands	
Total Pension Liability	3,097
Plan Fiduciary Net Position	(582)
Participating Employers' Net Pension Liability	2,515
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	18.79%

¹ The Washington State Investment Board provided the money-weighted rates of return.

Notes to the Financial Statements (cont.)

Actuarial Assumptions¹: The total pension liability was determined by an actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, 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	4.00%

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

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 3.80% for the June 30, 2015, 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 2.85% 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

(1.85%) or 1 percentage point higher (3.85%) than the current rate.

JRF Dollars in Thousands			
	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Employers' Net Pension Liability	\$ 2,650	\$ 2,515	\$ 2,390

¹The Washington State Investment Board provided the CMAs and expected rates of return. The Office of the State Actuary 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 2016 Arranged Chronologically by Effective Date — Page 1 of 2			
Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 3, Laws of 2012 (ESSB 6239)	6/7/12	All systems and plans	This law allows same-gender couples to marry and automatically converts certain domestic partnerships into marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this law, survivor benefits could be available sooner to certain members of the state's retirement systems.
Chapter 72, Laws of 2012 (ESB 5159)	6/7/12	WSPRS	Current WSPRS members who have service credit earned as commercial vehicle enforcement officers within PERS 2 may transfer said credit into WSPRS. The member must pay the full actuarial cost of the transfer.
Chapter 236, Laws of 2012 (EHB 2771)	6/7/12	LEOFF, PERS, PSERS, SERS and TRS	This law amends the retirement statutes to clarify that governmental contractors are not employers under the system, unless otherwise qualifying, and that the determination of whether an employee/employer relationship has been established shall be based solely on the relationship between the contracted employee and the governmental employer.
Chapter 248, Laws of 2012 (SB 6134)	6/7/12	LEOFF 2	The initial timeline to transfer service credit under RCW 41.26.435 was moved from June 30, 2014, to June 30, 2012.
Chapter 22, Laws of 2013 (SB 5046)	7/28/13	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)	7/28/13	LEOFF 2	This law allows catastrophically disabled LEOFF 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)	6/12/14	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)	6/12/14	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)	6/12/14	LEOFF 2	This law allows LEOFF 2 members to use funds from certain tax-qualified plans to purchase life annuities from the LEOFF 2 trust fund at the time of retirement.
Chapter 172, Laws of 2014 (SB 6328)	6/12/14	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)	7/24/15	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 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)	7/24/15	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.

Notes to the Financial Statements (cont.)

Recent Legislation Affecting Pension Systems/Plans

DRS-Administered During Fiscal Year 2016

Arranged Chronologically by Effective Date — Page 2 of 2

Legal Reference	Effective Date	Systems/Plans Affected	Description
Chapter 78, Laws of 2015 (HB 1194)	7/24/15	LEOFF 2 and WSPRS	A surviving spouse of a LEOFF 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 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)	4/3/16	TRS	This law allows charter school employees to be members of the state retirement systems as long as DRS receives determination from the IRS that the inclusion of those employees won't jeopardize the status of the systems as government plans.
Chapter 112, Laws of 2016 (SB 5435)	6/9/16	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 will 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)	6/9/16	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)	6/9/16	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)	6/9/16	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.
Chapter 120, Laws of 2016 (SB 5873)	6/9/16	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)	6/9/16	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)	6/9/16	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.

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 2016.

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, subject to revision by the Legislature. 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 PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range 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, subject to revision by the Legislature. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under SERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range 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, subject to revision by the Legislature. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2.

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

TRS: Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates, subject to revision by the Legislature. 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 TRS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range 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 level 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 Pension Funding Council 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 2016, the state contributed \$60.4 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 the state contribution rates, subject to revision by the Legislature. The employee and the state contribution rates are developed by the Office of the State Actuary to fully fund the plan.

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

JRS: 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 2016, the state contributed \$9.5 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 2016, 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 (AOC) 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. 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, 2016, five active members and 135 inactive members were in JRA. The state, through the AOC, 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 judicial service for any reason is entitled to receive a lump sum distribution of the accumulated contributions. The administrator of JRA may adopt rules establishing other payment options. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death is to be paid to the member's estate or such person or persons, trust, or organization as the member has nominated by written designation.

The administrator of JRA has entered into an agreement for services with DRS and with the Washington State Investment Board (WSIB). Under this agreement, DRS is responsible for all record keeping, 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 Deferred Compensation Program (DCP) is established pursuant to RCW 41.50.770 and in accordance with Internal Revenue Code Section 457. Employees of the state of Washington and its political subdivisions that choose to join have the option of participating in the program. The deferred compensation is not available to employees until termination, retirement, disability, death or unforeseeable financial emergency. DRS administers the state Deferred Compensation Program.

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

Notes to the Financial Statements (cont.)

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 and rebalance, as needed, their own allocation mix of funds. Each Retirement Strategy Fund is diversified and automatically rebalances, adjusting the participant's allocation mix as the participant moves toward a retirement date 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 fund(s) from 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.

All amounts of compensation deferred through the program, all property and rights purchased with those amounts, and all income attributable to those amounts are held in trust by the WSIB, 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: Schedule of Changes in Net Pension Liability

PERS Plan 1 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 28,936	\$ 28,685	\$ 37,503
Interest	914,606	933,977	945,296
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	3,713	27,130	—
Changes in Assumptions	(36,416)	23,339	—
Benefit Payments, Including Refunds of Member Contributions	(1,203,209)	(1,202,994)	(1,193,715)
Net Change in Total Pension Liability	(292,370)	(189,862)	(210,915)
Total Pension Liability — Beginning	12,789,242	12,979,104	13,190,019
Total Pension Liability — Ending (a)	\$ 12,496,872	\$ 12,789,242	\$ 12,979,104
Plan Fiduciary Net Position¹			
Contributions — Employer	595,982	462,100	448,895
Contributions — Member	18,457	21,617	28,087
Net Investment Income	157,070	336,310	1,311,995
Benefit Payments, Including Refunds of Member Contributions	(1,203,209)	(1,202,994)	(1,193,715)
Administrative Expense	(301)	(269)	(506)
Other	90	(9)	36
Net Change in Plan Fiduciary Net Position	(431,911)	(383,245)	594,792
Plan Fiduciary Net Position — Beginning	7,558,312	7,941,557	7,346,765
Plan Fiduciary Net Position — Ending (b)	\$ 7,126,401	\$ 7,558,312	\$ 7,941,557
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 5,370,471	\$ 5,230,930	\$ 5,037,547

PERS Plan 2/3 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 893,404	\$ 864,319	\$ 934,401
Interest	2,506,824	2,302,453	2,057,556
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(218,153)	491,528	—
Changes in Assumptions	62,968	7,450	—
Benefit Payments, Including Refunds of Member Contributions	(812,514)	(700,905)	(600,862)
Net Change in Total Pension Liability	2,432,529	2,964,846	2,391,094
Total Pension Liability — Beginning	33,085,016	30,120,170	27,729,076
Total Pension Liability — Ending (a)	\$ 35,517,545	\$ 33,085,016	\$ 30,120,170
Plan Fiduciary Net Position¹			
Contributions — Employer	563,328	446,127	430,345
Contributions — Member	497,273	374,825	368,251
Net Investment Income	725,439	1,295,301	4,444,930
Benefit Payments, Including Refunds of Member Contributions	(812,514)	(700,905)	(600,862)
Administrative Expense	(758)	(581)	(617)
Other	(2,103)	(1,617)	(2,299)
Net Change in Plan Fiduciary Net Position	970,665	1,413,150	4,639,748
Plan Fiduciary Net Position — Beginning	29,511,959	28,098,809	23,459,061
Plan Fiduciary Net Position — Ending (b)	\$ 30,482,624	\$ 29,511,959	\$ 28,098,809
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 5,034,921	\$ 3,573,057	\$ 2,021,361

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: Schedule of Changes in Net Pension Liability (cont.)

SERS Plan 2/3 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 139,744	\$ 128,806	\$ 138,228
Interest	343,917	311,044	277,012
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	18,707	66,049	—
Changes in Assumptions	10,258	600	—
Benefit Payments, Including Refunds of Member Contributions	(115,247)	(99,075)	(83,948)
Net Change in Total Pension Liability	397,378	407,424	331,292
Total Pension Liability — Beginning	4,473,428	4,066,004	3,734,712
Total Pension Liability — Ending (a)	\$ 4,870,806	\$ 4,473,428	\$ 4,066,004
Plan Fiduciary Net Position¹			
Contributions — Employer	115,480	97,386	88,783
Contributions — Member	47,155	35,445	31,856
Net Investment Income	100,201	178,038	607,982
Benefit Payments, Including Refunds of Member Contributions	(115,247)	(99,075)	(83,948)
Administrative Expense	(21)	(20)	(30)
Other	(806)	(580)	(462)
Net Change in Plan Fiduciary Net Position	146,762	211,194	644,181
Plan Fiduciary Net Position — Beginning	4,067,277	3,856,083	3,211,902
Plan Fiduciary Net Position — Ending (b)	\$ 4,214,039	\$ 4,067,277	\$ 3,856,083
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 656,767	\$ 406,151	\$ 209,921

PSERS Plan 2 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 44,090	\$ 40,546	\$ 42,679
Interest	31,038	24,553	17,264
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	266	19,950	—
Changes in Assumptions	84	131	—
Benefit Payments, Including Refunds of Member Contributions	(3,277)	(3,056)	(2,450)
Net Change in Total Pension Liability	72,201	82,125	57,493
Total Pension Liability — Beginning	371,013	288,888	231,395
Total Pension Liability — Ending (a)	\$ 443,214	\$ 371,013	\$ 288,888
Plan Fiduciary Net Position¹			
Contributions — Employer	20,058	18,704	17,124
Contributions — Member	21,148	18,664	17,446
Net Investment Income	10,096	15,081	45,143
Benefit Payments, Including Refunds of Member Contributions	(3,277)	(3,056)	(2,450)
Administrative Expense	(9)	(2)	(8)
Other	(61)	1	5
Net Change in Plan Fiduciary Net Position	47,955	49,392	77,260
Plan Fiduciary Net Position — Beginning	352,761	303,369	226,109
Plan Fiduciary Net Position — Ending (b)	\$ 400,716	\$ 352,761	\$ 303,369
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 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.

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: Schedule of Changes in Net Pension Liability (cont.)

TRS Plan 1 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 12,608	\$ 15,630	\$ 21,932
Interest	660,865	676,915	690,297
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	25,314	23,516	—
Changes in Assumptions	(9,700)	6,552	—
Benefit Payments, Including Refunds of Member Contributions	(925,559)	(928,571)	(928,237)
Net Change in Total Pension Liability	(236,473)	(205,958)	(216,007)
Total Pension Liability — Beginning	9,237,730	9,443,688	9,659,695
Total Pension Liability — Ending (a)	\$ 9,001,257	\$ 9,237,730	\$ 9,443,688
Plan Fiduciary Net Position¹			
Contributions — Employer	315,934	223,886	200,674
Contributions — Member	8,802	10,324	14,626
Net Investment Income	118,296	269,742	1,079,804
Benefit Payments, Including Refunds of Member Contributions	(925,559)	(928,571)	(928,237)
Administrative Expense	(41)	(28)	(143)
Other	—	1	51
Net Change in Plan Fiduciary Net Position	(482,568)	(424,646)	366,775
Plan Fiduciary Net Position — Beginning	6,069,588	6,494,234	6,127,459
Plan Fiduciary Net Position — Ending (b)	\$ 5,587,020	\$ 6,069,588	\$ 6,494,234
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 3,414,237	\$ 3,168,142	\$ 2,949,454

TRS Plan 2/3 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 373,617	\$ 352,316	\$ 374,257
Interest	857,073	776,944	684,861
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(74,782)	163,251	—
Changes in Assumptions	16,463	896	—
Benefit Payments, Including Refunds of Member Contributions	(220,982)	(186,052)	(151,510)
Net Change in Total Pension Liability	951,389	1,107,354	907,609
Total Pension Liability — Beginning	11,220,833	10,113,479	9,205,870
Total Pension Liability — Ending (a)	\$ 12,172,222	\$ 11,220,833	\$ 10,113,479
Plan Fiduciary Net Position¹			
Contributions — Employer	316,022	267,038	249,342
Contributions — Member	68,587	52,713	44,012
Net Investment Income	258,942	453,524	1,539,895
Benefit Payments, Including Refunds of Member Contributions	(220,982)	(186,052)	(151,510)
Administrative Expense	(67)	(64)	(76)
Other	(608)	(618)	(401)
Net Change in Plan Fiduciary Net Position	421,894	586,541	1,681,262
Plan Fiduciary Net Position — Beginning	10,377,031	9,790,490	8,109,228
Plan Fiduciary Net Position — Ending (b)	\$ 10,798,925	\$ 10,377,031	\$ 9,790,490
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ 1,373,297	\$ 843,802	\$ 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.

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: Schedule of Changes in Net Pension Liability (cont.)

LEOFF Plan 1 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 2,238	\$ 3,269	\$ 4,279
Interest	315,653	319,945	326,717
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(21,215)	(65,557)	—
Changes in Assumptions	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(361,022)	(358,745)	(355,988)
Net Change in Total Pension Liability	(64,346)	(101,087)	(24,992)
Total Pension Liability — Beginning	4,404,928	4,506,015	4,531,007
Total Pension Liability — Ending (a)	\$ 4,340,582	\$ 4,404,928	\$ 4,506,015
Plan Fiduciary Net Position¹			
Contributions — Employer	—	60	98
Contributions — Member	837	1,016	844
Net Investment Income	120,945	248,793	934,123
Benefit Payments, Including Refunds of Member Contributions	(361,022)	(358,745)	(355,988)
Administrative Expense	(41)	(18)	(44)
Other	—	237	—
Net Change in Plan Fiduciary Net Position	(239,281)	(108,657)	579,033
Plan Fiduciary Net Position — Beginning	5,610,149	5,718,806	5,139,773
Plan Fiduciary Net Position — Ending (b)	\$ 5,370,868	\$ 5,610,149	\$ 5,718,806
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ (1,030,286)	\$ (1,205,221)	\$ (1,212,791)

LEOFF Plan 2 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 302,652	\$ 286,031	\$ 301,625
Interest	678,563	609,818	536,534
Changes of Benefit Terms	25,205	34,746	—
Differences Between Expected and Actual Experience	8,409	107,309	—
Changes in Assumptions	4	3,232	—
Benefit Payments, Including Refunds of Member Contributions	(190,712)	(160,027)	(133,949)
Net Change in Total Pension Liability	824,121	881,110	704,210
Total Pension Liability — Beginning	8,804,869	7,923,759	7,219,549
Total Pension Liability — Ending (a)	\$ 9,628,990	\$ 8,804,869	\$ 7,923,759
Plan Fiduciary Net Position¹			
Contributions — Employer	92,049	89,122	85,532
Contributions — State	60,375	58,339	55,551
Contributions — Member	173,871	165,772	151,041
Net Investment Income	244,028	430,403	1,456,267
Benefit Payments, Including Refunds of Member Contributions	(190,712)	(160,027)	(133,949)
Administrative Expense	(1,683)	(1,504)	(1,268)
Other	23	(238)	241
Net Change in Plan Fiduciary Net Position	377,951	581,867	1,613,415
Plan Fiduciary Net Position — Beginning	9,832,669	9,250,802	7,637,387
Plan Fiduciary Net Position — Ending (b)	\$ 10,210,620	\$ 9,832,669	\$ 9,250,802
Plan's Net Pension Liability (Asset) — Ending (a) – (b)	\$ (581,630)	\$ (1,027,800)	\$ (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.

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: Schedule of Changes in Net Pension Liability (cont.)

WSPRS Plan 1/2 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ 16,534	\$ 16,633	\$ 18,041
Interest	83,373	80,037	75,249
Changes of Benefit Terms	1,947	2,258	—
Differences Between Expected and Actual Experience	(10,430)	8,883	—
Changes in Assumptions	2	17	—
Benefit Payments, Including Refunds of Member Contributions	(54,159)	(50,075)	(47,510)
Net Change in Total Pension Liability	37,266	57,753	45,780
Total Pension Liability — Beginning	1,130,177	1,072,424	1,026,644
Total Pension Liability — Ending (a)	\$ 1,167,443	\$ 1,130,177	\$ 1,072,424
Plan Fiduciary Net Position¹			
Contributions — Employer	7,044	6,679	6,587
Contributions — Member	8,895	6,323	6,555
Net Investment Income	25,352	49,046	176,856
Benefit Payments, Including Refunds of Member Contributions	(54,159)	(50,075)	(47,510)
Administrative Expense	(60)	(67)	(84)
Other	429	293	509
Net Change in Plan Fiduciary Net Position	(12,499)	12,199	142,913
Plan Fiduciary Net Position — Beginning	1,110,626	1,098,427	955,514
Plan Fiduciary Net Position — Ending (b)	\$ 1,098,127	\$ 1,110,626	\$ 1,098,427
Plan's Net Pension Liability (Asset)			
— Ending (a) – (b)	\$ 69,316	\$ 19,551	\$ (26,003)

JRS Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability			
Service Cost	\$ —	\$ —	\$ —
Interest	3,704	4,382	4,319
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	20	1,590	—
Changes in Assumptions	8,737	4,334	—
Benefit Payments, Including Refunds of Member Contributions	(9,131)	(9,336)	(9,480)
Net Change in Total Pension Liability	3,330	971	(5,161)
Total Pension Liability — Beginning	101,312	100,341	105,502
Total Pension Liability — Ending (a)	\$ 104,642	\$ 101,312	\$ 100,341
Plan Fiduciary Net Position¹			
Contributions — Employer	—	—	—
Contributions — State	9,500	10,600	10,600
Contributions — Member	—	—	—
Net Investment Income	74	38	25
Benefit Payments, Including Refunds of Member Contributions	(9,131)	(9,336)	(9,480)
Administrative Expense	(1)	—	—
Other	—	—	—
Net Change in Plan Fiduciary Net Position	442	1,302	1,145
Plan Fiduciary Net Position — Beginning	6,333	5,031	3,886
Plan Fiduciary Net Position — Ending (b)	\$ 6,775	\$ 6,333	\$ 5,031
Plan's Net Pension Liability (Asset)			
— Ending (a) – (b)	\$ 97,867	\$ 94,979	\$ 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.

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: Schedule of Changes in Net Pension Liability (cont.)

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

PERS Plan 1 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 12,496,872	\$ 12,789,242	\$ 12,979,104
Plan Fiduciary Net Position ¹	7,126,401	7,558,312	7,941,557
Plan Net Pension Liability (Asset)	\$ 5,370,471	\$ 5,230,930	\$ 5,037,547
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.03%	59.10%	61.19%
Covered-Employee Payroll	\$ 218,029	\$ 260,894	\$ 309,665
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	2,463.19%	2,005.00%	1,626.77%

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

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

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

This schedule will be built prospectively until it contains 10 years of data.

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

TRS Plan 1 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 9,001,257	\$ 9,237,730	\$ 9,443,688
Plan Fiduciary Net Position ¹	5,587,020	6,069,588	6,494,234
Plan Net Pension Liability (Asset)	\$ 3,414,237	\$ 3,168,142	\$ 2,949,454
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.07%	65.70%	68.77%
Covered-Employee Payroll	\$ 84,193	\$ 113,313	\$ 148,430
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	4,055.25%	2,795.92%	1,987.10%

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

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

LEOFF Plan 2 Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 9,628,990	\$ 8,804,869	\$ 7,923,759
Plan Fiduciary Net Position ¹	10,210,620	9,832,669	9,250,802
Plan Net Pension Liability (Asset)	\$ (581,630)	\$ (1,027,800)	\$ (1,327,043)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.04%	111.67%	116.75%
Covered-Employee Payroll	\$ 1,804,024	\$ 1,744,180	\$ 1,674,432
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	(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.

This schedule will be built prospectively until it contains 10 years of data.

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

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

JRS Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 104,642	\$ 101,312	\$ 100,341
Plan Fiduciary Net Position ¹	6,775	6,333	5,031
Plan Net Pension Liability (Asset)	\$ 97,867	\$ 94,979	\$ 95,310
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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

JRF Dollars in Thousands			
	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability	\$ 3,097	\$ 3,117	\$ 3,146
Plan Fiduciary Net Position ¹	582	515	955
Plan Net Pension Liability (Asset)	\$ 2,515	\$ 2,602	\$ 2,191
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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

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.

Required Supplementary Information: Schedule of Employer Contributions

PERS Plan 1 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	\$ 573,784	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	623,404	454,010	439,067	534,200	508,000	439,300	627,800	620,200	453,100	397,300
Contributions in Relation to the Actuarially Determined Contributions	595,982	462,100	448,895	266,270	257,197	145,585	154,023	325,248	221,787	118,660
Contribution Deficiency (Excess)	\$ 27,422	\$ (8,090)	\$ (9,828)	\$ 267,930	\$ 250,803	\$ 293,715	\$ 473,777	\$ 294,952	\$ 231,313	\$ 278,640
Covered-Employee Payroll³	218,029	260,894	309,665	352,909	399,564	493,559	571,969	654,711	713,421	761,800
Contributions as a Percentage of Covered-Employee Payroll	273.35%	177.12%	144.96%	75.45%	64.37%	29.50%	26.93%	49.68%	31.09%	15.58%

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

PERS Plan 2/3 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	\$ 580,852	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	662,898	462,098	441,677	408,300	407,700	408,600	383,100	369,700	363,300	331,300
Contributions in Relation to the Actuarially Determined Contributions	563,328	446,127	430,345	389,020	385,253	328,258	327,460	439,744	318,740	242,544
Contribution Deficiency (Excess)	\$ 99,570	\$ 15,971	\$ 11,332	\$ 19,280	\$ 22,447	\$ 80,342	\$ 55,640	\$ (70,044)	\$ 44,560	\$ 88,756
Covered-Employee Payroll³	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	7,019,718
Contributions as a Percentage of Covered-Employee Payroll	6.04%	5.03%	5.00%	4.71%	4.74%	4.03%	4.02%	5.42%	4.14%	3.46%

¹ See the "Notes to Required Supplementary Information" on page 96 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 Employer Contributions (cont.)

SERS Plan 2/3 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	\$ 124,505	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	144,599	94,736	90,064	86,600	85,200	88,600	82,300	71,500	75,800	71,500
Contributions in Relation to the Actuarially Determined Contributions	115,480	97,386	88,783	78,400	74,640	62,316	62,090	63,526	52,139	45,950
Contribution Deficiency (Excess)	\$ 29,119	\$ (2,650)	\$ 1,281	\$ 8,200	\$ 10,560	\$ 26,284	\$ 20,210	\$ 7,974	\$ 23,661	\$ 25,550
Covered-Employee Payroll³	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	1,407,307
Contributions as a Percentage of Covered-Employee Payroll	6.15%	5.66%	5.49%	5.06%	4.55%	3.78%	3.83%	4.01%	3.44%	3.27%

PSERS Plan 2 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	\$ 21,408	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	22,382	18,545	17,053	15,100	14,700	14,700	14,800	14,300	12,400	7,100
Contributions in Relation to the Actuarially Determined Contributions	20,058	18,704	17,124	15,650	15,285	15,591	15,238	14,510	11,700	6,612
Contribution Deficiency (Excess)	\$ 2,324	\$ (159)	\$ (71)	\$ (550)	\$ (585)	\$ (891)	\$ (438)	\$ (210)	\$ 700	\$ 488
Covered-Employee Payroll³	324,850	293,007	270,102	249,022	236,495	232,044	232,826	222,044	178,767	101,789
Contributions as a Percentage of Covered-Employee Payroll	6.17%	6.38%	6.34%	6.28%	6.46%	6.72%	6.54%	6.53%	6.54%	6.50%

¹ See the "Notes to Required Supplementary Information" on page 96 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 Employer Contributions (cont.)

TRS Plan 1 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	\$ 325,771	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	361,481	218,542	208,119	275,400	254,000	205,900	406,100	391,000	294,700	249,800
Contributions in Relation to the Actuarially Determined Contributions	315,934	223,886	200,674	118,569	111,937	96,803	112,731	178,850	113,089	60,462
Contribution Deficiency (Excess)	\$ 45,547	\$ (5,344)	\$ 7,445	\$ 156,831	\$ 142,063	\$ 109,097	\$ 293,369	\$ 212,150	\$ 181,611	\$ 189,338
Covered-Employee Payroll³	84,192	113,313	148,430	192,532	280,366	349,660	418,353	480,118	525,223	586,394
Contributions as a Percentage of Covered-Employee Payroll	375.25%	197.58%	135.20%	61.58%	39.93%	27.68%	26.95%	37.25%	21.53%	10.31%

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

TRS Plan 2/3 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	\$ 339,634	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	382,088	269,160	255,277	231,600	232,200	232,300	221,100	186,900	208,900	167,700
Contributions in Relation to the Actuarially Determined Contributions	316,022	267,038	249,341	228,974	213,852	168,264	164,959	160,793	109,523	102,180
Contribution Deficiency (Excess)	\$ 66,066	\$ 2,122	\$ 5,936	\$ 2,626	\$ 18,348	\$ 64,036	\$ 56,141	\$ 26,107	\$ 99,377	\$ 65,520
Covered-Employee Payroll³	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	3,375,160
Contributions as a Percentage of Covered-Employee Payroll	6.25%	5.70%	5.62%	5.45%	5.14%	4.03%	4.07%	4.07%	2.99%	3.03%

¹ See the "Notes to Required Supplementary Information" on page 96 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 Employer Contributions (cont.)

LEOFF Plan 1 Dollars in Thousands										
	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
Contractually Required Contributions (CRC) ¹	—	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC) ²	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in Relation to the Actuarially Determined Contributions	—	60	98	555	2	3	49	216	8	56
Contribution Deficiency (Excess)	\$ —	\$ (60)	\$ (98)	\$ (555)	\$ (2)	\$ (3)	\$ (49)	\$ (216)	\$ (8)	\$ (56)
Covered-Employee Payroll ³	7,932	10,583	13,888	16,521	21,456	27,171	32,110	41,040	41,384	46,327
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.57%	0.71%	3.36%	0.01%	0.01%	0.15%	0.53%	0.02%	0.12%

LEOFF Plan 2 Dollars in Thousands										
	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
Contractually Required Contributions (CRC) ¹	—	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC) ²	\$ 151,718	\$ 147,438	\$ 141,696	\$ 94,700	\$ 97,300	\$ 84,000	\$ 112,200	\$ 105,300	\$ 102,100	\$ 94,900
Contributions in Relation to the Actuarially Determined Contributions	152,424	147,461	141,082	136,643	133,250	131,757	128,374	128,986	119,290	96,119
Contribution Deficiency (Excess)	\$ (706)	\$ (23)	\$ 614	\$ (41,943)	\$ (35,950)	\$ (47,757)	\$ (16,174)	\$ (23,686)	\$ (17,190)	\$ (1,219)
Covered-Employee Payroll ³	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	1,221,223
Contributions as a Percentage of Covered-Employee Payroll	8.45%	8.45%	8.43%	8.51%	8.49%	8.54%	8.47%	8.86%	8.88%	7.87%

¹ See the "Notes to Required Supplementary Information" on page 96 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 Employer Contributions (cont.)

WSPRS Plan 1/2 Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	—	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	\$ 7,618	\$ 6,810	\$ 6,677	\$ 2,500	\$ 2,900	\$ 2,300	\$ 6,600	\$ 5,000	\$ 6,800	\$ 5,300
Contributions in Relation to the Actuarially Determined Contributions	7,044	6,679	6,587	6,478	6,454	5,251	5,271	6,371	6,064	3,278
Contribution Deficiency (Excess)	\$ 574	\$ 131	\$ 90	\$ (3,978)	\$ (3,554)	\$ (2,951)	\$ 1,329	\$ (1,371)	\$ 736	\$ 2,022
Covered-Employee Payroll³	86,669	84,379	83,282	81,895	81,578	81,882	82,764	82,719	78,781	72,688
Contributions as a Percentage of Covered-Employee Payroll	8.13%	7.92%	7.91%	7.91%	7.91%	6.41%	6.37%	7.70%	7.70%	4.51%

JRS Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	—	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	\$ 8,999	\$ 9,132	\$ 9,205	\$ 21,700	\$ 22,600	\$ 18,600	\$ 20,400	\$ 21,200	\$ 26,600	\$ 37,300
Contributions in Relation to the Actuarially Determined Contributions	9,500	10,600	10,600	10,112	8,131	10,906	11,649	10,305	9,712	9,650
Contribution Deficiency (Excess)	\$ (501)	\$ (1,468)	\$ (1,395)	\$ 11,588	\$ 14,469	\$ 7,694	\$ 8,751	\$ 10,895	\$ 16,888	\$ 27,650
Covered-Employee Payroll³	—	—	—	160	407	611	1,053	1,394	1,496	1,478
Contributions as a Percentage of Covered-Employee Payroll	n/a	n/a	n/a	6,320.00%	1,997.79%	1,784.94%	1,106.27%	739.24%	649.20%	652.91%

¹ See the "Notes to Required Supplementary Information" on page 96 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 Employer Contributions (cont.)

JRF Dollars in Thousands										
	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
Contractually Required Contributions (CRC)¹	—	—	—	—	—	—	—	—	—	—
Actuarially Determined Contributions (ADC)²	\$ 444	\$ 539	\$ 425	\$ 400	\$ 300	\$ 100	\$ —	\$ —	\$ —	\$ —
Contributions in Relation to the Actuarially Determined Contributions	501	—	—	—	—	—	—	—	300	300
Contribution Deficiency (Excess)	<u>\$ (57)</u>	<u>\$ 539</u>	<u>\$ 425</u>	<u>\$ 400</u>	<u>\$ 300</u>	<u>\$ 100</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (300)</u>	<u>\$ (300)</u>
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 96 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	6/30/2016	6/30/2015	6/30/2014
PERS Plan 1	2.19%	4.45%	18.76%
PERS Plan 2/3	2.47%	4.63%	18.94%
SERS Plan 2/3	2.49%	4.64%	18.96%
PSERS Plan 2	2.75%	4.76%	18.91%
TRS Plan 1	2.09%	4.41%	18.73%
TRS Plan 2/3	2.51%	4.65%	18.96%
LEOFF Plan 1	2.25%	4.51%	18.82%
LEOFF Plan 2	2.48%	4.64%	18.93%
WSPRS Plan 1/2	2.34%	4.56%	18.87%
JRS	0.62%	0.40%	0.16%
JRF	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, 2016

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 Plan 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, 2016 — Dollars in Thousands				
	Retirement Pension Trust Funds	Deferred Compensation Pension Trust Fund	Totals June 30, 2016	Totals June 30, 2015
Current Personnel				
Salaries and Wages	\$ 13,067	\$ 994	\$ 14,061	\$ 13,327
Employee Benefits	4,704	369	5,073	4,180
Personal Service Contracts	3,624	235	3,859	1,567
Total Personnel Expenses	21,395	1,598	22,993	19,074
Goods and Services				
Actuary Services	1,739	—	1,739	1,610
Archives and Records Management	33	2	35	42
Attorney General Services	131	15	146	132
Audit Services	472	7	479	693
Bad Debts Expense	46	—	46	98
Collections	51	—	51	41
Communications	368	4	372	400
Data Processing Services	2,231	84	2,315	2,223
Employee Professional Development and Training	156	1	157	204
Facilities and Services	328	12	340	340
Insurance	10	1	11	8
Legal Fees	1,724	—	1,724	1,242
LEOFF 2 Board Governance	1,142	—	1,142	1,144
Medical Consultant Services	36	—	36	28
Other Contractual Services	926	14	940	703
Other Goods and Services	12	—	12	11
Personnel Services	41	3	44	44
Printing and Reproduction	181	6	187	199
Rental and Leases	1,394	97	1,491	1,522
Repairs and Alterations	130	8	138	138
Subscriptions	31	—	31	32
Supplies and Materials	44	2	46	58
Utilities	117	9	126	122
Total Goods and Services	11,343	265	11,608	11,034
Miscellaneous Expenses				
Grants, Benefits and Client Services	—	—	—	—
Noncapitalized Equipment	665	40	705	1,312
Travel	120	38	158	156
Total Miscellaneous Expenses	785	78	863	1,468
Total Current Expenses	33,523	1,941	35,464	31,576
Capital Outlays				
Furnishings, Equipment and Software	66	—	66	54
Improvements Other Than Buildings	—	—	—	—
Total Capital Outlays	66	—	66	54
Depreciation and Loss — Capital Assets	79	—	79	124
Total Administrative Expenses	\$ 33,668	\$ 1,941	\$ 35,609	\$ 31,754

Supporting Schedules (cont.)

Schedule of Investment Expenses — Pension Trust Funds For the Year Ended June 30, 2016 — Dollars in Thousands			
	Fees Paid	Netted Fees¹	Total Fees and Expenses
Equity Securities			
Public Equity Active Management	\$ 50,907	\$ 319	\$ 51,226
Public Equity Passive Management	2,195	810	3,005
Alternative Investments			
Private Equity	177,935	10,060	187,995
Real Estate	27,113	4,608	31,721
Tangible Assets	48,170	—	48,170
Cash Management	2,166	—	2,166
Debt Securities	—	—	—
Other Fees			
Consultants and Accounting	1,270	—	1,270
Legal Fees	1,482	—	1,482
Research Services	2,241	—	2,241
Securities Lending Rebates and Fees	4,377	—	4,377
Miscellaneous Fees	154	—	154
DCP Management Fees	5,181	—	5,181
JRA Management Fees	15	—	15
PERS Plan 3 Management Fees	1,077	—	1,077
SERS Plan 3 Management Fees	462	—	462
TRS Plan 3 Management Fees	3,014	—	3,014
WSIB Operating Costs	15,330	—	15,330
Total Investment Expenses	\$ 343,089	\$ 15,797	\$ 358,886

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, 2016 — Dollars in Thousands	
	Commission/Fee
Computer/Technology	
Aetea Information Technology Inc.	\$ 168
Bizagi	1,780
Martin Analysis & Programming Inc.	321
Software AG USA Inc.	43
Total Computer/Technology	2,312
Legal	
Freimund Jackson Tardif & Benedict Garratt PLLC	283
Gallitono & O'Connor LLP	155
Ice Miller LLP	45
Total Legal	483
Management	
Business Coaching & Consulting	4
CEM Benchmarking Inc.	45
Charles W. Cammack Associates Inc.	131
Christie O'Loughlin & Associates	12
CliftonLarsonAllen LLP	76
The Caughlin Group	3
Total Management	271
Recordkeeping	
Great-West Life & Annuity	1,031
ICMA Retirement Corp.	833
Total Recordkeeping	1,864
Total Payments to Consultants	\$ 4,930

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

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Investment Section

2016 Highlights

Employer Reporting Application

Work began this year on the first stage of modernizing the legacy systems that support DRS' core business functions. The first effort will replace the 20-year-old system used by government employers to report member account and financial information to DRS.

The new Employer Reporting Application (ERA) is expected to be fully rolled out by mid-2018.



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 \$994 million to \$87.2 billion during fiscal year 2016. The CTF return was 2.7% for the fiscal year.

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

- **Participant Concentration:** The DRS retirement funds make up 99.7% of the CTF. Their respective concentrations are:
 - PERS 1 (8.6%)
 - PERS 2/3 defined benefit (DB) and defined contribution (DC) plans (38.6%)
 - SERS 2/3 DB and DC plans (6.6%)
 - PSERS 2 (0.5%)
 - TRS 1 (6.6%)
 - TRS 2/3 DB and DC plans (18.6%)
 - WSPRS 1/2 (1.4%)
 - LEOFF 1 (6.5%)
 - LEOFF 2 (12.3%)
- **External Managers:** The WSIB engages about 140 partnerships and external managers to assist in the management of the CTF's investments.
- **Risk:** The various risks of the CTF portfolio include interest rate risk, credit risk, concentration risk and foreign currency risk, as described in Note 1 of the Financial Section of this report. The WSIB has not created a total fund risk profile for the CTF.
- **Leverage:** The WSIB does not leverage the CTF portfolio as a whole. Individual securities within the CTF do have leverage; however, the WSIB does not capture this information on a total basis.
- **Earnings:** The CTF does not distribute earnings directly to the owner funds. The retirement fund plans are allowed to purchase or sell units in the pool, based on the fair value of the underlying assets, on the first business day of each month. The net asset value includes interest and dividend income, which is recognized on a trade-date basis, and purchases and sales of investments, which are recorded on a trade-date basis.
- **Expense:** The CTF's expense ratio for the year ended June 30, 2016, was 0.40465%.
- **Yield:** The CTF's fixed income portfolio has a yield of 3.10%.
- **Weighted Average Maturity:** The CTF fixed income portfolio has a weighted average maturity of 7.8 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 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

Report on Investment Activity (cont.)

certain securities. Independent auditors audit the limited partnership's 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 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 returns 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, 2016

	1-Year	3-Year	5-Year	10-Year
Total Fund	2.65%	8.03%	7.51%	6.18%
Passive Benchmark	(0.51)%	5.90%	5.39%	5.11%
Fixed Income	4.77%	3.65%	3.44%	5.78%
Barclays Capital Universal	5.82%	4.20%	4.01%	5.30%
Tangible	(0.77)%	2.59%	1.61%	n/a
CPI Lagged One Quarter + 400 bp	4.87%	4.80%	5.30%	n/a
Real Estate	40.43%	12.56%	12.79%	7.48%
8% Return Over Rolling 10 Years	n/a	n/a	n/a	8.00%
NCREIF Lagged One Quarter (for Comparison Purposes)	11.84%	11.91%	11.93%	7.61%
Public Equity	(2.60)%	7.03%	6.36%	4.75%
Dow Jones Wilshire Global Index	(3.54)%	6.46%	5.76%	4.73%
Private Equity	4.67%	11.80%	10.81%	8.98%
Russell 3000 Lagged One Quarter + 300 bp	2.66%	14.15%	14.01%	9.90%
Innovation	(4.80)%	5.81%	6.90%	n/a
Custom Benchmark	(3.57)%	(0.64)%	(2.49)%	n/a
Cash	0.32%	0.18%	0.17%	1.18%
90-Day T-Bills	0.21%	0.11%	0.10%	1.08%

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.

Report on Investment Activity (cont.)

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, 2016, as well as the long-term target allocations.

Current Asset Allocation and Long-Term Target Allocations — As of June 30, 2016		
Asset Type	Target Allocation	Actual Allocation
Fixed Income	20.00%	22.04%
Tangible Assets	5.00%	2.94%
Real Estate	15.00%	15.78%
Public Equity	37.00%	37.95%
Private Equity	23.00%	20.96%
Innovation	0.00%	0.07%
Cash	0.00%	0.26%
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. 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, 2016

Holdings		Exposure by Country	
Apple Inc.	1.19%	United States	56.64%
Alphabet Inc.	0.99%	United Kingdom	7.35%
Microsoft Corp.	0.97%	Japan	6.21%
Exxon Mobil Corp.	0.82%	Switzerland	3.21%
Nestle SA.	0.82%	Germany	2.60%
Oracle Corp.	0.75%	France	2.54%
Wells Fargo & Co..	0.73%	Canada	2.47%
Facebook Inc.	0.71%	Australia	1.87%
Royal Dutch Shell PLC	0.70%	China	1.52%
Novartis AG	0.69%	Korea, Republic of	1.30%

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. About 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.

Report on Investment Activity (cont.)

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.

About 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, 2016**

Investment Type	WSIB Fixed Income	Barclays Capital Universal Index
Cash	0.25%	0.00%
Treasury Inflation Protected Securities (TIPS)	0.00%	0.00%
U.S. Treasury	35.20%	30.73%
U.S. Agency	0.00%	2.08%
U.S. Credit	58.55%	41.65%
Pass-Through Mortgages	4.90%	23.56%
Collateral Mortgage Obligations (CMO)	0.33%	0.00%
Commercial Mortgage-Backed Securities (CMBS)	0.50%	1.57%
Asset-Backed Securities (ABS)	0.28%	0.40%

Private Equity

The private equity portfolio, originated in 1981, is primarily invested in partnerships that acquire or create ongoing businesses or operating companies. The WSIB

has investments in all stages of the business life cycle, from private 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, 2016 — Page 1 of 2

These investment professionals provided services for the retirement funds during fiscal year 2016:

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
 Boston Ventures
 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
 Evercore Capital Partners
 First Reserve Corp.
 Evergreen Pacific Partners
 Fisher Lynch Capital
 Fortress Investment Group
 FountainVest Partners
 Francisco Partners

Private Equity Partners (cont.)

Frazier & Co.
Friedman Fleischer & Lowe
GGV Capital
GI Partners
Gilbert Global Equity Partners
Great Hill Partners
Gryphon Investors
GTCR
H.I.G. Ventures
HarbourVest Partners
Healthcare Ventures
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
Oaktree Capital Management
Oak Investment Partners
OVP Venture Partners
PAG Asia Capital
Palamon Capital Partners
Permira
Polaris Venture Partners
Providence Equity Partners
Roark Capital Group
Rhone Capital
Silver Lake Partners
Southern Cross Group
Spark Management Partners
Sprout Group

Private Equity Partners (cont.)

TA Associates
Tailwind Capital Partners
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
Vision Capital
Vivo Ventures
Warburg Pincus
Welsh, Carson, Anderson &
Stowe
Worldview Technology Partners

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
Washington Holdings

Investment Professionals (cont.)

For the Year Ended June 30, 2016 — Page 2 of 2

Tangible Partners

Agriculture Capital Management
Alinda Capital Partners
EnerVest Ltd.
Global Infrastructure Partners
Highstar 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
UBS Farmland Investors
Wood Creek Capital
Management
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
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, 2016				
Dollars in Thousands				
	Fees Paid	Netted Fees ¹	Total Fees and Expenses	Net Assets Under Management
Equity Securities				
Public Equity Active Management	\$ 50,907	\$ 319	\$ 51,226	\$ 13,820,940
Public Equity Passive Management	2,195	810	3,005	15,946,343
Alternative Investments				
Private Equity	177,935	10,060	187,995	17,496,857
Real Estate	27,113	4,608	31,721	13,213,294
Tangible Assets	48,170	—	48,170	2,522,495
Cash Management	2,166	—	2,166	1,517,426
Debt Securities	—	—	—	17,939,910
Other Fees				
Consultants and Accounting	1,270	—	1,270	n/a
Legal Fees	1,482	—	1,482	n/a
Research Services	2,241	—	2,241	n/a
Securities Lending Rebates and Fees	4,377	—	4,377	n/a
Miscellaneous Fees	154	—	154	n/a
DCP Management Fees	5,181	—	5,181	—
JRA Management Fees	15	—	15	—
PERS Plan 3 Management Fees	1,077	—	1,077	—
SERS Plan 3 Management Fees	462	—	462	—
TRS Plan 3 Management Fees	3,014	—	3,014	—
WSIB Operating Costs	15,330	—	15,330	—
Total Investment Expenses	\$ 343,089	\$ 15,797	\$ 358,886	\$ 82,457,265

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, 2016						
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
Agora Corde Titul E Val Mob	\$ 3,134	\$ 8,180	\$ 11,051	\$ 12	\$ —	\$ —
American Stock Transfer Co.	5,324	83,913	—	—	—	—
Auerbach Grayson & Co. Inc.	50	—	547	1	—	—
Australia & New Zealand Banking Group	—	—	—	—	299,157	—
Autonomous LLP	192	—	3,483	5	—	—
Banco Itau SA	1,509	2,975	3,221	7	—	—
Banco Pactual SA	662	80	3,736	3	—	—
Banco Santander Central Hispano	1,643	866	6,667	5	—	—
Banco Santander Central Hispano SA NY	—	—	—	—	18,947	—
Banco Santander Serfin SA	—	—	—	—	6,980	—
Bank of America Intl. NY United States	—	—	—	—	186,504	—
Bank of America Securities LLC	—	—	—	—	238,328	—
Bank of America/LaSalle Bank NA	—	—	—	—	3,989	—
Bank of New York	—	—	—	—	10,470	—
Bank of New York/Barclays London	—	—	—	—	323,137	—
Barclays Bank PLC	—	—	—	—	510,031	—
Barclays Bank PLC London Branch	—	—	—	—	49,859	—
Barclays Capital	3,397	13,816	39,741	66	—	—
Barclays Capital Inc.	—	—	—	—	684,071	—
Barclays Capital Inc./LE	21,310	514,741	486,970	2	—	—
Barclays Capital LE	2,200	57,172	892	6	—	—
BBVA Bancomer SA	2,093,427	1,565	—	—	—	—
BBVA Securities NY	—	—	—	—	22,935	—
BlackRock	10	165	—	—	—	—
Bloomberg Tradebook Europe Ltd.	6,096	19,920	15,518	18	—	—
BMO Capital Markets	83	3,043	6,137	3	—	—
BMO Capital Markets Corp. Bonds	—	—	—	—	194,452	—
BNP Paribas Prime Brokerage Inc.	2,059	5,649	—	3	—	—
BNP Paribas Securities Corp./Fixed Income	—	—	—	—	5,983	—
BNP Paribas Securities Services	502	2,099	1,725	4	—	—
BNY ConvergeEx Execution Solutions LLC	14,939	97,122	143,040	72	—	—
Bony/Toronto Dominion Securities Inc.	—	—	—	—	14,958	—
Bradesco SA CTVM	66	1,403	—	1	—	—
BTG Capital Corp.	21	301	—	1	—	—
BTIG LLC	21	—	108	—	—	—
Cantor Fitzgerald & Co.	407	—	7,613	14	4,986	—
Cantor Fitzgerald Europe	85	—	974	1	—	—
Celfin Capital SA Corredores de Bolsa	3,848	3,326	308	7	—	—
China Intl. Capital Co.	21,298	17,563	1,575	10	—	—
CIBC World Markets Corp.	—	—	—	—	14,958	—
CIBC World Markets Inc.	102	—	4,250	3	—	—
Citibank Mexico	741	—	3,006	2	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2016 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
Citibank NA	\$ 1,184	\$ 2,985	\$ 11,467	\$ 7	\$ 46,868	\$ —
Citigroup Global Market Korea Securities Ltd.	387	10,707	12,036	24	—	—
Citigroup Global Markets Australia Pty. Ltd.	160	14	18	—	—	—
Citigroup Global Markets Inc.	35,908	378,127	279,739	155	416,656	—
Citigroup Global Markets Inc. Salomon Brothers	—	—	—	—	1,139,203	—
Citigroup Global Markets India	278	1,620	1,387	3	—	—
Citigroup Global Markets Ltd.	26,612	81,653	66,468	106	—	—
Clearstream Banking SA Luxembourg	—	—	—	—	4,986	—
CLSA Australia Pty. Ltd.	321	2,633	—	1	—	—
CLSA Securities Korea Ltd.	27	5,547	—	6	—	—
CLSA Singapore Pte. Ltd.	1,832	26,650	16,522	26	—	—
Cowen & Co. LLC	—	—	3	—	—	—
Credit Agricole Securities (USA) Inc.	—	—	—	—	87,753	—
Credit Lyonnais Securities (Asia)	11,661	14,710	22,480	30	—	—
Credit Lyonnais Securities (India)	2,238	23,672	2,272	28	—	—
Credit Suisse First Boston	26,666	15,015	13,003	8	—	—
Credit Suisse First Boston (Europe)	260	8,350	4,212	8	—	—
Credit Suisse First Boston SA CTVM	6,389	14,064	8,533	8	—	—
Credit Suisse Securities (Europe) Ltd.	5,993	9,334	76,460	46	—	—
Credit Suisse Securities (USA) LLC	157,058	463,210	422,682	177	979,749	—
CS First Boston (Hong Kong) Ltd.	616	3,467	—	5	—	—
CSFB Australia Equities Ltd.	1,063	1,788	40	1	—	—
Daewoo Securities Co. Ltd.	6	504	988	3	—	—
Daiwa Securities (Hong Kong) Ltd.	4,674	23,928	55,950	23	—	—
Daiwa Securities America Inc.	21	—	3,225	2	—	—
Davy Stockbrokers	89	11,994	—	18	—	—
Deutsche Bank AG Jakarta	1,840	—	2,036	1	—	—
Deutsche Bank AG London	15,188	111,719	78,414	50	—	—
Deutsche Bank AG New York	—	—	—	—	111,394	—
Deutsche Bank Securities Inc.	10,115	13,984	145,450	65	184,480	—
Deutsche Equities India Pvt. Ltd. DB	465	2,454	473	4	—	—
Deutsche Securities Asia Ltd.	453	3,316	—	8	—	—
DSP Merrill Lynch Ltd.	9,112	35,796	2,912	35	—	—
Edelweiss Securities Pvt. Ltd.	520	3,915	1,112	6	—	—
Exane SA	12,740	26,328	18,467	23	—	—
Goldman Sachs & Co.	266,711	429,209	403,112	209	30,294,795	—
Goldman Sachs & Co. Intl.	100	—	3,132	2	—	—
Goldman Sachs (Asia) LLC	16,014	48,847	33,942	49	—	—
Goldman Sachs do Brasil Corretora	149	1,733	—	2	—	—
Goldman Sachs Equity Securities (UK) Ltd.	927	—	9,926	5	—	—
Goldman Sachs Intl.	20,524	46,113	34,563	43	—	—
Goodbody Stockbrokers	64	340	—	—	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2016 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
Hanwha Securities Seoul	\$ 147	\$ 11,253	\$ 2,152	\$ 8	\$ —	\$ —
Hongkong & Shanghai Banking Corp.	6,409	9,323	641	5	—	—
HSBC Bank Brasil SA Banco Multiplo	717	1,409	2,613	5	—	—
HSBC Bank PLC	32,984	213,323	226,950	91	—	—
HSBC Brokerage (USA) Inc.	123	522	—	1	—	—
HSBC Securities (USA) Inc.	14,329	244,154	164,607	100	—	—
HSBC Securities India Holdings	418	3,293	—	1	—	—
ICICI Brokerage Services	1,722	10,160	—	10	—	—
India Infoline Ltd.	333	2,633	—	3	—	—
Instinet	1,708	34,564	18,466	3	—	—
Instinet Australia Clearing Services Pty. Ltd.	2,151	9,196	7	3	—	—
Instinet LLC	26,274	247,389	206,408	120	—	—
Instinet Pacific Ltd.	223,838	131,352	115,808	112	—	—
Instinet Singapore Services Pte.	163	1,159	—	—	—	—
Instinet UK Ltd.	64,803	429,166	591,339	351	—	—
Investment Technology Group Inc.	22,884	409,292	358,360	172	—	—
Investment Technology Group Ltd.	39,515	341,729	365,663	229	—	—
ITG Australia Ltd.	1,421	27,785	5,081	18	—	—
ITG Canada	1,715	17,581	2,943	7	—	—
ITG Inc.	256	694	6,342	4	—	—
ITG Securities (HK) Ltd.	25,679	21,791	16,521	16	—	—
Jefferies & Co. Inc.	1,203	3,652	19,281	23	56,092	—
Joh. Berenberg, Gossler & Co.	44	—	1,387	2	—	—
JonesTrading Institutional Services LLC	41	—	1,586	2	—	—
JPMorgan Chase Bank	—	—	—	—	1,274,499	—
JPMorgan Chase Bank NA London	373	1,911	—	1	—	—
JPMorgan Chase Bank/Correspondent Lending	—	—	—	—	9,972	—
JPMorgan Chase Bank/HSBC SI	—	—	—	—	369,957	—
JPMorgan Chase Bank/RBS Securities Inc.	—	—	—	—	807,723	—
JPMorgan Chase/JPMorgan Intl.	—	—	—	—	83,764	—
JPMorgan Clearing Corp.	20,945	291,796	374,595	215	—	—
JPMorgan Securities (Asia Pacific) Ltd.	107,331	61,404	29,982	37	—	—
JPMorgan Securities (Far East) Ltd. Seoul	174	21,837	3,107	17	—	—
JPMorgan Securities (Taiwan) Ltd.	1,749	2,295	—	3	—	—
JPMorgan Securities Australia Ltd.	643	4,006	—	1	—	—
JPMorgan Securities Inc.	26,331	55,827	19,996	62	—	—
JPMorgan Securities Ltd.	66	2,912	53	3	314,114	—
JPMorgan Securities Ltd./Equities Lending	67	567	17	—	—	—
JPMorgan Securities PLC	36,179	259,681	158,515	146	—	—
JPMorgan Securities Singapore	5,989	3,181	4,759	7	—	—
KCG Americas LLC	1,149	—	9,950	14	—	—
Kim Eng Securities (HK) Ltd.	427	1,291	—	3	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2016

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
Kim Eng Securities Pte. Ltd. Singapore	\$ 13	\$ 18	\$ —	\$ —	\$ —	\$ —
Knight Equity Markets LP	2	—	20	—	—	—
Knight Securities Intl.	1,520	14,604	—	4	—	—
Leerink, Swann & Co.	22	—	349	1	—	—
Liquidnet Canada Inc.	15	—	675	—	—	—
Liquidnet Inc.	2,254	122,329	71,036	56	—	—
Loop Capital Markets	5,904	115,876	102,664	53	—	—
Macquarie Bank Ltd.	8,122	84,316	53,521	34	—	—
Macquarie Capital (Europe) Ltd.	30	453	—	—	—	—
Macquarie Securities (India) Pvt. Ltd.	985	9,127	1,993	15	—	—
Macquarie Securities (NZ) Ltd.	171	582	—	1	—	—
Macquarie Securities (Singapore)	145	696	—	—	—	—
Macquarie Securities (USA) Inc.	399	—	27,072	14	—	—
Macquarie Securities Ltd. (Seoul)	2	—	1,657	2	—	—
MainFirst Bank DE	62	14,397	—	22	—	—
Merrill Lynch Canada Inc.	1,442	23,301	21,061	—	—	—
Merrill Lynch Intl.	224,472	278,170	266,493	248	—	—
Merrill Lynch, Pierce, Fenner & Smith Inc.	41,394	332,848	412,914	244	—	—
Mitsubishi UFJ Securities (USA) Inc.	—	—	—	—	1,994	—
Mizuho Securities USA Inc.	181	9	5,607	7	—	—
Mizuho Securities USA/Fixed Income	—	—	—	—	4,986	—
Morgan Stanley & Co. Inc.	78,322	95,196	50,736	88	923,918	—
Morgan Stanley & Co. Intl.	6,960	119,664	57,252	44	—	—
Morgan Stanley DW Inc.	676	—	10,341	26	—	—
Morgan Stanley India Co. Pvt. Ltd.	19	73	760	1	—	—
National Financial Services Corp.	289	493	10,937	11	54,845	—
Natixis Securities	35	5,043	—	8	—	—
Nomura Securities/Fixed Income	—	—	—	—	20,941	—
Nordea Bank Finland PLC	868	—	8,926	11	—	—
Numis Securities Inc.	238	1,957	3,505	6	—	—
Panmure Gordon & Co. Ltd.	512	11,199	—	17	—	—
Parel SA	965	3,104	9,069	18	—	—
Pavilion Global Markets Ltd.	14,009	263,692	165,983	103	—	—
Penserra Securities LLC	18,747	353,219	310,470	164	—	—
Pershing LLC	768	25,326	3,811	6	1,994	—
Pershing Securities Ltd.	451	377	25	—	—	—
Piper, Jaffray & Hopwood	30	—	2,718	4	—	—
Raymond James & Associates Inc.	32	—	3,287	4	—	—
RBC Capital Markets LLC	228	14,897	2,600	5	139,532	—
RBC Dominion Securities Inc.	376	—	14,618	18	—	—
Redburn Partners LLP	287	6,370	—	10	—	—
Sanford C. Bernstein & Co. LLC	55,678	579,161	524,770	302	—	—

Schedule of Broker Volume and Equity Commissions Paid (cont.)

For the Year Ended June 30, 2016						
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
Sanford C. Bernstein Ltd.	\$ 71,216	\$ 284,569	\$ 211,762	\$ 189	\$ —	\$ —
Scotia Capital (USA) Inc.	6,899	2,322	3,673	3	24,930	—
Scotia Capital Markets	277	7,423	—	5	—	—
SG Americas Securities LLC	20,847	432,769	315,536	159	—	—
SG Asia Securities (India) Pvt. Ltd.	232	3,664	—	4	—	—
SG Securities HK	24,132	54,947	59,258	41	—	—
Sinopac Securities Corp.	585	1,402	—	1	—	—
Skandinaviska Enskilda Banken	212	—	6,907	10	—	—
Skandinaviska Enskilda Banken London	108	—	5,078	8	—	—
Societe Generale London Branch	8,437	83,073	72,270	63	—	—
Standard Bank London Ltd.	99	1,326	—	2	—	—
Standard CT AIG	—	—	—	—	12,963	—
State Street Bank & Trust	—	—	—	—	—	22,069,652
State Street Global Markets LLC	116	917	27	2	—	—
Stifel, Nicolaus & Co. Inc.	1,370	17,872	—	—	—	—
Susquehanna Financial Group LLP	1	85	—	—	—	—
Svenska Handelsbanken	13	—	287	—	—	—
TD Securities (USA) LLC	153	11,105	7,494	6	—	—
TD Waterhouse Canada	6	—	103	—	—	—
Tera Menkul Degerler AS	4,475	7,593	2,232	10	—	—
UBS AG	7,966	101,547	47,991	41	—	—
UBS Financial Services Inc.	25	521	—	—	—	—
UBS Ltd.	28,050	204,479	213,562	205	—	—
UBS Securities Asia Ltd.	35,186	49,360	45,250	35	—	—
UBS Securities Canada Inc.	452	6,022	3,851	2	—	—
UBS Securities LLC	16,998	369,023	362,291	156	169,522	—
UBS Securities Singapore Pte.	7,499	—	1,985	1	—	—
UBS Warburg Australia Equities	808	2,444	2,540	1	—	—
Warburg Dillon Read Securities Co.	4,990	—	3,978	2	—	—
Weeden & Co.	17,273	296,469	330,240	155	—	—
Wells Fargo Securities LLC	79	1,489	—	—	107,344	—
William Blair & Co. LLC	75	—	6,025	5	—	—
Woori Investment & Securities	57	5,455	3,918	6	—	—
XP Investimentos CCTVM SA	223	1,450	—	1	—	—
Total	\$ 4,217,275	\$ 9,959,576	\$ 9,029,843	\$ 5,888	\$ 40,234,719	\$ 22,069,652

Summary of Investments Owned — Pension Trust Funds

Schedule of Investments Owned as of June 30, 2016				
Dollars in Thousands — Page 1 of 7				
Description	Rate	Maturity	Market Value	% of Total Market Value
Asset-Backed Securities				
Citibank Credit Card Issuance	1.02	2/22/2019	\$ 49,911	0.06%
Total Asset-Backed Securities			49,911	0.06%
Residential Mortgage-Backed Securities				
FNMA Pool AL5255	2.50	7/1/2028	72,890	0.08%
FNMA Pool AS6932	3.00	4/1/2046	50,924	0.06%
FNMA Pool AS6815	3.00	3/1/2046	50,365	0.06%
FNMA Pool AB8447	2.50	2/1/2028	45,675	0.05%
FNMA Pool AW8713	2.50	8/1/2029	43,630	0.05%
FED HM LN PC Pool G18540	2.50	2/1/2030	43,231	0.05%
FED HM LN PC Pool G18529	2.50	10/1/2029	40,170	0.04%
FNMA Pool AL5250	2.50	10/1/2028	38,713	0.04%
FED HM LN PC Pool E03033	3.00	2/1/2027	37,028	0.04%
FNMA Pool AL6736	2.00	4/1/2025	35,964	0.04%
Other	—	—	425,102	0.47%
Total Residential Mortgage-Backed Securities			883,692	0.98%
Commercial Mortgage-Backed Securities				
Fannie Mae	2.50	7/25/2028	30,473	0.03%
Citigroup Commercial Mortgage	5.43	10/15/2049	21,037	0.02%
GS Mortgage Securities Trust	3.52	6/10/2047	16,076	0.02%
Freddie Mac	3.00	10/15/2040	15,363	0.02%
Citigroup Commercial Mortgage	2.79	3/10/2047	13,396	0.01%
Morgan Stanley BAML Trust	3.33	5/15/2049	12,224	0.01%
UBS Barclays Commercial Mortgage	3.09	8/10/2049	10,573	0.01%
Wells Fargo Commercial Mortgage	3.17	2/15/2048	10,459	0.01%
Master Asset Securitization Trust	5.25	9/25/2033	5,135	0.01%
GS Mortgage Securities Trust	3.68	8/10/2043	2,779	0.00%
Other	—	—	4,407	0.00%
Total Commercial Mortgage-Backed Securities			141,922	0.14%
Corporate Bonds — Domestic Dollar Denominated				
Verizon Communications	5.15	9/15/2023	75,453	0.08%
Bank of America NA	1.13	11/14/2016	69,845	0.08%
Reliance Holdings USA	4.50	10/19/2020	59,368	0.07%
Anheuser Busch Inbev Worldwide	6.88	11/15/2019	58,450	0.06%
JPMorgan Chase & Co.	1.70	3/1/2018	50,099	0.06%
Bank of America Corp.	3.88	8/1/2025	47,628	0.05%
Bayer U.S. Finance LLC	3.38	10/8/2024	41,463	0.05%
Citigroup Inc.	4.00	8/5/2024	41,156	0.05%
HSBC USA Inc.	1.70	3/5/2018	39,794	0.04%
Wisconsin Public Service	4.75	11/1/2044	36,451	0.04%
Other	—	—	1,308,801	1.44%
Total Corporate Bonds — Domestic Dollar Denominated			1,828,508	2.02%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2016				
Dollars in Thousands — Page 2 of 7				
Description	Rate	Maturity	Market Value	% of Total Market Value
Corporate Bonds — Foreign Nondollar Denominated				
Petroleos Mexicanos	7.19	9/12/2024	\$ 26,844	0.03%
SACI Falabella	6.50	4/30/2023	24,877	0.03%
America Movil SAB de CV	8.46	12/18/2036	21,349	0.02%
Ambev International Finance Co. Ltd.	9.50	7/24/2017	17,601	0.02%
Petroleos Mexicanos	7.65	11/24/2021	17,023	0.02%
Empresas Public Medellin	7.63	9/10/2024	14,394	0.02%
Türkiye Garanti Bankasi	7.38	3/7/2018	12,899	0.01%
BRF SA	7.75	5/22/2018	12,781	0.01%
Akbank TAS	7.50	2/5/2018	12,472	0.01%
Cosan Luxembourg SA	9.50	3/14/2018	11,734	0.01%
Other	—	—	24,081	0.03%
Total Corporate Bonds — Foreign Nondollar Denominated			196,055	0.21%
Corporate Bonds — Foreign Dollar Denominated				
Perusahaan Gas Negara	5.13	5/16/2024	77,950	0.09%
National Australia Bank	1.30	6/30/2017	74,899	0.08%
Inversiones CMPC SA	6.13	11/5/2019	71,627	0.08%
Petronas Capital Ltd.	3.50	3/18/2025	68,150	0.08%
APT Pipelines Ltd.	4.20	3/23/2025	61,369	0.07%
Ecopetrol SA	7.63	7/23/2019	57,213	0.06%
Bank of Nova Scotia	2.05	6/5/2019	55,745	0.06%
Mega Advance Investments	5.00	5/12/2021	55,181	0.06%
Banco Bradesco (Cayman)	5.75	3/1/2022	55,018	0.06%
Codelco Inc.	4.50	8/13/2023	52,840	0.06%
Other	—	—	6,216,764	6.86%
Total Corporate Bonds — Foreign Dollar Denominated			6,846,756	7.56%
U.S. Government Treasuries				
U.S. Treasury N/B	1.25	10/31/2018	606,737	0.67%
U.S. Treasury N/B	2.00	8/15/2025	547,088	0.60%
U.S. Treasury N/B	0.88	6/15/2017	500,364	0.55%
U.S. Treasury N/B	2.38	8/15/2024	466,775	0.51%
U.S. Treasury N/B	1.13	5/31/2019	454,308	0.50%
U.S. Treasury N/B	1.75	9/30/2019	257,125	0.28%
U.S. Treasury N/B	2.63	8/15/2020	213,251	0.24%
U.S. Treasury N/B	1.63	11/15/2022	204,138	0.23%
U.S. Treasury N/B	1.63	5/15/2026	201,821	0.22%
U.S. Treasury N/B	3.00	11/15/2045	160,243	0.18%
Other	—	—	2,680,034	2.96%
Total U.S. Government Treasuries			6,291,884	6.94%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2016				
Dollars in Thousands — Page 3 of 7				
Description	Rate	Maturity	Market Value	% of Total Market Value
Foreign Government and Agencies — Dollar Denominated				
Republic of Indonesia	5.38	10/17/2023	\$ 56,107	0.06%
Province of Manitoba	2.13	6/22/2026	39,997	0.04%
Republic of Peru	4.13	8/25/2027	32,982	0.04%
Export Import Bank China	3.63	7/31/2024	31,913	0.04%
City of Buenos Aires	7.50	6/1/2027	31,187	0.03%
Republic of Colombia	5.00	6/15/2045	31,147	0.03%
Socialist Republic of Vietnam	4.80	11/19/2024	30,784	0.03%
Province of Ontario	2.00	1/30/2019	30,647	0.03%
Nacional Financiera SNC	3.38	11/5/2020	28,452	0.03%
State of Qatar	5.25	1/20/2020	27,656	0.03%
Other	—	—	311,501	0.34%
Total Foreign Government and Agencies — Dollar Denominated			652,373	0.70%
Foreign Government and Agencies — Nondollar Denominated				
New S. Wales Treasury Corp.	5.50	3/1/2017	76,138	0.08%
Malaysian Government	4.01	9/15/2017	52,644	0.06%
Thailand Government Bond	3.25	6/16/2017	43,303	0.05%
Queensland Treasury Corp.	4.25	7/21/2023	41,958	0.05%
Queensland Treasury Corp.	6.00	9/14/2017	39,009	0.04%
Republica Orient Uruguay	4.38	12/15/2028	38,843	0.04%
Republic of Colombia	4.38	3/21/2023	36,542	0.04%
Republic of Chile	5.50	8/5/2020	35,971	0.04%
Federal Republic of Brazil	10.25	1/10/2028	32,184	0.04%
Nota do Tesouro Nacional	10.00	1/1/2023	28,483	0.03%
Other	—	—	239,741	0.26%
Total Foreign Government and Agencies — Nondollar Denominated			664,816	0.73%
Supranational — Nondollar Denominated				
International Bank for Reconstruction & Development	5.75	10/21/2019	41,423	0.05%
International American Development Bank	6.50	8/20/2019	25,214	0.03%
International Finance Corp.	8.25	6/10/2021	23,618	0.03%
International Bank for Reconstruction & Development	13.63	5/9/2017	23,374	0.03%
International Finance Corp.	8.00	10/20/2019	22,809	0.03%
International Finance Corp.	7.75	12/3/2016	20,017	0.02%
International Bank for Reconstruction & Development	6.00	2/15/2017	19,011	0.02%
Asian Development Bank	2.85	10/21/2020	13,131	0.01%
Total Supranational — Nondollar Denominated			188,597	0.22%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2016		
Dollars in Thousands — Page 4 of 7		
Description	Market Value	% of Total Market Value
Corporate Stock — Domestic Dollar Denominated		
Oracle Corp.	\$ 166,973	0.18%
Apple Inc.	125,044	0.14%
Microsoft Corp.	122,832	0.14%
Wells Fargo & Co.	117,407	0.13%
CVS Health Corp.	116,885	0.13%
Intel Corp.	104,963	0.12%
Philip Morris International	102,342	0.11%
Visa Inc. Class A Shares	98,233	0.11%
Facebook Inc.	96,686	0.11%
HCA Holdings Inc.	96,079	0.11%
Other	4,864,752	5.37%
Total Corporate Stock — Domestic Dollar Denominated	6,012,196	6.65%
Corporate Stock — Domestic Nondollar Denominated		
ResMed Inc. CDI	253	0.00%
Total Corporate Stock — Domestic Nondollar Denominated	253	0.00%
Corporate Stock — Foreign Nondollar Denominated		
Nestle SA-Reg	233,769	0.26%
Novartis AG-Reg	196,567	0.22%
Sanofi	177,848	0.20%
Roche Holding AG-Genusschein	125,759	0.14%
Lloyds Banking Group PLC	125,108	0.14%
SAP SE	108,739	0.12%
Royal Dutch Shell PLC-A	107,725	0.12%
British American Tobacco PLC	97,122	0.11%
Compass Group PLC	95,062	0.10%
Royal Dutch Shell PLC-B	94,270	0.10%
Other	9,984,833	11.01%
Total Corporate Stock — Foreign Nondollar Denominated	11,346,802	12.52%
Corporate Stock — Foreign Dollar Denominated		
Taiwan Semiconductor SP ADR	85,375	0.09%
Aon PLC	72,785	0.08%
Accenture PLC CL-A	63,288	0.07%
Willis Towers Watson PLC	54,024	0.06%
TE Connectivity Ltd.	50,246	0.06%
Delphi Automotive PLC	49,659	0.05%
Fomento Economico Mex-SP ADR	44,858	0.05%
Schlumberger Ltd.	41,314	0.05%
Lukoil PJSC ADR	39,266	0.04%
Jardine Matheson Holdings Ltd.	39,154	0.04%
Other	885,343	0.98%
Total Corporate Stock — Foreign Dollar Denominated	1,425,312	1.57%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2016		
Dollars in Thousands — Page 5 of 7		
Description	Market Value	% of Total Market Value
Commingled Index Funds — Domestic		
BTC U.S. IMI Fund	\$ 10,069,766	11.11%
Total Commingled Index Funds — Domestic	10,069,766	11.11%
Commingled Index Funds — Foreign		
Lazard Freres Capital Management	394,124	0.44%
SPDR S&P 500 ETF Trust	1,431	0.00%
P2P Global Investments PLC	382	0.00%
Total Commingled Index Funds — Foreign	395,937	0.44%
Cash and Money Market		
State Street Bank & Trust	1,826,954	2.01%
U.S. Dollar	41,514	0.05%
BlackRock Liquidity Funds	36,491	0.04%
Total Cash and Money Market	1,904,959	2.10%
Private Equity		
KKR 2006 Fund LP	896,465	0.99%
Warburg Pincus Private Equity XI LP	743,212	0.82%
TPG Partners VI LP	478,993	0.53%
KKR European Fund III LP — USD	468,965	0.52%
Hellman & Friedman Capital Partners VII LP	406,366	0.45%
Total Pathway	400,244	0.44%
Advent International GPE VII-B LP	397,993	0.44%
Fisher Lynch Co-Investment Partnership II LP	391,616	0.43%
KKR North America Fund XI LP	388,040	0.43%
Oaktree Opportunities Fund IX LP	382,916	0.42%
Other	12,442,486	13.72%
Total Private Equity	17,397,296	19.19%
Real Estate		
Evergreen Real Estate Partners LP	3,536,503	3.90%
Principal Enterprise Capital Holdings	2,927,708	3.23%
Calzada Capital Partners LLC	2,745,545	3.03%
Fillmore Strategic Investors	1,053,838	1.16%
Union Square LP	564,688	0.62%
Aevitas Property Partners LLC	474,701	0.52%
PacTrust Realty Association	322,311	0.36%
Emerging Markets Fund of Funds	260,404	0.29%
Morgan Stanley Special Situations Fund III LP	193,818	0.21%
Washington Real Estate Holdings	158,359	0.17%
Other	972,361	1.07%
Total Real Estate	13,210,236	14.56%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2016 Dollars in Thousands — Page 6 of 7		
Description	Market Value	% of Total Market Value
Tangible Asset		
Alinda Infrastructure Fund II LP	\$ 451,107	0.50%
Teays River Investments LLC	314,159	0.35%
Global Infrastructure Partners II LP	188,102	0.21%
Stonepeak Infrastructure Fund LP	187,874	0.21%
Twin Creeks Timber	179,767	0.20%
Alinda Infrastructure Fund I LP	134,812	0.15%
Orion Mine Finance Fund I	125,044	0.14%
Stonepeak Infrastructure Fund II LP	119,827	0.13%
Lime Rock Resources III-A LP	99,846	0.11%
EnerVest Fund XIV LP	91,970	0.10%
Other	628,581	0.69%
Total Tangible Assets	2,521,089	2.79%
Foreign Currency		
Japanese Yen	25,175	0.03%
Euro	20,795	0.02%
Pound Sterling	9,958	0.01%
Canadian Dollar	9,791	0.01%
Australian Dollar	5,798	0.01%
South Korean Won	4,460	0.00%
New Taiwan Dollar	3,134	0.00%
Hong Kong Dollar	2,974	0.00%
Swedish Krona	2,032	0.00%
South African Rand	1,552	0.00%
Other	8,696	0.01%
Total Foreign Currency	94,365	0.09%
Return Swap Contracts		
Total Return Swap Contracts	22	0.00%
Total Return Swap Contracts	22	0.00%
In Plan 3 Defined Contribution and Deferred Compensation Program:		
Retirement Strategy Funds (Target Date Funds)		
Retirement Strategy 2020	834,788	0.92%
Retirement Strategy 2025	750,781	0.83%
Retirement Strategy 2015	509,769	0.56%
Retirement Strategy 2030	503,426	0.56%
Retirement Strategy 2035	343,179	0.38%
Retirement Strategy 2040	186,877	0.21%
Retirement Strategy 2010	168,832	0.19%
Retirement Strategy 2045	101,038	0.11%
Retirement Strategy 2005	56,616	0.06%
Other	137,748	0.15%
Total Retirement Strategy Funds (Target Date Funds)	3,593,054	3.97%

Summary of Investments Owned — Pension Trust Funds (cont.)

Schedule of Investments Owned as of June 30, 2016		
Dollars in Thousands — Page 7 of 7		
Description	Market Value	% of Total Market Value
Equity Index Funds		
U.S. Large Cap Equity Index	\$ 1,222,754	1.35%
U.S. Small Cap Value Equity Index	375,531	0.41%
Global Equity Index	246,092	0.27%
Emerging Market Index	104,854	0.12%
Total Equity Index Funds	1,949,231	2.15%
Guaranteed Investment Contracts		
Savings Pool	871,704	0.97%
Total Guaranteed Investment Contracts	871,704	0.97%
Bond Funds		
Washington State Bond Fund	673,910	0.74%
U.S. Socially Responsible Fund	252,675	0.28%
Total Bond Funds	926,585	1.02%
Short-Term Investment Funds (in Defined Contribution Plans)		
Short-Term Contribution Interest Fund	171	0.00%
WSIB Short-Term Investment Fund	501,622	0.55%
Total Short-Term Investment Funds (in Defined Contribution Plans)	501,793	0.55%
Securities Under Lending Agreements		
Collateral Held Under Securities Lending Agreements	683,169	0.76%
Total Securities Under Lending Agreements	683,169	0.76%
Total Investments	\$ 90,648,283	100.00%

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Actuarial Section

2016 Highlights

Online transactions for customers

During the past year, DRS established new ways for customers to process transactions through their secure online accounts.

One new tool allows members to update their beneficiary designations (previously a labor-intensive, paper-based process); the other allows retirees to conveniently set up and update direct (electronic) deposit of their benefit payments to their bank or credit union.



Actuarial Section



Office of the State Actuary

"Supporting financial security for generations."

October 5, 2016

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 2016 *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 and Standards Board (GASB) 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.

State Actuary's Certification Letter (cont.)



Ms. Tracy Guerin
Page 2 of 4

3. Actuarial Section.

- ❖ Funded Status and Funding Progress (one year).
- ❖ 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 2016 with a valuation date of June 30, 2015. The TPL was calculated as of the valuation date and projected to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015, to June 30, 2016, 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:

State Actuary's Certification Letter (cont.)



Ms. Tracy Guerin
Page 3 of 4

- ❖ 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.
- ❖ We reflected actual asset returns through June 30, 2016, 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](#) 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 [2015 Actuarial Valuation Report](#).

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).

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 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

State Actuary's Certification Letter (cont.)



Ms. Tracy Guerin
Page 4 of 4

Certification Letter in the *2015 Actuarial Valuation Report* 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' *2016 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 items in accordance with generally accepted actuarial principles and actuarial standards of practice as of the date of this letter.

We certify, to the best of our knowledge, that the actuarial submissions in the 2016 CAFR meet the GFOA standards for actuarial reporting.

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
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, 2016, is provided below.

As of June 30, 2016 — 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, 2016 — 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 don't 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 from DRS and are on the DRS website at drs.wa.gov.

Summary of Actuarial Assumptions and Methods

1. Actuarial Assumptions and Methods Selection

Economic Assumptions and Methods: These were developed in accordance with Washington state law and the Pension Funding Council.

Demographic Assumptions and Methods: They 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 2015 actuarial valuation report.

2. Investment Return

The investment return is 7.7% per annum for all systems

except LEOFF 2 (7.5%) and JRS/JRF (4.0%).

3. Mortality Tables

Mortality rates are based on the *RP-2000* report's Combined Healthy Table and Combined Disabled Table (except LEOFF 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.

RP-2000 Mortality Rates					100% Scale BB	
Age	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 2015						
Offsets	PERS, SERS, PSERS Plans		TRS Plans		LEOFF, WSPRS Plans	
	-1	-1	-3	-2	-1	1
Age	Male	Female	Male	Female	Male	Female
20	0.0317%	0.0182%	0.0289%	0.0180%	0.0317%	0.0184%
25	0.0361%	0.0193%	0.0351%	0.0189%	0.0361%	0.0205%
30	0.0395%	0.0238%	0.0366%	0.0225%	0.0395%	0.0294%
35	0.0673%	0.0417%	0.0539%	0.0378%	0.0673%	0.0493%
40	0.0979%	0.0621%	0.0867%	0.0573%	0.0979%	0.0742%
45	0.1339%	0.0987%	0.1165%	0.0898%	0.1339%	0.1173%
50	0.1913%	0.1486%	0.1663%	0.1375%	0.1913%	0.1776%
55	0.3064%	0.2260%	0.2557%	0.2057%	0.3064%	0.2881%
60	0.5388%	0.3858%	0.4253%	0.3408%	0.5388%	0.5051%
65	0.9526%	0.7279%	0.7395%	0.6459%	0.9526%	0.9251%
70	1.6026%	1.2549%	1.3009%	1.1354%	1.6026%	1.5690%
75	2.7435%	2.1499%	2.2078%	1.9398%	2.7435%	2.6151%
80	4.6880%	3.5052%	3.7961%	3.1749%	4.6880%	4.2883%
85	8.0751%	5.8707%	6.5137%	5.2786%	8.0751%	7.2944%
90	14.2546%	10.2060%	11.6526%	9.1909%	14.2546%	12.3859%
95	23.0437%	16.8029%	19.9103%	15.6662%	23.0437%	18.8784%
100	31.6606%	22.1856%	28.7501%	21.4722%	31.6606%	23.4749%
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 2015				
Offsets	All Plans Except LEOFF Plan 1		LEOFF Plan 1 ¹	
	0	0	2	2
Age	Male	Female	Male	Female
20	2.1641%	0.7143%	0.0351%	0.0186%
25	2.1641%	0.7143%	0.0366%	0.0214%
30	2.1641%	0.7143%	0.0539%	0.0336%
35	2.1641%	0.7143%	0.0867%	0.0531%
40	2.1641%	0.7143%	0.1165%	0.0817%
45	2.1641%	0.7143%	0.1663%	0.1271%
50	2.7781%	1.1060%	0.2557%	0.1935%
55	3.3982%	1.5423%	0.4500%	0.3242%
60	3.8104%	1.8973%	0.7937%	0.5783%
65	4.2372%	2.3668%	1.3575%	1.0272%
70	5.0648%	3.1783%	2.2078%	1.7451%
75	6.6416%	4.4108%	3.7961%	2.8802%
80	8.8514%	6.1067%	6.5137%	4.7540%
85	11.4599%	8.4621%	11.0099%	8.1356%
90	15.7096%	11.9958%	18.5531%	13.5006%
95	24.5877%	17.8792%	27.5624%	19.7848%
100	33.0363%	22.7686%	35.6375%	24.4015%
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												
	PERS Plan 1		PERS Plan 2/3				SERS Plan 2/3				PSERS Plan 2	
			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			
Age	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%
46	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%
48	55%	46%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
49	50%	38%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
50	45%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
51	40%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
52	40%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
53	40%	30%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%
54	40%	40%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%
55	17%	28%	2%	2%	12%	12%	1%	2%	12%	12%	2%	2%
56	17%	16%	3%	2%	12%	12%	2%	2%	12%	12%	5%	4%
57	17%	16%	4%	2%	12%	12%	3%	2%	12%	12%	8%	6%
58	17%	16%	5%	2%	12%	12%	4%	3%	12%	12%	11%	8%
59	20%	30%	6%	4%	16%	24%	5%	4%	16%	25%	14%	10%
60	16%	16%	7%	6%	12%	12%	6%	5%	12%	12%	30%	34%
61	23%	21%	8%	13%	20%	20%	15%	13%	21%	20%	26%	26%
62	30%	26%	24%	20%	28%	28%	24%	21%	30%	28%	30%	34%
63	22%	20%	22%	18%	26%	26%	22%	20%	28%	26%	50%	52%
64	28%	28%	56%	56%	56%	56%	56%	52%	57%	48%	70%	70%
65	34%	36%	40%	40%	40%	40%	39%	36%	39%	36%	50%	35%
66	30%	22%	24%	24%	24%	24%	22%	24%	22%	24%	30%	35%
67	26%	22%	24%	24%	24%	24%	22%	23%	22%	23%	30%	35%
68	22%	22%	24%	24%	24%	24%	22%	22%	22%	22%	30%	35%
69	22%	22%	24%	24%	24%	24%	22%	21%	22%	21%	30%	35%
70	22%	22%	24%	24%	24%	24%	22%	20%	22%	20%	100%	100%
71	22%	22%	24%	24%	24%	24%	20%	19%	20%	19%	100%	100%
72	22%	22%	24%	24%	24%	24%	18%	18%	18%	18%	100%	100%
73	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
74	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
75	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
76	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
77	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
78	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
79	22%	22%	24%	24%	24%	24%	16%	17%	16%	17%	100%	100%
80	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														
	TRS Plan 1				TRS Plan 2/3						LEOFF Plan 1		LEOFF Plan 2	WSPRS Plan 1/2
											Service Less Than 30 Years	Service Greater Than or Equal to 30 Years		
	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					
Age	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														
	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	
Age	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										
	PERS Plan 1 ¹		PERS Plan 2/3		SERS Plan 2/3		PSERS Plan 2			
							Service Less Than 10 Years		Service Greater Than 10 Years	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
20	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
25	0.0000%	0.0000%	0.0052%	0.0000%	0.0000%	0.0000%	0.0052%	0.0000%	0.0052%	0.0000%
30	0.0000%	0.0000%	0.0115%	0.0056%	0.0000%	0.0048%	0.0115%	0.0056%	0.0115%	0.0056%
35	0.0310%	0.0319%	0.0156%	0.0194%	0.0081%	0.0176%	0.0156%	0.0194%	0.0158%	0.0197%
40	0.0762%	0.0710%	0.0235%	0.0275%	0.0258%	0.0164%	0.0235%	0.0275%	0.0298%	0.0348%
45	0.1481%	0.1431%	0.0476%	0.0467%	0.0528%	0.0214%	0.0476%	0.0467%	0.0607%	0.0596%
50	0.2542%	0.3023%	0.0922%	0.1003%	0.1213%	0.0611%	0.0922%	0.1003%	0.1182%	0.1285%
55	0.8240%	0.6411%	0.2630%	0.2782%	0.2787%	0.1742%	0.2630%	0.2782%	0.3409%	0.3606%
60	0.7541%	0.3458%	0.7863%	0.7681%	0.6404%	0.4971%	0.7863%	0.7681%	0.0000%	0.0000%
65	0.2204%	0.0386%	0.6146%	0.5257%	0.5928%	0.4121%	0.6146%	0.5257%	0.0000%	0.0000%
70	0.0644%	0.0043%	0.1358%	0.1315%	0.1271%	0.1816%	0.0000%	0.0000%	0.0000%	0.0000%
75	0.0188%	0.0005%	0.0300%	0.0329%	0.0272%	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							
	TRS Plan 1		TRS Plan 2/3		LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2
Age	Male	Female	Male	Female	Male & Female	Male & Female	Male & Female
20	0.0013%	0.0014%	0.0003%	0.0003%	0.1000%	0.0074%	0.0052%
25	0.0091%	0.0092%	0.0024%	0.0019%	0.1000%	0.0191%	0.0094%
30	0.0187%	0.0190%	0.0048%	0.0040%	0.7968%	0.0467%	0.0169%
35	0.0321%	0.0326%	0.0083%	0.0068%	1.4888%	0.0807%	0.0306%
40	0.0428%	0.0434%	0.0111%	0.0091%	2.3471%	0.1360%	0.0551%
45	0.0944%	0.0957%	0.0244%	0.0201%	4.0000%	0.1796%	0.0995%
50	0.1634%	0.1656%	0.0422%	0.0347%	7.0000%	0.3236%	0.1794%
55	0.3347%	0.3393%	0.1118%	0.0750%	9.0000%	0.5534%	0.3237%
60	0.4686%	0.4750%	0.2500%	0.1875%	10.0000%	0.9462%	0.0560%
65	0.5633%	0.5681%	0.2362%	0.1552%	10.0000%	1.6180%	0.0000%
70	0.1485%	0.1486%	0.0334%	0.0283%	0.0000%	0.0000%	0.0000%
75	0.0391%	0.0389%	0.0047%	0.0052%	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	26.2397%	26.2397%	24.4766%	19.9030%	26.2397%	26.2397%	11.1014%	11.1340%	10.7033%	4.2261%
1	15.4534%	16.7747%	15.8775%	13.1281%	15.4534%	16.7747%	9.0312%	9.4565%	4.8058%	2.0000%
2	10.0683%	11.7007%	11.6915%	10.2908%	10.0683%	11.7007%	5.9789%	7.1731%	2.4484%	2.0000%
3	7.5236%	9.2904%	9.9510%	7.8600%	7.5236%	9.2904%	4.5105%	6.1285%	1.9350%	2.0000%
4	6.3052%	7.6024%	8.1055%	6.7558%	6.3052%	7.6024%	4.1402%	5.3084%	1.8700%	2.0000%
5	5.4443%	6.6544%	6.6418%	6.2423%	5.4443%	6.6544%	3.6847%	4.7057%	1.8050%	2.0000%
6	4.4874%	5.7856%	6.0762%	5.5595%	4.4874%	5.7856%	2.9510%	4.0862%	1.7400%	1.9000%
7	4.1778%	5.3301%	5.5588%	5.2581%	4.1778%	5.3301%	2.7214%	3.6698%	1.6750%	1.7000%
8	3.8895%	4.9105%	5.0854%	4.9707%	3.8895%	4.9105%	2.5097%	3.2957%	1.6100%	1.6000%
9	3.6211%	4.5239%	4.6524%	4.7491%	3.6211%	4.5239%	2.3144%	2.9598%	1.5450%	1.5113%
10	3.3712%	4.1677%	4.2562%	4.5725%	3.3712%	4.1677%	2.1343%	2.6581%	1.4800%	1.3426%
11	3.1386%	3.8396%	3.8938%	4.4832%	3.1386%	3.8396%	1.9683%	2.3872%	1.4150%	1.2000%
12	2.9220%	3.5373%	3.5622%	4.4156%	2.9220%	3.5373%	1.8151%	2.1439%	1.3500%	1.0765%
13	2.7204%	3.2588%	3.2589%	4.4032%	2.7204%	3.2588%	1.6739%	1.9254%	1.2850%	0.9676%
14	2.5327%	3.0023%	2.9814%	4.2560%	2.5327%	3.0023%	1.5437%	1.7291%	1.2200%	0.8701%
15	2.3579%	2.7659%	2.7275%	4.2740%	2.3579%	2.7659%	1.4235%	1.6000%	1.1550%	0.7819%
16	2.1952%	2.5482%	2.4952%	3.9160%	2.1952%	2.5482%	1.3128%	1.5500%	1.0900%	0.7015%
17	2.0437%	2.3475%	2.4500%	3.6424%	2.0437%	2.3475%	1.2106%	1.5000%	1.0250%	0.6274%
18	1.9027%	2.1627%	2.4000%	3.4565%	1.9027%	2.1627%	1.1500%	1.4500%	0.9600%	0.5589%
19	1.7714%	1.9925%	2.3500%	3.2224%	1.7714%	1.9925%	1.1250%	1.4000%	0.8950%	0.4951%
20	1.5311%	1.8001%	2.3000%	3.0000%	1.5311%	1.8001%	1.0000%	1.3000%	0.8300%	0.4354%
21	1.3244%	1.5807%	2.2500%	2.8000%	1.3244%	1.5807%	0.9500%	1.2607%	0.7650%	0.3793%
22	1.1457%	1.3880%	2.2000%	2.7000%	1.1457%	1.3880%	0.9250%	1.1837%	0.7000%	0.3264%
23	0.9910%	1.2188%	2.0870%	2.6000%	0.9910%	1.2188%	0.9000%	1.1115%	0.6350%	0.2764%
24	0.8573%	1.0702%	1.8198%	2.4750%	0.8573%	1.0702%	0.8809%	1.0436%	0.5700%	0.2289%
25	0.7415%	0.9397%	1.5868%	2.2530%	0.7415%	0.9397%	0.8213%	0.9799%	0.5050%	0.0000%
26	0.6415%	0.8252%	1.3836%	2.0508%	0.6415%	0.8252%	0.7658%	0.9201%	0.4400%	0.0000%
27	0.5549%	0.7246%	1.2065%	1.8668%	0.5549%	0.7246%	0.7140%	0.8639%	0.3750%	0.0000%
28	0.4800%	0.6363%	1.0520%	1.6993%	0.4800%	0.6363%	0.6657%	0.8111%	0.3100%	0.0000%
29	0.4152%	0.5587%	0.9173%	1.5469%	0.4152%	0.5587%	0.6207%	0.7616%	0.2450%	0.0000%
30+	0.3591%	0.4906%	0.7999%	1.4081%	0.3591%	0.4906%	0.5788%	0.7151%	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	8.50%	1.642
1	6.00%	1.290	6.60%	1.297	6.00%	1.290	5.10%	1.496	10.70%	1.650	8.50%	1.513
2	4.70%	1.217	3.90%	1.217	4.70%	1.217	3.90%	1.424	7.50%	1.491	6.00%	1.395
3	3.60%	1.162	2.80%	1.171	3.60%	1.162	3.90%	1.370	5.90%	1.387	5.00%	1.316
4	2.90%	1.122	2.30%	1.139	2.90%	1.122	3.50%	1.319	3.70%	1.310	5.00%	1.253
5	2.20%	1.090	2.10%	1.113	2.20%	1.090	3.00%	1.274	2.60%	1.263	5.00%	1.194
6	1.50%	1.067	1.60%	1.090	1.50%	1.067	2.70%	1.237	1.80%	1.231	3.50%	1.137
7	1.20%	1.051	1.20%	1.073	1.20%	1.051	2.70%	1.205	1.40%	1.209	0.60%	1.098
8	0.90%	1.039	1.20%	1.061	0.90%	1.039	2.60%	1.173	1.30%	1.192	0.60%	1.092
9	0.70%	1.029	0.90%	1.048	0.70%	1.029	2.40%	1.143	1.20%	1.177	0.60%	1.085
10	0.50%	1.022	0.90%	1.039	0.50%	1.022	2.20%	1.116	1.70%	1.163	0.60%	1.079
11	0.40%	1.017	0.70%	1.029	0.40%	1.017	2.00%	1.092	1.20%	1.144	0.60%	1.072
12	0.30%	1.013	0.50%	1.022	0.30%	1.013	1.80%	1.071	1.20%	1.130	0.40%	1.066
13	0.30%	1.010	0.40%	1.017	0.30%	1.010	1.50%	1.052	1.20%	1.117	0.40%	1.062
14	0.20%	1.007	0.30%	1.013	0.20%	1.007	1.20%	1.037	1.20%	1.104	0.40%	1.057
15	0.20%	1.005	0.20%	1.010	0.20%	1.005	0.90%	1.024	1.20%	1.090	0.40%	1.053
16	0.20%	1.003	0.20%	1.008	0.20%	1.003	0.50%	1.015	1.00%	1.078	0.40%	1.049
17	0.10%	1.001	0.20%	1.006	0.10%	1.001	0.20%	1.010	1.00%	1.067	0.40%	1.045
18	0.00%	1.000	0.20%	1.004	0.00%	1.000	0.10%	1.008	1.00%	1.056	0.40%	1.041
19	0.00%	1.000	0.10%	1.002	0.00%	1.000	0.10%	1.007	1.00%	1.046	0.40%	1.037
20	0.00%	1.000	0.10%	1.001	0.00%	1.000	0.10%	1.006	1.00%	1.036	0.40%	1.032
21	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.005	0.50%	1.025	0.40%	1.028
22	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.004	0.50%	1.020	0.40%	1.024
23	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.003	0.50%	1.015	0.40%	1.020
24	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.002	0.50%	1.010	0.40%	1.016
25	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.10%	1.001	0.50%	1.005	0.40%	1.012
26	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.40%	1.008
27	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.00%	1.000	0.40%	1.004
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 Percent Increase	4.74%	4.58%	5.05%	4.74%
Attributed to Growth in Active Group Size	0.95%	0.80%	1.25%	0.95%
Attributed to the 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 1:** Up to 4.0%
- **TRS 1:** Up to 0.75%
- **LEOFF 1:** Up to 4.5%
- **WSPRS 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 1:** 3.0%
- **Qualifying PERS 1 and TRS 1 members:** COLA on minimum benefit levels

LEOFF 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: For all systems except LEOFF 2, we lowered the assumed valuation interest rate from 7.8% to 7.7%. We also updated the assumed administrative factors.

Method Changes: We corrected how our valuation software calculates nonduty disability benefits for LEOFF Plan 2 active members.

We added new LEOFF 2 and WSPRS benefit definitions within our valuation software to model legislation signed into law during the 2015 legislative session. The law now pays the Labor & Industries (L&I) duty-related death survivor benefit from each system's respective trust fund upon remarriage of the survivor. Before this legislation, the L&I survivor benefit ended when the survivor of a duty-related death remarried.

We changed how we value the basic minimum COLA in PERS 1 and TRS 1. Calculation of this COLA is now included within our valuation software instead of using an external model.

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 1 and TRS 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 1 amortizes the UAAL over all PERS, SERS and PSERS payroll, including projected system growth. TRS 1 amortizes the UAAL over all TRS payroll, including projected system growth. PERS 1 has a minimum UAAL rate of 3.50%, and TRS 1 has a minimum UAAL rate of 5.75%. No contributions are required when LEOFF 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 2/3, TRS 2/3, SERS 2/3 and PSERS 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 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.

No laws enacted in 2016 had an impact on the latest actuarial valuation (that is, legislation that produced supplemental contributions rate impacts).

Schedule of Active Member Valuation Data

PERS Plan 1					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
6/30/2015	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%
9/30/2006	14,213		725.5	51,042	3.6%

PERS Plan 2					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	118,341		5,726.6	48,391	4.3%

PERS Plan 3					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	22,473		1,043.9	46,452	3.6%

Schedule 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
6/30/2015	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%
9/30/2006	18,464		469.5	25,426	3.8%

SERS Plan 3					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	32,354		773.4	23,905	1.9%

PSERS Plan 2					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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)%
9/30/2006	2,073		103.1	49,714	n/a

Schedule 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
6/30/2015	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%
9/30/2006	7,382		478.3	64,796	2.0%

TRS Plan 2					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	7,205		413.1	59,164	3.1%

TRS Plan 3					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	53,371		2,812.0	52,689	2.5%

Schedule 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
6/30/2015	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%
9/30/2006	596		48.1	80,630	4.5%

LEOFF Plan 2					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	15,718		1,172.0	74,562	3.5%

WSPRS Plan 1					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	906		63.1	69,606	6.7%

Schedule 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
6/30/2015	475	\$	33.4	\$ 70,238	1.5%
6/30/2014	435		30.1	69,226	6.4%
6/30/2013	409		2.6	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%
9/30/2006	116		6.1	52,278	8.3%

JRS					
Valuation Date	Active Members	Annual Payroll in Millions		Average Annual Pay	Annualized % Increase in Average Pay
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%
9/30/2006	11		1.4	131,436	3.0%

Averages are based on actual amounts, not rounded amounts.

Source: Washington State Office of the State Actuary

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

PERS Plan 1									
	Added to Rolls		Removed from Rolls		Rolls — End of Year				
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowance	% Increase in Annual Allowance	
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%	
9/30/2006	2,345	58,991,956	2,306	25,314,598	54,834	966,044,139	17,618	5.3%	

PERS Plan 2									
	Added to Rolls		Removed from Rolls		Rolls — End of Year				
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowance	% Increase in Annual Allowance	
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%	
9/30/2006	1,753	19,273,543	343	2,418,970	14,881	132,989,872	8,937	17.9%	

PERS Plan 3									
	Added to Rolls		Removed from Rolls		Rolls — End of Year				
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowance	% Increase in Annual Allowance	
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%	
9/30/2006	149	788,987	6	28,021	486	2,490,907	5,125	48.2%	

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

SERS Plan 2									
	Added to Rolls		Removed from Rolls		Rolls — End of Year				
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowance	% Increase in Annual Allowance	
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%	
9/30/2006	410	2,890,809	21	120,279	1,815	12,492,085	6,883	32.2%	

SERS Plan 3									
	Added to Rolls		Removed from Rolls		Rolls — End of Year				
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowance	% Increase in Annual Allowance	
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%	
9/30/2006	246	830,604	8	24,025	943	3,040,090	3,224	39.5%	

PSERS Plan 2 ¹									
	Added to Rolls		Removed from Rolls		Rolls — End of Year				
Year Ended	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Average Annual Allowance	% Increase in Annual Allowance	
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	
9/30/2006	—	—	—	—	—	—	—	n/a	

¹ PSERS 2 became effective July 1, 2006.

Schedule 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			
6/30/2015	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)%
9/30/2006	1,522	41,976,669	1,041	15,570,734	35,745	740,789,520	20,724		5.1%

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			
6/30/2015	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%
9/30/2006	239	3,646,802	16	140,601	1,574	21,157,013	13,442		23.5%

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			
6/30/2015	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%
9/30/2006	233	1,707,380	6	34,323	933	5,863,113	6,284		44.0%

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

LEOFF Plan 1									
	Added to Rolls			Removed from Rolls			Rolls — End of Year		
Year Ended	Number		Annual Allowances	Number		Annual Allowances	Number	Annual Allowances	Average Annual Allowance % Increase in Annual Allowance
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%
9/30/2006	229		10,517,551	206		6,565,445	8,172	296,662,837	36,302 4.2%

LEOFF Plan 2									
	Added to Rolls			Removed from Rolls			Rolls — End of Year		
Year Ended	Number		Annual Allowances	Number		Annual Allowances	Number	Annual Allowances	Average Annual Allowance % Increase in Annual Allowance
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%
9/30/2006	211		5,655,854	6		89,270	779	17,388,315	22,321 51.4%

WSPRS Plan 1									
	Added to Rolls			Removed from Rolls			Rolls — End of Year		
Year Ended	Number		Annual Allowances	Number		Annual Allowances	Number	Annual Allowances	Average Annual Allowance % Increase in Annual Allowance
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%
9/30/2006	28		1,101,085	12		321,334	808	31,134,976	38,533 6.3%

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls (cont.)

JRS										
	Added to Rolls			Removed from Rolls			Rolls — End of Year			
Year Ended	Number		Annual Allowances	Number		Annual Allowances	Number		Annual Allowances	Average Annual Allowance % Increase in Annual Allowance
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)%
9/30/2006	6		385,845	5		376,793	132		9,434,152	71,471 3.0%

JRF										
	Added to Rolls			Removed from Rolls			Rolls — End of Year			
Year Ended	Number		Annual Allowances	Number		Annual Allowances	Number		Annual Allowances	Average Annual Allowance % Increase in Annual Allowance
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%
9/30/2006	1		18,033	2		75,234	15		578,135	38,542 (9.0)%

Source: Washington State Office of the State Actuary

Solvency Tests

PERS 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
6/30/2015	\$ 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%
9/30/2006	1,186.4	9,473.0	2,470.1	13,129.4	9,591.0	100%	89%	0%

PERS Plan 2/3

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
6/30/2015	\$ 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%
9/30/2006	2,294.7	2,470.0	8,764.2	13,528.9	13,528.9	100%	100%	100%

SERS Plan 2/3

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
6/30/2015	\$ 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%
9/30/2006	188.7	350.1	1,395.5	1,934.3	1,934.3	100%	100%	100%

Solvency Tests (cont.)

PSERS Plan 2 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
6/30/2015	\$ 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%
9/30/2006	0.6	0.0	0.5	1.1	1.1	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
6/30/2015	\$ 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%
9/30/2006	839.3	7,831.8	1,687.5	10,358.6	8,275.5	100%	95%	0%

TRS Plan 2/3 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
6/30/2015	\$ 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%
9/30/2006	285.5	653.4	3,896.4	4,835.3	4,835.3	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
6/30/2015	\$ 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%
9/30/2006	80.7	3,826.1	402.1	4,309.0	5,017.8	100%	100%	100%

LEOFF Plan 2

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
6/30/2015	\$ 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%
9/30/2006	1,087.8	355.6	2,400.3	3,843.8	3,843.8	100%	100%	100%

WSPRS Plan 1/2

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
6/30/2015	\$ 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%
9/30/2006	48.7	413.3	281.5	743.5	743.5	100%	100%	100%

Solvency Tests (cont.)

JRS 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
6/30/2015	\$ —	\$ 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%
9/30/2006	3.5	78.7	5.8	88.0	0.3	7%	0%	0%

JRF 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
6/30/2015	\$ —	\$ 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
9/30/2006	—	4.0	—	4.0	4.1	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 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 doesn't 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, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (447.8)	\$ (308.7)	\$ (417.4)	\$ (340.4)	\$ (397.7)	\$ (668.0)	\$ (298.2)	\$ 151.6	\$ 186.0	\$ 5.6
Salary Gains	10.5	(1.4)	25.8	47.9	59.9	54.2	10.9	(59.2)	30.7	(7.6)
Termination of Employment	0.2	(0.3)	1.1	0.5	0.1	1.2	(0.2)	(0.4)	7.2	6.1
Return to Work from Terminated Status	(2.6)	(3.9)	(2.8)	(3.2)	(6.4)	(8.0)	(9.7)	(49.1)	(14.4)	(25.1)
Gain (or Loss) During Year from Selected Experience	\$ (439.7)	\$ (314.3)	\$ (393.3)	\$ (295.2)	\$ (344.1)	\$ (620.6)	\$ (297.2)	\$ 42.9	\$ 209.5	\$ (21.0)

PERS Plan 2/3: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (591.8)	\$ (323.2)	\$ (302.6)	\$ (295.6)	\$ (404.3)	\$ (619.2)	\$ (134.3)	\$ 273.4	\$ 327.6	\$ 97.0
Salary Gains	331.5	60.7	481.1	663.9	731.7	577.8	185.9	(326.1)	124.2	12.1
Termination of Employment	192.2	116.6	131.8	129.3	118.3	18.0	21.1	47.8	131.1	155.5
Return to Work from Terminated Status	(68.1)	(64.7)	(66.3)	(58.3)	(44.1)	(50.2)	(47.8)	(97.1)	(86.8)	(92.6)
Gain (or Loss) During Year from Selected Experience	\$ (136.2)	\$ (210.6)	\$ 244.0	\$ 439.3	\$ 401.6	\$ (73.6)	\$ 24.9	\$ (102.0)	\$ 496.1	\$ 172.0

SERS Plan 2/3: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (96.2)	\$ (64.0)	\$ (66.4)	\$ (69.6)	\$ (80.5)	\$ (115.1)	\$ (33.2)	\$ 39.1	\$ 46.3	\$ 11.3
Salary Gains	(7.1)	9.1	53.1	94.1	75.1	84.5	(27.4)	(27.5)	9.6	23.8
Termination of Employment	30.9	27.0	18.0	20.3	8.3	3.1	5.8	11.0	16.1	11.7
Return to Work from Terminated Status	(8.9)	(6.5)	(4.7)	(3.5)	(5.2)	(5.5)	(6.2)	(8.4)	(74.3)	(27.1)
Gain (or Loss) During Year from Selected Experience	\$ (81.3)	\$ (34.4)	\$ —	\$ 41.3	\$ (2.3)	\$ (33.0)	\$ (61.0)	\$ 14.2	\$ (2.3)	\$ 19.7

¹ Actuarial value of assets

Analysis of Selected Experience (cont.)

PSERS Plan 2: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006 ²
Investment Gains ¹	\$ 0.8	\$ 1.3	\$ 0.8	\$ (0.4)	\$ 0.4	\$ (1.2)	\$ 0.4	\$ (0.3)	\$ —	\$ —
Salary Gains	5.3	6.1	14.1	17.7	14.9	10.3	8.5	(5.1)	1.3	—
Termination of Employment	9.8	6.9	3.7	7.7	4.2	4.7	(7.4)	0.4	(1.0)	—
Return to Work from Terminated Status	(2.5)	(0.5)	(0.9)	—	—	—	—	(0.9)	—	—
Gain (or Loss) During Year from Selected Experience	\$ 13.4	\$ 13.8	\$ 17.7	\$ 25.0	\$ 19.5	\$ 13.8	\$ 1.5	\$ (5.9)	\$ 0.3	\$ —

² PSERS Plan 2 became effective July 1, 2006.

TRS Plan 1: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (414.5)	\$ (311.3)	\$ (324.0)	\$ (262.3)	\$ (247.3)	\$ (502.1)	\$ (287.8)	\$ 26.1	\$ 24.9	\$ (111.7)
Salary Gains	11.4	4.4	20.6	45.5	36.5	60.7	(17.4)	(28.9)	4.3	45.6
Termination of Employment	(0.3)	(0.2)	0.3	(0.3)	0.2	0.9	1.5	0.7	(7.5)	0.8
Return to Work from Terminated Status	(1.0)	(0.9)	(1.6)	(2.2)	(4.4)	(7.3)	(6.0)	(23.6)	(6.8)	(22.9)
Gain (or Loss) During Year from Selected Experience	\$ (404.4)	\$ (308.0)	\$ (304.7)	\$ (219.3)	\$ (215.0)	\$ (447.8)	\$ (309.7)	\$ (25.7)	\$ 14.9	\$ (88.2)

TRS Plan 2/3: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (200.8)	\$ (120.4)	\$ (122.3)	\$ (142.0)	\$ (180.6)	\$ (266.8)	\$ (120.1)	\$ 66.8	\$ 88.5	\$ (1.7)
Salary Gains	234.4	148.9	226.6	389.0	252.6	341.3	(67.3)	(52.7)	20.6	70.1
Termination of Employment	201.4	152.6	120.7	130.0	85.5	92.9	71.7	54.8	56.5	33.6
Return to Work from Terminated Status	(94.3)	(78.0)	(56.5)	(39.9)	(43.7)	(37.5)	(63.0)	(85.4)	(139.7)	(43.1)
Gain (or Loss) During Year from Selected Experience	\$ 140.7	\$ 103.1	\$ 168.5	\$ 337.1	\$ 113.8	\$ 129.9	\$ (178.7)	\$ (16.5)	\$ 25.9	\$ 58.9

¹ Actuarial value of assets

Analysis of Selected Experience (cont.)

LEOFF Plan 1: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (153.1)	\$ (75.9)	\$ (118.6)	\$ (86.9)	\$ (84.2)	\$ (144.8)	\$ (88.1)	\$ 196.4	\$ 217.8	\$ 134.2
Salary Gains	0.9	4.0	3.5	4.3	6.2	1.9	(4.5)	(2.2)	4.8	2.3
Termination of Employment	—	(0.2)	(0.1)	—	(0.1)	(0.1)	0.1	(0.1)	(0.1)	(0.7)
Return to Work from Terminated Status	0.3	(1.2)	—	—	(0.2)	0.5	(4.3)	(2.7)	(1.0)	—
Gain (or Loss) During Year from Selected Experience	\$ (151.9)	\$ (73.3)	\$ (115.2)	\$ (82.6)	\$ (78.3)	\$ (142.5)	\$ (96.8)	\$ 191.4	\$ 221.5	\$ 135.8

LEOFF Plan 2: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (43.6)	\$ 88.0	\$ 16.7	\$ (4.5)	\$ (1.9)	\$ (68.7)	\$ 19.4	\$ 135.8	\$ 159.7	\$ 95.2
Salary Gains	(2.2)	6.9	117.5	186.3	164.7	91.1	6.5	(29.7)	61.2	48.3
Termination of Employment	7.6	6.5	3.4	9.0	2.5	25.8	11.8	2.9	4.4	5.2
Return to Work from Terminated Status	(4.5)	(5.4)	(6.6)	(4.5)	(16.8)	(12.6)	(7.9)	(22.6)	(43.9)	(25.8)
Gain (or Loss) During Year from Selected Experience	\$ (42.7)	\$ 96.0	\$ 131.0	\$ 186.3	\$ 148.5	\$ 35.6	\$ 29.8	\$ 86.4	\$ 181.4	\$ 122.9

WSPRS Plan 1/2: Selected Gains and Losses During Fiscal Years Ended June 30, 2006–2015 Resulting from Differences Between Assumed Experience and Actual Experience — Dollars in Millions

Type of Activity	\$ Gain (or Loss) for Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Investment Gains ¹	\$ (23.3)	\$ (10.0)	\$ (10.2)	\$ (6.7)	\$ (8.5)	\$ (20.5)	\$ (6.2)	\$ 28.4	\$ 32.0	\$ 19.6
Salary Gains	7.2	(1.3)	8.6	12.5	18.8	19.0	(0.7)	(5.9)	5.5	(1.9)
Termination of Employment	5.7	2.8	(0.3)	2.5	0.1	(1.0)	1.2	1.1	0.1	1.2
Return to Work from Terminated Status	(0.5)	0.0	(0.4)	(0.3)	(0.2)	(0.5)	(0.5)	0.0	(49.7)	(0.7)
Gain (or Loss) During Year from Selected Experience	\$ (10.9)	\$ (8.5)	\$ (2.3)	\$ 8.0	\$ 10.2	\$ (3.0)	\$ (6.2)	\$ 23.6	\$ (12.1)	\$ 18.2

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 AALs for benefits.

PERS Plan 1 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 7,315	\$ 7,761	\$ 8,053	\$ 8,521	\$ 8,883	\$ 9,293	\$ 9,776	\$ 9,853	\$ 9,715	\$ 9,591
Actuarial Accrued Liability	\$ 12,553	\$ 12,720	\$ 12,874	\$ 12,360	\$ 12,571	\$ 12,538	\$ 13,984	\$ 13,901	\$ 13,740	\$ 13,129
Unfunded Actuarial Liability	\$ 5,239	\$ 4,959	\$ 4,821	\$ 3,839	\$ 3,688	\$ 3,245	\$ 4,209	\$ 4,048	\$ 4,025	\$ 3,538
Percentage Funded	58%	61%	63%	69%	71%	74%	70%	71%	71%	73%
Covered Payroll	\$ 231	\$ 277	\$ 318	\$ 371	\$ 432	\$ 507	\$ 580	\$ 638	\$ 676	\$ 725
Unfunded Actuarial Liability as a Percentage of Covered Payroll	2,271%	1,792%	1,517%	1,035%	854%	640%	725%	634%	595%	488%

PERS Plan 2/3 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 28,292	\$ 26,386	\$ 24,335	\$ 22,653	\$ 20,997	\$ 19,474	\$ 18,260	\$ 16,693	\$ 14,888	\$ 13,529
Actuarial Accrued Liability	\$ 32,008	\$ 29,321	\$ 26,540	\$ 22,780	\$ 21,627	\$ 20,029	\$ 18,398	\$ 16,508	\$ 14,661	\$ 12,770
Unfunded Actuarial Liability	\$ 3,715	\$ 2,935	\$ 153	\$ 127	\$ 630	\$ 555	\$ 137	\$ (185)	\$ (227)	\$ (759)
Percentage Funded	88%	90%	99%	99%	97%	97%	99%	101%	102%	106%
Covered Payroll	\$ 8,984	\$ 8,719	\$ 8,339	\$ 8,193	\$ 8,148	\$ 8,206	\$ 8,132	\$ 7,869	\$ 7,157	\$ 6,771
Unfunded Actuarial Liability as a Percentage of Covered Payroll	41%	34%	2%	2%	8%	7%	2%	(2)%	(3)%	(11)%

SERS Plan 2/3 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 3,901	\$ 3,624	\$ 3,335	\$ 3,100	\$ 2,872	\$ 2,664	\$ 2,503	\$ 2,303	\$ 2,133	\$ 1,934
Actuarial Accrued Liability	\$ 4,381	\$ 3,965	\$ 3,581	\$ 3,103	\$ 2,956	\$ 2,706	\$ 2,493	\$ 2,207	\$ 1,998	\$ 1,787
Unfunded Actuarial Liability	\$ 481	\$ 341	\$ 247	\$ 3	\$ 84	\$ 41	\$ (10)	\$ (95)	\$ (136)	\$ (147)
Percentage Funded	89%	91%	93%	100%	97%	98%	100%	104%	107%	108%
Covered Payroll	\$ 1,697	\$ 1,591	\$ 1,514	\$ 1,479	\$ 1,490	\$ 1,475	\$ 1,467	\$ 1,379	\$ 1,283	\$ 1,243
Unfunded Actuarial Liability as a Percentage of Covered Payroll	28%	21%	16%	0%	6%	3%	(1)%	(7)%	(11)%	(12)%

Schedules of Funding Progress (cont.)

PSERS Plan 2 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 338	\$ 278	\$ 224	\$ 180	\$ 141	\$ 103	\$ 69	\$ 39	\$ 14	—
Actuarial Accrued Liability	\$ 357	\$ 291	\$ 218	\$ 159	\$ 126	\$ 94	\$ 64	\$ 37	\$ 19	—
Unfunded Actuarial Liability	\$ 19	\$ 13	\$ (7)	\$ (22)	\$ (14)	\$ (9)	\$ (5)	\$ (2)	\$ 6	—
Percentage Funded	95%	96%	103%	114%	111%	109%	108%	106%	71%	—
Covered Payroll	\$ 302	\$ 275	\$ 253	\$ 238	\$ 233	\$ 227	\$ 223	\$ 200	\$ 134	—
Unfunded Actuarial Liability as a Percentage of Covered Payroll	6%	5%	(3)%	(9)%	(6)%	(4)%	(2)%	(1)%	4%	—

¹ PSERS Plan 2 became effective July 1, 2006.

TRS Plan 1 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 5,870	\$ 6,353	\$ 6,717	\$ 7,145	\$ 7,485	\$ 7,791	\$ 8,146	\$ 8,262	\$ 8,302	\$ 8,275
Actuarial Accrued Liability	\$ 9,107	\$ 9,250	\$ 9,429	\$ 9,038	\$ 9,232	\$ 9,201	\$ 10,820	\$ 10,754	\$ 10,826	\$ 10,359
Unfunded Actuarial Liability	\$ 3,237	\$ 2,897	\$ 2,712	\$ 1,894	\$ 1,747	\$ 1,410	\$ 2,674	\$ 2,492	\$ 2,524	\$ 2,084
Percentage Funded	64%	69%	71%	79%	81%	85%	75%	77%	77%	80%
Covered Payroll	\$ 108	\$ 143	\$ 183	\$ 228	\$ 284	\$ 344	\$ 389	\$ 432	\$ 426	\$ 478
Unfunded Actuarial Liability as a Percentage of Covered Payroll	3,006%	2,022%	1,481%	829%	615%	410%	688%	576%	592%	436%

TRS Plan 2/3 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 9,953	\$ 9,193	\$ 8,406	\$ 7,758	\$ 7,141	\$ 6,593	\$ 6,160	\$ 5,681	\$ 5,277	\$ 4,835
Actuarial Accrued Liability	\$ 10,831	\$ 9,819	\$ 8,794	\$ 7,478	\$ 7,194	\$ 6,558	\$ 6,048	\$ 5,264	\$ 4,682	\$ 4,030
Unfunded Actuarial Liability	\$ 879	\$ 626	\$ 388	\$ (280)	\$ 53	\$ (36)	\$ (112)	\$ (417)	\$ (594)	\$ (806)
Percentage Funded	92%	94%	96%	104%	99%	101%	102%	108%	113%	120%
Covered Payroll	\$ 4,667	\$ 4,450	\$ 4,223	\$ 4,077	\$ 4,085	\$ 3,966	\$ 3,957	\$ 3,621	\$ 3,318	\$ 3,225
Unfunded Actuarial Liability as a Percentage of Covered Payroll	19%	14%	9%	(7)%	1%	(1)%	(3)%	(12)%	(18)%	(25)%

Schedules of Funding Progress (cont.)

LEOFF Plan 1 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 5,404	\$ 5,499	\$ 5,516	\$ 5,562	\$ 5,565	\$ 5,561	\$ 5,612	\$ 5,592	\$ 5,298	\$ 5,018
Actuarial Accrued Liability	\$ 4,307	\$ 4,323	\$ 4,409	\$ 4,120	\$ 4,145	\$ 4,393	\$ 4,492	\$ 4,368	\$ 4,340	\$ 4,309
Unfunded Actuarial Liability	\$ (1,097)	\$ (1,177)	\$ (1,108)	\$ (1,441)	\$ (1,421)	\$ (1,168)	\$ (1,120)	\$ (1,225)	\$ (958)	\$ (709)
Percentage Funded	125%	127%	125%	135%	134%	127%	125%	128%	122%	116%
Covered Payroll	\$ 9	\$ 13	\$ 15	\$ 19	\$ 25	\$ 29	\$ 33	\$ 37	\$ 43	\$ 48
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(12,535)%	(9,304)%	(7,496)%	(7,685)%	(5,794)%	(4,012)%	(3,360)%	(3,303)%	(2,243)%	(1,475)%

LEOFF Plan 2 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 9,320	\$ 8,638	\$ 7,862	\$ 7,222	\$ 6,621	\$ 6,043	\$ 5,564	\$ 5,053	\$ 4,360	\$ 3,844
Actuarial Accrued Liability	\$ 8,838	\$ 8,069	\$ 7,220	\$ 6,353	\$ 5,941	\$ 5,164	\$ 4,641	\$ 3,998	\$ 3,626	\$ 3,486
Unfunded Actuarial Liability	\$ (482)	\$ (569)	\$ (643)	\$ (869)	\$ (679)	\$ (879)	\$ (923)	\$ (1,054)	\$ (734)	\$ (358)
Percentage Funded	105%	107%	109%	114%	111%	117%	120%	126%	120%	110%
Covered Payroll	\$ 1,743	\$ 1,661	\$ 1,597	\$ 1,560	\$ 1,535	\$ 1,490	\$ 1,442	\$ 1,345	\$ 1,234	\$ 1,172
Unfunded Actuarial Liability as a Percentage of Covered Payroll	(28)%	(34)%	(40)%	(56)%	(44)%	(59)%	(64)%	(78)%	(59)%	(31)%

WSPRS Plan 1/2 Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 1,067	\$ 1,044	\$ 1,009	\$ 982	\$ 949	\$ 920	\$ 900	\$ 870	\$ 800	\$ 743
Actuarial Accrued Liability	\$ 1,093	\$ 1,042	\$ 987	\$ 884	\$ 859	\$ 812	\$ 790	\$ 745	\$ 702	\$ 671
Unfunded Actuarial Liability	\$ 26	\$ (2)	\$ (22)	\$ (97)	\$ (90)	\$ (107)	\$ (110)	\$ (124)	\$ (98)	\$ (72)
Percentage Funded	98%	100%	102%	111%	110%	113%	114%	117%	114%	111%
Covered Payroll	\$ 82	\$ 82	\$ 80	\$ 80	\$ 82	\$ 83	\$ 83	\$ 79	\$ 72	\$ 69
Unfunded Actuarial Liability as a Percentage of Covered Payroll	32%	(3)%	(28)%	(121)%	(111)%	(130)%	(133)%	(158)%	(136)%	(105)%

Schedules of Funding Progress (cont.)

JRS Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 6	\$ 5	\$ 4	\$ 3	\$ 5	\$ 4	\$ 2	\$ 1	\$ 1	\$ –
Actuarial Accrued Liability	\$ 100	\$ 105	\$ 108	\$ 104	\$ 109	\$ 84	\$ 89	\$ 92	\$ 85	\$ 88
Unfunded Actuarial Liability	\$ 94	\$ 100	\$ 104	\$ 101	\$ 104	\$ 80	\$ 87	\$ 91	\$ 85	\$ 88
Percentage Funded	6%	5%	4%	3%	5%	5%	2%	1%	1%	0%
Covered Payroll	\$ –	\$ –	\$ –	\$ 0.3	\$ 0.5	\$ 0.7	\$ 0.9	\$ 1.3	\$ 1.3	\$ 1.4
Unfunded Actuarial Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	33,779%	22,574%	11,565%	9,216%	7,141%	6,374%	6,071%

JRF Dollars in Millions										
Actuarial Valuation Date	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	9/30/2006
Actuarial Value of Plan Assets	\$ 0.5	\$ 1.0	\$ 1.4	\$ 1.9	\$ 2.3	\$ 2.8	\$ 3.3	\$ 3.6	\$ 4.0	\$ 4.1
Actuarial Accrued Liability	\$ 3.1	\$ 3.3	\$ 3.5	\$ 3.6	\$ 3.9	\$ 3.2	\$ 3.4	\$ 3.5	\$ 3.9	\$ 4.0
Unfunded Actuarial Liability	\$ 2.6	\$ 2.3	\$ 2.1	\$ 1.7	\$ 1.5	\$ 0.4	\$ 0.1	\$ (0.1)	\$ (0.1)	\$ (0.1)
Percentage Funded	16%	29%	40%	52%	61%	87%	97%	104%	103%	103%
Covered Payroll	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Unfunded Actuarial Liability as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	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 identify or separately amortize unfunded actuarial accrued liabilities. For this reason, the information about funded status and funding progress shown above for these plans has been prepared using the Entry Age Actuarial Cost Method and is intended to serve as a surrogate for the funded status and funding progress information of these plans.

Source: Office of the State Actuary

Ten-year schedules of actuarially determined and actual contributions are included in the "Required Supplementary Information" pages within the Financial Section.

Funded Status and Funding Progress

Funded Status of Each Plan as of June 30, 2015, 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	\$ 7,314.9	\$ 12,553.5	\$ 5,238.5	58%	\$ 230.7	2,271%
PERS 2/3 ¹	28,292.3	32,007.6	3,715.3	88%	8,984.4	41%
TRS 1	5,870.5	9,107.5	3,237.0	64%	107.7	3,006%
TRS 2/3 ¹	9,952.8	10,831.4	878.5	92%	4,667.1	19%
SERS 2/3 ¹	3,900.6	4,381.5	480.9	89%	1,696.8	28%
PSERS 2 ¹	337.9	356.9	19.0	95%	302.3	6%
LEOFF 1	5,403.6	4,307.1	(1,096.6)	125%	8.7	(12,535)%
LEOFF 2 ¹	9,320.2	8,838.5	(481.7)	105%	1,742.9	(28)%
WSPRS 1/2 ¹	1,067.1	1,093.0	25.9	98%	81.8	32%
JRS	6.3	100.3	94.0	6%	—	n/a
JRF	0.5	3.1	2.6	16%	—	n/a
Total	\$ 71,466.8	\$ 83,580.3	\$ 12,113.5	86%	\$ 17,822.6	68%

¹ These plans use the Aggregate actuarial cost method which does not separately amortize an Unfunded Actuarial Accrued Liabilities (UAAL) outside of 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.

Totals might not agree due to rounding. Percentages are calculated using unrounded totals.

Source: Office of the State Actuary

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Additional Information for the Defined Benefit Pension Plans

Additional Information For the Fiscal Year Ended June 30, 2016 — 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	6/30/2015	6/30/2015	6/30/2015	6/30/2015	6/30/2015	6/30/2015
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/Loss ⁵		
Rate of Return	Smoothing Period	Annual Recognition
14.80% and higher	8 years	12.50%
13.80-14.80%	7 years	14.29%
12.80-13.80%	6 years	16.67%
11.80-12.80%	5 years	20.00%
10.80-11.80%	4 years	25.00%
9.80-10.80%	3 years	33.33%
8.80-9.80%	2 years	50.00%
6.80-8.80%	1 year	100.00%
5.80-6.80%	2 years	50.00%
4.80-5.80%	3 years	33.33%
3.80-4.80%	4 years	25.00%
2.80-3.80%	5 years	20.00%
1.80-2.80%	6 years	16.67%
0.80-1.80%	7 years	14.29%
0.80% 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, 2016 — Page 2 of 2					
	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	JRS	JRF
Valuation Date	6/30/2015	6/30/2015	6/30/2015	6/30/2015	6/30/2015
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)	9.00	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%	4.00%	4.00%
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%	8.50%	0.00%	0.00%
Applied for X Years of Service	25 years	25 years	27 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

¹PERS and TRS Plans 1 use a variation of the Entry Age Cost Method. LEOFF 1 uses a variation of the Frozen Initial Liability (FIL) Cost Method.

²The Aggregate Actuarial Cost Method does not identify or separately amortize unfunded actuarial accrued liabilities.

³Pay as You Go basis for funding

⁴Level percent of the system's payroll, including assumed system growth

⁵Asset 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 2 Annual Gain/Loss is centered around its 7.50% expected rate of return instead of 7.70%.

⁶The PERS 1 and TRS 1 COLA

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

⁷The Legislature prescribes the assumed rate of investment return for all plans except JRS and JRF.

Historical Monthly COLA Amounts per Year of Service ⁶		
Date	COLA Type	Amount
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 2016						
	Employer Actual Contribution Rates ¹			Employee Actual Contribution Rates		
	Plan 1	Plan 2	Plan 3 ²	Plan 1	Plan 2	Plan 3
PERS						
Members Not Participating in JBM						
State Agencies	11.18%	11.18%	11.18%	6.00%	6.12%	varies ³
Local Governmental Units	11.18%	11.18%	11.18%	6.00%	6.12%	varies ³
State Government Elected Officials	16.68%	11.18%	11.18%	7.50%	6.12%	varies ³
Members Participating in JBM						
State Agencies	13.68%	13.68%	13.68%	9.76%	12.80%	7.50% ⁴
Local Governmental Units	11.18%	11.18%	11.18%	12.26%	15.30%	7.50% ⁴
SERS						
State Agencies	n/a	11.58%	11.58%	n/a	5.63%	varies ³
Local Governmental Units	n/a	11.58%	11.58%	n/a	5.63%	varies ³
PSERS						
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
TRS						
Members Not Participating in JBM						
State Agencies	13.13%	13.13%	13.13%	6.00%	5.95%	varies ³
Local Governmental Units	13.13%	13.13%	13.13%	6.00%	5.95%	varies ³
State Government Elected Officials	13.13%	13.13%	13.13%	7.50%	5.95%	varies ³
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 Variable from 5% to 15% based on rate the member selects

⁴ Minimum rate

Statistical Section

2016 Highlights

Automatic DCP enrollment

Enacted by the Legislature in 2016, this program will automatically enroll all new, full-time state employees in the Deferred Compensation Program starting in January 2017. (Enrollees will have the ability to opt out if they wish.)

Patterned after successful programs in other states, auto-enrollment is expected to significantly boost the number of employees who are increasing their supplemental savings for retirement.



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

- 172 These schedules contain trend information about how the financial performance and well-being of DRS have changed over time.

DEMOGRAPHIC INFORMATION

- 188 These schedules contain demographic and historical information regarding membership and employer participation in the pension plans DRS offers.

OPERATING INFORMATION

- 212 These schedules contain detailed payment information about the benefit services DRS provides.

DEFERRED COMPENSATION INFORMATION

- 240 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.

Schedule of Changes in Fiduciary Net Position

PERS Plan 1 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 595,982	\$ 462,100	\$ 448,895	\$ 266,270	\$ 257,197	\$ 145,585	\$ 154,023	\$ 325,248	\$ 221,787	\$ 118,660
Employee Contributions	13,663	15,806	18,797	21,362	24,317	28,767	33,152	37,791	41,925	44,775
Investment Income (Loss) ¹	157,083	336,316	1,312,000	863,182	86,377	1,523,415	980,360	(2,373,373)	(114,595)	2,086,563
Transfers	117	22	36	38	97	90	1	1	343	519
Miscellaneous ²	7,630	8,650	12,189	12,024	10,269	12,705	11,566	10,700	13,262	9,513
Total Additions	774,475	822,894	1,791,917	1,162,876	378,257	1,710,562	1,179,102	(1,999,633)	162,722	2,260,030
Deductions by Type										
Benefits	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	978,995
Refunds	4,373	4,029	4,219	3,998	4,554	3,470	4,946	5,071	5,573	6,215
Transfers	520	30	—	710	265	362	140	2,021	159	31
Administrative Expenses	2,819	2,707	3,016	4,773	3,522	3,213	3,885	4,401	4,739	4,763
Total Deductions	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	990,004
Total Changes in Fiduciary Net Position	\$ (432,073)	\$ (382,837)	\$ 595,186	\$ (27,985)	\$ (803,767)	\$ 553,995	\$ 58,745	\$ (3,082,055)	\$ (875,683)	\$ 1,270,026
Fiduciary Net Position										
Beginning of Year	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	10,255,453
End 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
Employer Contributions: % of Covered Payroll	273.3%	177.1%	145.0%	75.5%	64.4%	29.5%	26.9%	49.7%	31.1%	15.6%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

PERS Plan 2/3 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 563,328	\$ 446,127	\$ 430,345	\$ 389,020	\$ 385,253	\$ 328,258	\$ 327,460	\$ 439,744	\$ 318,740	\$ 242,544
Employee Contributions	472,528	355,350	346,270	315,755	310,160	263,885	264,231	368,127	268,573	207,144
Investment Income (Loss) ¹	725,476	1,295,320	4,444,937	2,556,131	284,681	3,468,458	1,868,154	(4,058,631)	(224,724)	3,054,707
Transfers	360	206	141	293	270	4,036	11,611	722	316	292
Miscellaneous ²	37,477	31,176	32,830	29,922	24,765	26,818	15,749	14,157	17,245	11,825
Total Additions	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	3,516,512
Deductions by Type										
Benefits	776,213	665,408	565,660	460,074	376,999	310,943	251,765	207,319	170,317	143,802
Refunds	36,302	35,497	35,202	35,679	35,716	33,686	31,425	26,442	26,574	26,465
Transfers	4,740	1,823	2,441	5,538	2,180	8,528	5,407	8,903	70,935	3,904
Administrative Expenses	12,023	10,591	9,977	10,560	9,082	8,325	8,643	8,277	9,889	7,344
Total Deductions	829,278	713,319	613,280	511,851	423,977	361,482	297,240	250,941	277,715	181,515
Total Changes in Fiduciary Net Position	\$ 969,891	\$ 1,414,860	\$ 4,641,243	\$ 2,779,270	\$ 581,152	\$ 3,729,973	\$ 2,189,965	\$ (3,486,822)	\$ 102,435	\$ 3,334,997
Fiduciary Net Position										
Beginning of Year	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	14,228,088
End 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
Employer Contributions: % of Covered Payroll	6.0%	6.2%	6.1%	5.8%	5.8%	4.0%	4.0%	5.4%	4.1%	3.5%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

PERS Plan 3 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	119,988	110,936	105,183	99,007	95,172	94,129	92,665	90,808	82,707	71,712
Investment Income (Loss) ¹	37,196	80,538	338,668	202,907	5,375	279,224	135,026	(277,949)	(46,281)	208,475
Transfers	2,165	1,708	1,871	1,539	1,432	1,546	4,926	2,095	68,408	1,572
Miscellaneous ²	375	255	251	248	259	246	197	199	201	231
Total Additions	<u>159,724</u>	<u>193,437</u>	<u>445,973</u>	<u>303,701</u>	<u>102,238</u>	<u>375,145</u>	<u>232,814</u>	<u>(184,847)</u>	<u>105,035</u>	<u>281,990</u>
Deductions by Type										
Benefits	4,112	2,641	1,435	697	322	164	80	51	23	—
Refunds	92,444	92,086	81,924	68,671	66,245	59,143	41,723	40,202	38,291	35,254
Transfers	567	387	326	428	338	612	4,926	429	261	439
Administrative Expenses	375	255	251	248	258	246	197	199	201	231
Total Deductions	<u>97,498</u>	<u>95,369</u>	<u>83,936</u>	<u>70,044</u>	<u>67,163</u>	<u>60,165</u>	<u>46,926</u>	<u>40,881</u>	<u>38,776</u>	<u>35,924</u>
Total Changes in Fiduciary Net Position	\$ 62,226	\$ 98,068	\$ 362,037	\$ 233,657	\$ 35,075	\$ 314,980	\$ 185,888	\$ (225,728)	\$ 66,259	\$ 246,066
Fiduciary Net Position										
Beginning of Year	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	1,101,887
End of Year	<u>\$ 2,480,415</u>	<u>\$ 2,418,189</u>	<u>\$ 2,320,121</u>	<u>\$ 1,958,084</u>	<u>\$ 1,724,427</u>	<u>\$ 1,689,352</u>	<u>\$ 1,374,372</u>	<u>\$ 1,188,484</u>	<u>\$ 1,414,212</u>	<u>\$ 1,347,953</u>
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 additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

SERS Plan 2/3 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 115,480	\$ 97,386	\$ 88,783	\$ 78,400	\$ 74,640	\$ 62,316	\$ 62,090	\$ 63,526	\$ 52,139	\$ 45,950
Employee Contributions	45,946	34,939	31,305	26,018	24,095	19,247	20,105	26,062	20,726	17,371
Investment Income (Loss) ¹	100,211	178,042	607,984	348,956	38,452	473,113	255,525	(560,165)	(29,922)	435,696
Transfers	27	49	42	6	11	413	431	2,050	2,118	1,998
Miscellaneous ²	3,233	2,435	2,334	782	1,635	1,719	1,521	1,517	1,398	1,301
Total Additions	264,897	312,851	730,448	454,162	138,833	556,808	339,672	(467,010)	46,459	502,316
Deductions by Type										
Benefits	112,753	96,184	81,216	66,426	53,630	43,338	34,449	28,307	22,627	17,641
Refunds	2,494	2,891	2,732	2,655	2,516	2,492	2,125	2,125	2,045	2,516
Transfers	1,242	630	504	330	454	423	8,141	956	89,481	275
Administrative Expenses	1,782	1,644	1,543	137	1,403	1,484	1,384	1,327	1,267	1,124
Total Deductions	118,271	101,349	85,995	69,548	58,003	47,737	46,099	32,715	115,420	21,556
Total Changes in Fiduciary Net Position	\$ 146,626	\$ 211,502	\$ 644,453	\$ 384,614	\$ 80,830	\$ 509,071	\$ 293,573	\$ (499,725)	\$ (68,961)	\$ 480,760
Fiduciary Net Position										
Beginning of Year	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	2,031,738
End 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
Employer Contributions: % of Covered Payroll	6.1%	5.7%	5.5%	5.1%	4.6%	3.8%	3.8%	4.0%	3.4%	3.3%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

SERS Plan 3 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	67,713	62,645	60,766	59,257	59,021	60,313	60,328	59,422	58,381	54,175
Investment Income (Loss) ¹	32,171	62,821	245,336	147,193	10,372	209,367	108,480	(230,415)	(27,970)	169,969
Transfers	1,102	825	682	466	407	500	445	455	89,449	239
Miscellaneous ²	330	224	227	230	245	238	193	196	202	225
Total Additions	101,316	126,515	307,011	207,146	70,045	270,418	169,446	(170,342)	120,062	224,608
Deductions by Type										
Benefits	2,610	1,526	854	463	302	182	91	62	8	—
Refunds	85,019	86,293	73,826	65,643	60,929	53,242	33,916	42,041	39,815	32,077
Transfers	311	270	302	190	163	597	416	520	183	289
Administrative Expenses	330	224	227	230	245	237	193	195	202	225
Total Deductions	88,270	88,313	75,209	66,526	61,639	54,258	34,616	42,818	40,208	32,591
Total Changes in Fiduciary Net Position	\$ 13,046	\$ 38,202	\$ 231,802	\$ 140,620	\$ 8,406	\$ 216,160	\$ 134,830	\$ (213,160)	\$ 79,854	\$ 192,017
Fiduciary Net Position										
Beginning of Year	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	859,741
End 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
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 additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

PSERS Plan 2 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 20,058	\$ 18,704	\$ 17,124	\$ 15,650	\$ 15,285	\$ 15,591	\$ 15,238	\$ 14,510	\$ 11,700	\$ 6,612
Employee Contributions	21,134	18,650	17,344	15,798	15,228	15,353	15,213	14,557	11,740	6,664
Investment Income (Loss) ¹	10,097	15,082	45,144	22,468	2,778	21,255	7,358	(9,383)	(765)	813
Transfers	1	1	5	4	8	5	32	—	3	—
Miscellaneous ²	173	146	212	81	141	124	45	30	14	6
Total Additions	51,463	52,583	79,829	54,001	33,440	52,328	37,886	19,714	22,692	14,095
Deductions by Type										
Benefits	630	444	256	148	70	35	17	5	—	—
Refunds	2,647	2,612	2,194	2,186	1,921	1,780	928	466	152	23
Transfers	90	—	—	4	6	3	2	3	2	—
Administrative Expenses	150	116	104	1	70	82	50	40	26	27
Total Deductions	3,517	3,172	2,554	2,339	2,067	1,900	997	514	180	50
Total Changes in Fiduciary Net Position	\$ 47,946	\$ 49,411	\$ 77,275	\$ 51,662	\$ 31,373	\$ 50,428	\$ 36,889	\$ 19,200	\$ 22,512	\$ 14,045
Fiduciary Net Position										
Beginning of Year	352,795	303,384	226,109	174,447	143,074	92,646	55,757	36,557	14,045	—
End of Year	\$ 400,741	\$ 352,795	\$ 303,384	\$ 226,109	\$ 174,447	\$ 143,074	\$ 92,646	\$ 55,757	\$ 36,557	\$ 14,045
Employer Contributions: % of Covered Payroll	6.2%	6.4%	6.3%	6.3%	6.5%	6.7%	6.5%	6.5%	6.5%	6.5%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

TRS Plan 1 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 315,934	\$ 223,886	\$ 200,674	\$ 118,569	\$ 111,937	\$ 96,803	\$ 112,731	\$ 178,850	\$ 113,089	\$ 60,462
Employee Contributions	5,059	6,846	9,039	11,369	14,098	17,631	20,930	23,810	26,480	29,995
Investment Income (Loss) ¹	118,306	269,746	1,079,807	720,704	73,203	1,279,513	813,504	(1,979,081)	(93,982)	1,762,480
Transfers	—	—	51	—	38	1	5	27	5	84
Miscellaneous ²	5,966	5,758	7,956	8,207	6,228	10,792	6,827	7,011	7,870	8,546
Total Additions	445,265	506,236	1,297,527	858,849	205,504	1,404,740	953,997	(1,769,383)	53,462	1,861,567
Deductions by Type										
Benefits	924,377	927,015	925,975	914,610	913,864	899,819	859,250	850,262	844,986	802,344
Refunds	1,182	1,555	2,262	1,989	1,552	1,820	1,504	1,260	1,000	1,878
Transfers	386	—	—	578	223	159	118	1,449	82	3
Administrative Expenses	2,015	1,985	2,195	3,965	2,699	2,686	3,125	3,266	3,646	3,752
Total Deductions	927,960	930,555	930,432	921,142	918,338	904,484	863,997	856,237	849,714	807,977
Total Changes in Fiduciary Net Position	\$ (482,695)	\$ (424,319)	\$ 367,095	\$ (62,293)	\$ (712,834)	\$ 500,256	\$ 90,000	\$ (2,625,620)	\$ (796,252)	\$ 1,053,590
Fiduciary Net Position										
Beginning of Year	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	8,682,343
End 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
Employer Contributions: % of Covered Payroll	375.3%	197.6%	135.2%	61.6%	47.7%	27.7%	26.9%	37.3%	21.5%	10.3%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

TRS Plan 2/3 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 316,022	\$ 267,038	\$ 249,342	\$ 228,974	\$ 213,852	\$ 168,264	\$ 164,959	\$ 160,793	\$ 109,523	\$ 102,180
Employee Contributions	64,263	47,206	41,081	34,494	29,829	21,881	21,126	23,277	14,739	12,227
Investment Income (Loss) ¹	258,964	453,535	1,539,901	877,562	96,411	1,175,293	629,396	(1,383,054)	(73,457)	1,078,134
Transfers	71	41	45	34	16	850	724	547	339	201
Miscellaneous ²	10,386	11,278	8,260	4,178	5,476	5,416	4,551	4,429	4,432	3,951
Total Additions	649,706	779,098	1,838,629	1,145,242	345,584	1,371,704	820,756	(1,194,008)	55,576	1,196,693
Deductions by Type										
Benefits	218,011	183,212	149,522	116,662	91,400	72,138	55,654	44,795	36,016	28,534
Refunds	2,971	2,840	1,988	2,914	2,169	2,281	2,868	2,189	2,190	2,726
Transfers	1,934	659	445	858	652	390	369	2,670	168,866	440
Administrative Expenses	5,321	4,909	4,585	2,830	4,020	4,273	3,932	3,824	3,629	3,067
Total Deductions	228,237	191,620	156,540	123,264	98,241	79,082	62,823	53,478	210,701	34,767
Total Changes in Fiduciary Net Position	\$ 421,469	\$ 587,478	\$ 1,682,089	\$ 1,021,978	\$ 247,343	\$ 1,292,622	\$ 757,933	\$ (1,247,486)	\$ (155,125)	\$ 1,161,926
Fiduciary Net Position										
Beginning of Year	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	5,030,033
End 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
Employer Contributions: % of Covered Payroll	6.3%	5.7%	5.6%	5.4%	5.1%	4.0%	4.1%	4.1%	3.0%	3.0%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

TRS Plan 3 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	309,813	286,156	273,656	262,293	255,867	257,718	254,197	247,891	234,661	213,878
Investment Income (Loss) ¹	125,289	256,717	1,044,040	627,742	34,065	866,178	424,811	(864,630)	(177,645)	630,495
Transfers	1,585	1,372	1,115	839	618	650	598	971	168,817	581
Miscellaneous ²	1,159	789	784	775	811	767	610	605	597	712
Total Additions	437,846	545,034	1,319,595	891,649	291,361	1,125,313	680,216	(615,163)	226,430	845,666
Deductions by Type										
Benefits	10,034	5,924	3,084	1,569	1,149	542	257	128	45	18
Refunds	289,785	269,378	235,635	176,052	150,404	115,571	71,665	76,166	84,776	62,810
Transfers	938	717	721	522	520	1,368	1,084	550	512	254
Administrative Expenses	1,158	788	784	775	811	767	610	605	597	712
Total Deductions	301,915	276,807	240,224	178,918	152,884	118,248	73,616	77,449	85,930	63,794
Total Changes in Fiduciary Net Position	\$ 135,931	\$ 268,227	\$ 1,079,371	\$ 712,731	\$ 138,477	\$ 1,007,065	\$ 606,600	\$ (692,612)	\$ 140,500	\$ 781,872
Fiduciary Net Position										
Beginning of Year	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	3,188,947
End 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
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 additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

LEOFF Plan 1 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ —	\$ 60	\$ 98	\$ 555	\$ 2	\$ 3	\$ 49	\$ 216	\$ 8	\$ 56
Employee Contributions	—	47	—	—	—	—	1	154	—	50
State Contributions	—	—	—	—	—	—	—	—	—	—
Investment Income (Loss) ¹	120,952	248,796	934,125	586,475	61,152	937,507	566,844	(1,353,904)	(68,055)	1,152,792
Transfers	—	237	—	—	—	—	112	173	—	—
Miscellaneous ²	2,973	3,071	2,931	4,300	3,393	3,130	3,913	2,658	3,185	3,109
Total Additions	123,925	252,211	937,154	591,330	64,547	940,640	570,919	(1,350,703)	(64,862)	1,156,007
Deductions by Type										
Benefits	360,484	358,411	355,740	351,796	343,438	338,775	338,231	327,033	313,530	300,452
Refunds	538	334	248	14	435	48	14	193	150	11
Transfers	371	—	—	484	176	331	83	998	56	2
Administrative Expenses	1,938	1,822	1,851	2,882	2,064	1,891	2,146	2,339	2,417	2,544
Total Deductions	363,331	360,567	357,839	355,176	346,113	341,045	340,474	330,563	316,153	303,009
Total Changes in Fiduciary Net Position	\$ (239,406)	\$ (108,356)	\$ 579,315	\$ 236,154	\$ (281,566)	\$ 599,595	\$ 230,445	\$ (1,681,266)	\$ (381,015)	\$ 852,998
Fiduciary Net Position										
Beginning of Year	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	5,565,196
End 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
Employer Contributions: % of Covered Payroll	0.0%	0.6%	0.7%	3.4%	0.0%	0.0%	0.2%	0.5%	0.0%	0.1%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

LEOFF Plan 2 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 92,049	\$ 89,122	\$ 85,532	\$ 82,397	\$ 80,480	\$ 79,733	\$ 76,998	\$ 77,849	\$ 73,364	\$ 58,191
Employee Contributions	151,659	146,679	140,921	135,797	132,584	131,252	128,154	128,206	115,567	95,552
State Contributions	60,375	58,339	55,551	54,246	52,770	52,024	51,376	51,137	45,926	37,928
Investment Income (Loss) ¹	244,054	430,410	1,456,269	825,071	92,867	1,084,240	568,518	(1,223,154)	(70,257)	892,480
Transfers	23	—	265	1,833	10	2,936	1,010	1,218	117	—
Miscellaneous ²	26,273	22,776	13,496	9,351	9,220	7,754	7,447	4,466	2,987	3,905
Total Additions	574,433	747,326	1,752,034	1,108,695	367,931	1,357,939	833,503	(960,278)	167,704	1,088,056
Deductions by Type										
Benefits	184,067	151,486	124,921	100,532	78,153	61,876	46,158	36,615	27,505	20,813
Refunds	6,645	8,541	9,028	8,677	11,214	8,181	10,947	7,223	7,639	7,995
Transfers	705	238	24	226	282	147	205	1,146	49	32
Administrative Expenses	5,305	4,668	4,192	2,566	3,672	3,309	3,416	2,288	2,298	2,073
Total Deductions	196,722	164,933	138,165	112,001	93,321	73,513	60,726	47,272	37,491	30,913
Total Changes in Fiduciary Net Position	\$ 377,711	\$ 582,393	\$ 1,613,869	\$ 996,694	\$ 274,610	\$ 1,284,426	\$ 772,777	\$ (1,007,550)	\$ 130,213	\$ 1,057,143
Fiduciary Net Position										
Beginning of Year	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	4,129,074
End 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
Employer Contributions: % of Covered Payroll	5.1%	5.1%	5.1%	5.1%	5.1%	5.2%	5.1%	5.3%	5.5%	4.8%

¹ "Investment income" reflects dividends, interest, realized capital gains, and unrealized gains and losses.² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

WSPRS Plan 1/2 Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 7,044	\$ 6,679	\$ 6,587	\$ 6,478	\$ 6,454	\$ 5,251	\$ 5,271	\$ 6,371	\$ 6,064	\$ 3,278
Employee Contributions	5,895	5,561	5,489	5,396	5,376	4,166	4,173	5,501	5,239	3,278
Investment Income (Loss) ¹	25,354	49,046	176,856	106,664	11,481	158,571	91,335	(210,676)	(10,992)	171,393
Transfers	429	293	510	574	54	415	10	331	89	163
Miscellaneous ²	3,437	1,179	1,467	1,692	2,010	1,385	1,399	500	478	385
Total Additions	42,159	62,758	190,909	120,804	25,375	169,788	102,188	(197,973)	878	178,497
Deductions by Type										
Benefits	53,651	49,772	47,143	43,521	40,368	38,387	36,116	34,522	32,963	31,393
Refunds	508	303	367	304	262	315	127	211	269	291
Transfers	76	—	—	88	32	22	14	160	8	—
Administrative Expenses	448	425	431	538	392	356	364	354	391	381
Total Deductions	54,683	50,500	47,941	44,451	41,054	39,080	36,621	35,247	33,631	32,065
Total Changes in Fiduciary Net Position	\$ (12,524)	\$ 12,258	\$ 142,968	\$ 76,353	\$ (15,679)	\$ 130,708	\$ 65,567	\$ (233,220)	\$ (32,753)	\$ 146,432
Fiduciary Net Position										
Beginning of Year	1,110,799	1,098,541	955,573	879,220	894,899	764,191	698,624	931,844	964,597	818,165
End 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
Employer Contributions: % of Covered Payroll	8.1%	7.9%	7.9%	7.9%	7.9%	6.4%	6.4%	7.7%	7.7%	4.5%

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

² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

JRS Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ 12	\$ 31	\$ 46	\$ 79	\$ 105	\$ 112	\$ 111
Employee Contributions	—	—	—	12	31	46	79	104	112	111
State Contributions	9,500	10,600	10,600	10,100	8,100	10,860	11,570	10,200	9,600	9,539
Investment Income (Loss) ¹	78	39	26	(11)	13	8	11	48	98	139
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous ²	3	2	2	2	1	2	2	1	1	—
Total Additions	<u>9,581</u>	<u>10,641</u>	<u>10,628</u>	<u>10,115</u>	<u>8,176</u>	<u>10,962</u>	<u>11,741</u>	<u>10,458</u>	<u>9,923</u>	<u>9,900</u>
Deductions by Type										
Benefits	9,131	9,336	9,480	9,697	9,764	9,738	9,723	9,583	9,514	9,356
Refunds	—	—	—	—	—	—	—	7	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Administrative Expenses	2	2	2	2	2	2	2	1	—	—
Total Deductions	<u>9,133</u>	<u>9,338</u>	<u>9,482</u>	<u>9,699</u>	<u>9,766</u>	<u>9,740</u>	<u>9,725</u>	<u>9,591</u>	<u>9,514</u>	<u>9,356</u>
Total Changes in Fiduciary Net Position	\$ 448	\$ 1,303	\$ 1,146	\$ 416	\$ (1,590)	\$ 1,222	\$ 2,016	\$ 867	\$ 409	\$ 544
Fiduciary Net Position										
Beginning of Year	6,336	5,033	3,887	3,471	5,061	3,839	1,823	956	547	3
End of Year	\$ 6,784	\$ 6,336	\$ 5,033	\$ 3,887	\$ 3,471	\$ 5,061	\$ 3,839	\$ 1,823	\$ 956	\$ 547
Employer Contributions: % of Covered Payroll	n/a	n/a	n/a	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

¹ "Investment income" reflects dividends, interest, realized capital gains, and unrealized gains and losses.² "Miscellaneous additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

JRF Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	—	—	—	—	—	—	—	—	—	—
State Contributions	501	—	—	—	—	—	—	—	—	300
Investment Income (Loss) ¹	7	4	8	(5)	19	11	48	141	179	184
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous ²	—	—	—	—	1	1	1	2	1	2
Total Additions	508	4	8	(5)	20	12	49	143	180	486
Deductions by Type										
Benefits	440	444	444	474	482	499	500	501	545	581
Refunds	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	1	—	—
Administrative Expenses	1	—	—	1	1	1	1	1	2	1
Total Deductions	441	444	444	475	483	500	501	503	547	582
Total Changes in Fiduciary Net Position	\$ 67	\$ (440)	\$ (436)	\$ (480)	\$ (463)	\$ (488)	\$ (452)	\$ (360)	\$ (367)	\$ (96)
Fiduciary Net Position										
Beginning of Year	516	956	1,392	1,872	2,335	2,823	3,275	3,635	4,002	4,098
End of Year	\$ 583	\$ 516	\$ 956	\$ 1,392	\$ 1,872	\$ 2,335	\$ 2,823	\$ 3,275	\$ 3,635	\$ 4,002
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 additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

JRA Dollars in Thousands										
	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
Additions by Source										
Employer Contributions	\$ 21	\$ 20	\$ 25	\$ 32	\$ 38	\$ 43	\$ 43	\$ 42	\$ 70	\$ 427
Employee Contributions	21	20	25	32	38	43	43	42	71	430
Investment Income (Loss) ¹	(5)	150	1,372	1,015	(29)	1,940	985	(1,910)	(906)	2,452
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous ²	—	—	(2)	2	5	5	3	12	6	5
Total Additions	<u>37</u>	<u>190</u>	<u>1,420</u>	<u>1,081</u>	<u>52</u>	<u>2,031</u>	<u>1,074</u>	<u>(1,814)</u>	<u>(759)</u>	<u>3,314</u>
Deductions by Type										
Benefits	1,231	976	668	1,071	810	445	389	461	6,540	110
Refunds	—	—	—	—	—	—	1	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Administrative Expenses	1	—	—	—	—	—	—	—	—	—
Total Deductions	<u>1,232</u>	<u>976</u>	<u>668</u>	<u>1,071</u>	<u>810</u>	<u>445</u>	<u>390</u>	<u>461</u>	<u>6,540</u>	<u>110</u>
Total Changes in Fiduciary Net Position	\$ (1,195)	\$ (786)	\$ 752	\$ 10	\$ (758)	\$ 1,586	\$ 684	\$ (2,275)	\$ (7,299)	\$ 3,204
Fiduciary Net Position										
Beginning of Year	12,245	13,031	12,279	12,269	13,027	11,441	10,757	13,032	20,331	17,127
End of Year	\$ 11,050	\$ 12,245	\$ 13,031	\$ 12,279	\$ 12,269	\$ 13,027	\$ 11,441	\$ 10,757	\$ 13,032	\$ 20,331
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 additions" include restorations of employee contributions.

Schedule of Changes in Fiduciary Net Position (cont.)

DCP Dollars in Thousands										
	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
Additions by Source										
Participant Contributions	\$ 213,531	\$ 208,424	\$ 190,538	\$ 182,305	\$ 178,449	\$ 186,734	\$ 185,120	\$ 184,544	\$ 188,735	\$ 175,055
Investment Income (Loss) ¹	12,008	51,431	397,083	263,381	(12,292)	451,033	203,075	(344,592)	(169,322)	314,273
Charges for Services	2,317	2,347	1,949	1,566	1,677	1,610	1,780	1,405	838	689
Transfers	—	—	—	—	—	—	—	—	—	—
Miscellaneous	3	11	314	527	794	1,461	1,145	690	833	854
Total Additions	227,859	262,213	589,884	447,779	168,628	640,838	391,120	(157,953)	21,084	490,871
Deductions by Type										
Refunds	215,450	225,334	212,298	178,638	171,741	149,010	108,578	106,645	135,877	127,198
Transfers	—	—	—	—	—	—	—	2	—	3
Administrative Expenses	1,941	2,196	1,651	1,568	1,594	1,735	1,512	1,468	1,488	1,445
Total Deductions	217,391	227,530	213,949	180,206	173,335	150,745	110,090	108,115	137,365	128,646
Total Changes in Fiduciary Net Position	\$ 10,468	\$ 34,683	\$ 375,935	\$ 267,573	\$ (4,707)	\$ 490,093	\$ 281,030	\$ (266,068)	\$ (116,281)	\$ 362,225
Fiduciary Net Position										
Beginning of Year	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	2,189,440
End 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
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, 2008–2015, and September 30, 2006–2007											
Plan		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
PERS 1	%	1.30%	1.61%	1.94%	2.29%	2.64%	3.03%	3.43%	3.86%	4.41%	4.85%
	Individuals	3,927	4,782	5,653	6,635	7,733	9,007	10,354	11,663	12,975	14,213
	Avg. Age	64	63	62	61	61	60	59	59	58	57
PERS 2	%	39.09%	39.47%	39.73%	40.00%	39.92%	40.27%	40.35%	40.81%	41.00%	40.39%
	Individuals	117,768	116,985	115,751	115,877	117,096	119,826	121,800	123,285	120,625	118,341
	Avg. Age	48	48	48	48	48	48	47	47	46	46
PERS 3	%	10.49%	10.36%	10.06%	9.69%	9.41%	9.31%	8.97%	8.85%	8.30%	7.67%
	Individuals	31,602	30,694	29,302	28,078	27,588	27,693	27,081	26,720	24,422	22,473
	Avg. Age	43	43	44	44	43	43	42	42	42	42
SERS 2	%	8.12%	7.75%	7.47%	7.20%	7.09%	6.84%	6.69%	6.38%	6.04%	6.30%
	Individuals	24,479	22,950	21,760	20,846	20,784	20,358	20,197	19,264	17,767	18,464
	Avg. Age	50	51	51	51	51	51	51	51	51	51
SERS 3	%	10.40%	10.40%	10.48%	10.60%	10.76%	10.75%	10.69%	10.76%	11.24%	11.04%
	Individuals	31,326	30,832	30,535	30,712	31,548	31,981	32,277	32,510	33,058	32,354
	Avg. Age	50	51	51	50	50	49	49	48	47	47
PSERS 2	%	1.73%	1.63%	1.55%	1.47%	1.43%	1.42%	1.44%	1.32%	0.94%	0.71%
	Individuals	5,202	4,820	4,513	4,250	4,187	4,210	4,340	3,981	2,755	2,073
	Avg. Age	40	40	40	40	40	39	38	37	38	39
TRS 1	%	0.45%	0.62%	0.82%	1.04%	1.27%	1.54%	1.72%	2.01%	2.15%	2.52%
	Individuals	1,353	1,824	2,393	3,019	3,740	4,591	5,204	6,061	6,331	7,382
	Avg. Age	65	64	63	62	62	61	60	59	58	58
TRS 2	%	5.09%	4.60%	4.14%	3.74%	3.51%	3.17%	3.04%	2.68%	2.30%	2.38%
	Individuals	15,342	13,632	12,071	10,849	10,285	9,442	9,174	8,103	6,752	6,983
	Avg. Age	42	43	44	46	46	48	48	49	52	51
TRS 3	%	17.30%	17.50%	17.67%	17.77%	17.79%	17.57%	17.56%	17.33%	17.63%	18.22%
	Individuals	52,125	51,837	51,471	51,489	52,178	52,292	53,010	52,360	51,856	53,371
	Avg. Age	46	46	46	46	45	45	44	43	43	42
LEOFF 1	%	0.03%	0.04%	0.05%	0.06%	0.08%	0.10%	0.12%	0.14%	0.17%	0.20%
	Individuals	82	120	143	186	250	301	356	421	513	596
	Avg. Age	64	63	62	61	60	60	59	58	57	56
LEOFF 2	%	5.65%	5.66%	5.73%	5.77%	5.73%	5.64%	5.62%	5.50%	5.47%	5.37%
	Individuals	17,019	16,773	16,687	16,720	16,805	16,775	16,951	16,626	16,099	15,718
	Avg. Age	44	44	44	43	43	42	42	41	41	41
WSPRS 1	%	0.19%	0.21%	0.22%	0.25%	0.26%	0.27%	0.28%	0.28%	0.30%	0.31%
	Individuals	560	609	657	712	767	806	830	851	885	906
	Avg. Age	47	46	46	45	45	44	43	42	41	41
WSPRS 2	%	0.16%	0.15%	0.14%	0.12%	0.11%	0.09%	0.09%	0.08%	0.05%	0.04%
	Individuals	475	435	409	354	315	281	264	234	152	116
	Avg. Age	33	33	33	32	32	32	31	30	31	30
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	11
	Avg. Age	n/a	n/a	n/a	66	69	69	69	67	66	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	301,260	296,293	291,345	289,729	293,279	297,568	301,847	302,089	294,201	293,001

Distribution of Membership by System and Plan (cont.)

Inactive and Retired Members For the Years Ended June 30, 2008–2015, and September 30, 2006–2007											
Plan		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
PERS 1	%	23.10%	24.57%	26.14%	27.70%	29.18%	30.63%	31.87%	33.11%	34.34%	35.47%
	Individuals	51,269	52,248	53,244	54,266	55,053	55,721	56,272	56,852	57,342	57,509
	Avg. Age	75	75	74	74	74	74	73	73	73	73
PERS 2	%	29.52%	28.73%	27.84%	26.93%	26.06%	25.04%	24.14%	23.23%	22.34%	21.88%
	Individuals	65,523	61,105	56,712	52,773	49,167	45,556	42,614	39,890	37,302	35,485
	Avg. Age	64	63	63	62	62	61	60	60	59	59
PERS 3	%	3.67%	3.39%	3.15%	2.92%	2.69%	2.46%	2.29%	2.12%	1.91%	1.74%
	Individuals	8,147	7,209	6,419	5,718	5,068	4,482	4,045	3,647	3,183	2,817
	Avg. Age	60	59	58	57	56	55	54	53	52	51
SERS 2	%	5.47%	5.25%	5.04%	4.81%	4.61%	4.44%	4.26%	3.99%	3.61%	3.36%
	Individuals	12,134	11,153	10,274	9,429	8,697	8,069	7,514	6,845	6,019	5,442
	Avg. Age	64	63	62	62	61	60	58	58	57	56
SERS 3	%	5.97%	5.55%	5.10%	4.67%	4.24%	3.86%	3.57%	3.28%	2.87%	2.60%
	Individuals	13,241	11,788	10,393	9,142	7,993	7,015	6,308	5,628	4,796	4,210
	Avg. Age	62	62	61	60	60	59	58	57	56	56
PSERS 2	%	0.17%	0.13%	0.08%	0.04%	0.01%	0.01%	0.00%	0.00%	–	–
	Individuals	374	275	162	87	16	7	2	1	–	–
	Avg. Age	47	46	47	48	59	58	63	66	–	–
TRS 1	%	16.00%	16.92%	17.82%	18.65%	19.45%	20.18%	20.88%	21.45%	22.41%	22.80%
	Individuals	35,506	35,962	36,303	36,531	36,699	36,716	36,875	36,839	37,420	36,969
	Avg. Age	75	74	74	73	73	72	72	71	71	71
TRS 2	%	3.03%	2.94%	2.84%	2.76%	2.69%	2.63%	2.59%	2.57%	2.57%	2.54%
	Individuals	6,733	6,251	5,775	5,408	5,080	4,787	4,576	4,418	4,288	4,116
	Avg. Age	66	65	65	64	63	62	61	60	59	58
TRS 3	%	7.08%	6.47%	5.88%	5.37%	4.84%	4.41%	4.04%	3.84%	3.48%	3.07%
	Individuals	15,712	13,749	11,965	10,524	9,134	8,017	7,136	6,592	5,811	4,978
	Avg. Age	61	61	60	59	58	58	57	56	55	54
LEOFF 1	%	3.38%	3.58%	3.80%	4.00%	4.20%	4.40%	4.58%	4.74%	4.89%	5.04%
	Individuals	7,507	7,607	7,730	7,845	7,933	8,009	8,089	8,135	8,165	8,177
	Avg. Age	73	72	72	71	70	70	69	68	68	67
LEOFF 2	%	2.02%	1.87%	1.71%	1.55%	1.42%	1.33%	1.16%	1.04%	0.93%	0.85%
	Individuals	4,495	3,984	3,480	3,033	2,670	2,420	2,039	1,783	1,553	1,376
	Avg. Age	59	58	58	57	56	55	54	54	53	52
WSPRS 1	%	0.52%	0.53%	0.53%	0.53%	0.53%	0.53%	0.54%	0.55%	0.56%	0.56%
	Individuals	1,156	1,120	1,083	1,035	992	970	956	947	933	918
	Avg. Age	66	66	66	66	65	65	65	64	64	64
WSPRS 2	%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	–
	Individuals	20	15	10	8	6	6	4	2	1	–
	Avg. Age	38	38	36	36	37	35	33	32	29	–
JRS	%	0.05%	0.05%	0.06%	0.06%	0.07%	0.07%	0.07%	0.07%	0.08%	0.08%
	Individuals	106	108	114	119	124	125	124	128	131	133
	Avg. Age	81	80	80	80	80	79	79	79	78	77
JRF	%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	Individuals	12	12	12	12	13	13	13	13	15	15
	Avg. Age	85	84	83	83	83	82	81	80	79	79
Totals	%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Individuals	221,935	212,586	203,676	195,930	188,645	181,913	176,567	171,720	166,959	162,145

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, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	1,446	1	44.1%	State of Washington	6,715	1	49.3%
King County	193	2	5.9%	KC Metro	383	2	2.8%
Seattle SD 001	74	3	2.3%	King County	382	3	2.8%
Snohomish County	39	4	1.2%	Seattle SD 001	201	4	1.5%
Pierce County	38	5	1.2%	Pierce County	160	5	1.2%
Spokane Public Schools	24	6	0.7%	Snohomish County	145	6	1.1%
City of Everett	20	7	0.6%	Spokane County	98	7	0.7%
Spokane County	20	8	0.6%	Thurston County	92	8	0.7%
Tacoma SD 010	20	9	0.6%	Spokane Public Schools	86	9	0.6%
Kent SD 415	18	10	0.5%	Tacoma SD 010	86	10	0.6%
All Other Employers ²	1,390		42.3%	All Other Employers	5,283		38.7%
Total (435 Employers)	3,282		100.0%	Total (650 Employers)	13,631		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	187	735
Counties/Municipalities	118	382
Other Political Subdivisions	120	273
Total	425	1,390

¹ Includes 115 component units of the state

² In 2016, "all other employers" consisted of the employers at left.

PERS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	63,186	1	51.8%	State of Washington	68,131	1	53.1%
King County	10,131	2	8.3%	King County	4,746	2	3.7%
Pierce County	2,018	3	1.7%	KC Metro	4,453	3	3.5%
Snohomish County	1,861	4	1.5%	Pierce County	2,578	4	2.0%
Spokane County	1,331	5	1.1%	Snohomish County	2,330	5	1.8%
Clark County	1,129	6	0.9%	Spokane County	1,536	6	1.2%
Snohomish County PUD 01	903	7	0.7%	Clark County	1,366	7	1.0%
Port of Seattle	879	8	0.7%	King County Public Health Dept.	1,177	8	0.9%
City of Bellevue	821	9	0.7%	City of Bellevue	908	9	0.7%
Energy Northwest	813	10	0.7%	Kitsap County	896	10	0.7%
All Other Employers ²	38,865		31.9%	All Other Employers	40,260		31.4%
Total (794 Employers)	121,937		100.0%	Total (733 Employers)	128,381		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	—	—
Counties/Municipalities	272	21,104
Other Political Subdivisions	512	17,761
Total	784	38,865

¹ Includes 153 component units of the state

² In 2016, "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, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	20,864	1	63.7%	State of Washington	16,870	1	63.4%
King County	1,961	2	6.0%	King County	758	2	2.8%
Metropolitan Park Dist. of Tacoma	461	3	1.4%	KC Metro	598	3	2.2%
Pierce County	452	4	1.4%	Pierce County	448	4	1.7%
Snohomish County	345	5	1.1%	Energy Northwest	337	5	1.3%
Energy Northwest	330	6	1.0%	Snohomish County	319	6	1.2%
Spokane County	243	7	0.7%	King County Public Health Dept.	269	7	1.0%
Clark County	230	8	0.7%	Yakima County	217	8	0.8%
Port of Seattle	209	9	0.6%	Spokane County	216	9	0.8%
Kitsap County	200	10	0.6%	Clark County	207	10	0.8%
All Other Employers ²	7,461		22.8%	All Other Employers	6,378		24.0%
Total (543 Employers)	32,756		100.0%	Total (447 Employers)	26,617		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	—	—
Counties/Municipalities	206	4,171
Other Political Subdivisions	327	3,290
Total	533	7,461

¹ Includes 145 component units of the state

² In 2016, "all other employers" consisted of the employers at left.

SERS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	1,264	1	4.5%	Seattle SD 001	945	1	5.0%
Tacoma SD 010	686	2	2.4%	Tacoma SD 010	689	2	3.6%
Highline SD 401	620	3	2.2%	Spokane Public Schools	507	3	2.6%
Spokane Public Schools	569	4	2.0%	Vancouver SD 037	470	4	2.5%
Kent SD 415	547	5	2.0%	Kent SD 415	453	5	2.4%
Vancouver SD 037	547	6	2.0%	Highline SD 401	446	6	2.3%
Bellevue SD 405	511	7	1.8%	Federal Way SD 210	368	7	1.9%
Evergreen SD 114	500	8	1.8%	Edmonds SD 015	356	8	1.9%
Puyallup SD 003	479	9	1.7%	Lake Washington SD 414	321	9	1.7%
Lake Washington SD 414	463	10	1.7%	Northshore SD 417	318	10	1.7%
All Other Employers ¹	21,750		77.9%	All Other Employers	14,172		74.4%
Total (307 Employers)	27,936		100.0%	Total (303 Employers)	19,045		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	297	21,750
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	297	21,750

¹ In 2016, "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, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	1,246	1	3.7%	Seattle SD 001	1,102	1	3.1%
Kent SD 415	980	2	2.9%	Kent SD 415	1,054	2	2.9%
Spokane Public Schools	823	3	2.5%	Spokane Public Schools	926	3	2.6%
Evergreen SD 114	809	4	2.4%	Evergreen SD 114	916	4	2.6%
Tacoma SD 010	781	5	2.3%	Tacoma SD 010	770	5	2.2%
Lake Washington SD 414	750	6	2.2%	Vancouver SD 037	764	6	2.1%
Vancouver SD 037	732	7	2.2%	Lake Washington SD 414	743	7	2.1%
Edmonds SD 015	708	8	2.1%	Northshore SD 417	703	8	2.0%
Federal Way SD 210	662	9	2.0%	Federal Way SD 210	700	9	2.0%
Northshore SD 417	659	10	2.0%	Edmonds SD 015	693	10	1.9%
All Other Employers ¹	25,362		75.7%	All Other Employers	27,232		76.5%
Total (306 Employers)	33,512		100.0%	Total (302 Employers)	35,603		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	296	25,362
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	296	25,362

¹ In 2016, "all other employers" consisted of the employers at left.

PSERS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
State of Washington ¹	3,061	1	55.6%	State of Washington	1,035	1	44.8%
King County	387	2	7.0%	King County	238	2	10.3%
Pierce County	231	3	4.2%	Pierce County	138	3	6.0%
Snohomish County	212	4	3.8%	Snohomish County	98	4	4.2%
Spokane County	172	5	3.1%	Thurston County	86	5	3.7%
Thurston County	125	6	2.3%	Spokane County	74	6	3.2%
South Correctional Entity	119	7	2.2%	Kitsap County	56	7	2.4%
Benton County	101	8	1.8%	Yakima County	56	8	2.4%
Clark County	97	9	1.8%	Benton County	55	9	2.4%
Yakima County	94	10	1.7%	Cowlitz County	51	10	2.2%
All Other Employers ²	911		16.5%	All Other Employers	425		18.4%
Total (66 Employers)	5,510		100.0%	Total (61 Employers)	2,312		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	—	—
Counties/Municipalities	56	911
Other Political Subdivisions	—	—
Total	56	911

¹ Includes six component units of the state

² In 2016, "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, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	54	1	5.5%	Seattle SD 001	420	1	5.7%
State of Washington ¹	52	2	5.3%	State of Washington	407	2	5.6%
Tacoma SD 010	37	3	3.8%	Tacoma SD 010	273	3	3.7%
Lake Washington SD 414	27	4	2.7%	Spokane Public Schools	216	4	3.0%
Northshore SD 417	26	5	2.6%	Lake Washington SD 414	183	5	2.5%
Spokane Public Schools	25	6	2.5%	Northshore SD 417	183	6	2.5%
Evergreen SD 114	20	7	2.0%	Evergreen SD 114	144	7	2.0%
Everett SD 002	18	8	1.8%	Vancouver SD 037	137	8	1.9%
Highline SD 401	17	9	1.7%	Kent SD 415	135	9	1.8%
Olympia SD 111	17	10	1.7%	Edmonds SD 015	124	10	1.7%
All Other Employers ²	696		70.4%	All Other Employers	5,093		69.6%
Total (190 Employers)	989		100.0%	Total (289 Employers)	7,315		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	180	696
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	180	696

¹ Includes 31 component units of the state

² In 2016, "all other employers" consisted of the employers at left.

TRS Plan 2

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	1,363	1	7.2%	Seattle SD 001	527	1	6.0%
Tacoma SD 010	552	2	2.9%	Tacoma SD 010	387	2	4.4%
Kent SD 415	473	3	2.5%	Spokane Public Schools	303	3	3.4%
Lake Washington SD 414	467	4	2.5%	Vancouver SD 037	204	4	2.3%
Highline SD 401	463	5	2.5%	Bellevue SD 405	200	5	2.3%
Spokane Public Schools	461	6	2.4%	Evergreen SD 114	194	6	2.2%
Evergreen SD 114	454	7	2.4%	Kent SD 415	191	7	2.2%
Vancouver SD 037	435	8	2.3%	Bethel SD 403	174	8	2.0%
Federal Way SD 210	409	9	2.2%	Everett SD 002	171	9	2.0%
Bellevue SD 405	387	10	2.1%	Issaquah SD 411	171	10	2.0%
All Other Employers ¹	13,356		71.0%	All Other Employers	6,235		71.2%
Total (306 Employers)	18,820		100.0%	Total (279 Employers)	8,757		100.0%

All Other Employers	Number	Employees
State of Washington ²	1	85
School Districts	295	13,271
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	296	13,356

¹ In 2016, "all other employers" consisted of the employers at left.

² Includes 28 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, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
Seattle SD 001	2,640	1	4.7%	Seattle SD 001	2,541	1	4.6%
Spokane Public Schools	1,853	2	3.3%	Spokane Public Schools	1,762	2	3.2%
Tacoma SD 010	1,616	3	2.9%	Tacoma SD 010	1,542	3	2.8%
Kent SD 415	1,496	4	2.7%	Evergreen SD 114	1,527	4	2.7%
Lake Washington SD 414	1,473	5	2.6%	Kent SD 415	1,453	5	2.6%
Evergreen SD 114	1,421	6	2.5%	Lake Washington SD 414	1,301	6	2.4%
Vancouver SD 037	1,217	7	2.2%	Federal Way SD 210	1,277	7	2.3%
Federal Way SD 210	1,203	8	2.2%	Vancouver SD 037	1,185	8	2.1%
Bellevue SD 405	1,114	9	2.0%	Edmonds SD 015	1,136	9	2.1%
Edmonds SD 015	1,107	10	2.0%	Bellevue SD 405	1,114	10	2.0%
All Other Employers ¹	40,768		72.9%	All Other Employers	40,462		73.2%
Total (311 Employers)	55,908		100.0%	Total (304 Employers)	55,300		100.0%

All Other Employers	Number	Employees
State of Washington ²	1	704
School Districts	300	40,064
Counties/Municipalities	—	—
Other Political Subdivisions	—	—
Total	301	40,768

¹ In 2016, "all other employers" consisted of the employers at left.

² Includes 48 component units of the state

LEOFF Plan 1

Current Year and Nine Years Prior

For Fiscal Year Ended June 30, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
City of Seattle	24	1	37.5%	City of Seattle	134	1	23.9%
City of Bellevue	3	2	4.7%	City of Tacoma	40	2	7.1%
South King Fire & Rescue	3	3	4.7%	City of Spokane	38	3	6.8%
Snohomish County FPD 01	3	4	4.7%	City of Bellevue	25	4	4.5%
City of Everett	2	5	3.1%	City of Bellingham	22	5	3.9%
King County	2	6	3.1%	City of Everett	17	6	3.0%
City of Olympia	2	7	3.1%	King County	16	7	2.9%
City of Pasco	2	8	3.1%	Pierce County FPD 02	13	8	2.3%
City of Spokane	2	9	3.1%	City of Renton	12	9	2.1%
Pierce County FPD 03	2	10	3.1%	Spokane County	12	10	2.1%
All Other Employers ¹	19		29.8%	All Other Employers	232		41.4%
Total (29 Employers)	64		100.0%	Total (95 Employers)	561		100.0%

All Other Employers	Number	Employees
State of Washington	—	—
School Districts	—	—
Counties/Municipalities	16	16
Other Political Subdivisions	3	3
Total	19	19

¹ In 2016, "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, 2016				2007 (calendar year statistics)			
Employer	Covered Employees	Rank	% of Total Plan	Employer	Covered Employees	Rank	% of Total Plan
City of Seattle	2,346	1	13.4%	City of Seattle	2,172	1	13.5%
King County	764	2	4.4%	King County	755	2	4.7%
City of Tacoma	694	3	4.0%	City of Tacoma	744	3	4.6%
City of Spokane	598	4	3.4%	City of Spokane	520	4	3.3%
City of Bellevue	389	5	2.2%	City of Vancouver	373	5	2.3%
City of Vancouver	373	6	2.1%	City of Bellevue	339	6	2.1%
City of Everett	346	7	2.0%	City of Everett	333	7	2.1%
Pierce County	307	8	1.8%	Pierce County	323	8	2.0%
Snohomish County	277	9	1.6%	City of Kent	270	9	1.7%
City of Renton	254	10	1.4%	Snohomish County	260	10	1.6%
All Other Employers ¹	11,122		63.7%	All Other Employers	9,965		62.1%
Total (369 Employers)	17,470		100.0%	Total (375 Employers)	16,054		100.0%

All Other Employers	Number	Employees
State of Washington ²	1	247
School Districts	—	—
Counties/Municipalities	194	6,646
Other Political Subdivisions	164	4,229
Total	359	11,122

¹ In 2016, "all other employers" consisted of the employers at left.

² Includes eight 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
6/30/2016	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
6/30/2007	147	245	183	214	789

PERS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/ Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	175	271	–	464	910

PERS Plan 3					
Fiscal Year Ended	Component Units of WA State	Counties/ Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	162	195	–	257	614

Number of Participating Employers (cont.)

SERS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2016	—	—	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
6/30/2007	—	—	292	—	292

SERS Plan 3					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	—	—	294	—	294

PSERS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	8	61	—	—	69

Number of Participating Employers (cont.)

TRS Plan 1					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2016	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
6/30/2007	67	—	286	—	353

TRS Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	22	—	275	—	297

TRS Plan 3					
Fiscal Year Ended	Component Units of WA State	Counties/Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	30	—	303	—	333

Number of Participating Employers (cont.)

LEOFF Plan 1					
Fiscal Year Ended	Component Units of WA State	Counties/ Municipalities	School Districts	Other Political Subdivisions	Total
6/30/2016	—	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
6/30/2007	—	74	—	18	92

LEOFF Plan 2					
Fiscal Year Ended	Component Units of WA State	Counties/ Municipalities	School Districts	Other Political Subdivisions	Total
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
6/30/2007	7	219	—	153	379

Employers Covered by DRS-Administered Retirement Systems

As of June 30, 2016 — Page 1 of 12

Air Quality Agencies	Charter Schools	Cities and Towns (cont.)
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	Excel Public Charter School Green Dot Public Schools PRIDE Prep Schools Rainier Prep SOAR Academy Spokane International Academy Summit Public Schools	Chehalis Chelan Cheney Chewelah Clarkston Cle Elum Clyde Hill Colfax College Place Colton (Town of) Colville Conconully (Town of) Concrete (Town of) Connell Cosmopolis Coulee City (Town of) Coulee Dam (Town of) Coupeville (Town of) Creston (Town of) Cusick (Town of) Darrington (Town of) Davenport Dayton Deer Park Des Moines DuPont Duvall East Wenatchee Eatonville (Town of) Edgewood Edmonds Electric City Ellensburg Elma Elmer City (Town of) Entiat Enumclaw Ephrata Everett Everson Federal Way Ferndale
Airports, Airport Boards	Cities and Towns	
Pangborn Memorial Airport Snohomish Co. Airport Spokane International Airport Walla Walla Regional Airport	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) Centralia	
Area Agencies on Aging		
Aging & Long-Term Care of Eastern WA Olympic Area Agency on Aging SE WA Aging & Long-Term Care		
Associations, Unions		
Inlandboatmen's Union of the Pacific 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, 2016 — Page 2 of 12

Cities and Towns (cont.)	Cities and Towns (cont.)	Cities and Towns (cont.)
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
Lynden	Orting	Soap Lake
Lynnwood	Othello	South Bend

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2016 — Page 3 of 12

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Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2016 — Page 4 of 12

Counties (cont.)	Emergency Services and Communications Districts (cont.)	Fire Protection Districts (cont.)
Spokane Stevens Thurston Wahkiakum Walla Walla Whatcom Whitman Yakima	Island Co. Emergency Services Communication Ctr. Jefferson Co. 911 Communications KITTCOM Mason Co. Emergency Communications Multi Agency Communications Center NORCOM 911 North Country Emergency Medical Service RIVERCOM San Juan Island Emergency Medical Service Skagit 911 (SECOM) SNOCOM 911 Snohomish Co. Emergency Radio System South Beach Ambulance Service South Sound 911 Thurston 911 Communications Valley Communication Center	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 Kent Fire Dept. Regional Fire Auth. King Co. FPDs 2, 10, 16, 20, 27, 28, 34, 40, 43, 44, 45 & 50 Kitsap Co. FPD 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 & 16 North County Regional Fire Auth. North Highline Fire Dist. North Kitsap Fire & Rescue North Mason Regional Fire Auth. North Whidbey Fire & Rescue Okanogan Co. FPD 6 Pacific Co. FPD 1 Pend Oreille FPDs 2 & 4 Pierce Co. FPDs 3, 5, 6, 10, 13, 14, 16, 17, 18, 21, 23 & 27 Riverside Fire Auth. San Juan Co. FPDs 2, 3 & 4 Shoreline Fire Dept. Skagit Co. FPDs 6, 8 & 13 Snohomish Co. FPDs 1, 3, 4, 5, 7, 12, 15, 17, 19, 21, 22, 26 & 28 Snoqualmie Pass Fire & Rescue
Development Authorities/Districts	Fire Protection Districts	
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.	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 Cowlitz Co. FPDs 1, 2, 3, 5 & 6	
Educational Service Districts		
ESD 105 ESD 112 ESD 113 ESD 123 North Central WA ESD 171 Northeast WA ESD 101 Northwest Regional ESD 189 Olympic ESD 114 Puget Sound ESD 121		
Emergency Services and Communications Districts		
Franklin Co. Emergency Management Grays Harbor Communications		

Employers Covered by DRS-Administered Retirement Systems (cont.)

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Fire Protection Districts (cont.)

Southeast Thurston Fire Auth.
South King Fire & Rescue South
Kitsap Fire & Rescue
South Pend Oreille Fire & Rescue
South Whatcom Fire Auth.
South Whidbey Fire & EMS
Spokane Co. FPDs 3, 4, 8, 9,
10 & 13
Spokane Valley Fire Dept.
Stevens Co. FPD 1
Thurston Co. FPDs 3, 5, 6, 8, 9,
12, 13 & 17
Valley Regional Fire Auth.
Vashon Island Fire & Rescue
Walla Walla Co. FPDs 4 & 5
West Benton Regional Fire Auth.
West Thurston Regional Fire Auth.
Whatcom Co. FPDs 1, 7, 8, 11,
14, 17 & 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.

Housing Authorities (cont.)

Othello
Pasco/Franklin Co.
Peninsula
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 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

Irrigation, Sewer and Water Districts (cont.)

Columbia Irrigation Dist.
Columbia Valley Water
Dist. Consolidated Diking
Improvement Dist. 1 & 2
Consolidated Irrigation Dist. 19
Covington Water Dist.
Cross Valley Water Dist.
Dallesport Water Dist.
Diamond Lake Water & Sewer
Dist.
Douglas Co. Sewer Dist. 1
East Columbia Basin Irrigation
Dist.
East Spokane Water Dist. 1
East Wenatchee Water Dist.
Eastsound Sewer & Water Dist.
Fall City Water Dist.
Franklin Co. Irrigation Dist. 1
Gardena Farms Dist. 13
Glacier Water Dist.
Grays Harbor Co. Water Dist. 1
Greater Wenatchee Irrigation
Dist.
Highland Irrigation Dist.
Highline Water Dist.
Holmes Harbor Sewer Dist.
Icicle Irrigation Dist.
Irvin Water Dist. 6
Kennewick Irrigation Dist.
King Co. Water Dist. 19, 20, 45,
49, 54, 90, 111, 119 & 125
Kiona Irrigation Dist.
Kittitas Reclamation Dist.
Lake Chelan Reclamation Dist.
Lake Forest Park Water Dist.
Lake Stevens Sewer Dist.
Lake Whatcom Water & Sewer
Dist.
Lakehaven Utility Dist.
Lakewood Water Dist.
Loon Lake Sewer Dist. 4

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2016 — Page 6 of 12

Irrigation, Sewer and Water Districts (cont.)	Irrigation, Sewer and Water Districts (cont.)	Libraries, Library Districts (cont.)
<p>Lopez Solid Waste Disposal Dist. LOTT Clean Water Alliance Malaga Water Dist. Manchester Water Dist. Midway Sewer Dist. Moab Irrigation Dist. 20 Model Irrigation Dist. 18 Moses Lake Irrigation & Rehabilitation Dist. Mukilteo Water & Wastewater Dist. Naches-Selah Irrigation Dist. NE Sammamish Sewer & Water Dist. North 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.</p>	<p>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.</p>	<p>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</p>
	Libraries, Library Districts	Mosquito Districts
	<p>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 Regional Library La Conner Regional Library Lopez Island Library Dist. Mid-Columbia Regional Library North Central Regional Library North Olympic Library System Orcas Island Library Dist. Pend Oreille Library Pierce Co. Law Library Pierce Co. Rural Library Dist.</p>	<p>Adams Co. Mosquito Dist. Benton Co. Mosquito Control Dist. Columbia Mosquito Control Dist. Franklin Co. Mosquito Control Dist. Yakima Co. Mosquito Control</p>
		Parks and Recreation Districts
		<p>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 & Recreational Dist. Si View Metropolitan Park Dist. South Whidbey Parks & Recreation Dist.</p>

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2016 — Page 7 of 12

Ports	Ports (cont.)	Public Utility Districts
Allyn	Walla Walla	Asotin Co. PUD 1
Anacortes	Wahkiakum Co. 1	Benton Co. PUD 1
Bellingham	Whitman Co.	Chelan Co. PUD 1
Benton	Willapa Harbor	Clallam Co. PUD 1
Bremerton	Woodland	Clark Co. PUD
Brownsville		Columbia Basin Hydropower
Camas-Washougal		Cowlitz Co. PUD 1
Centralia		Douglas Co. PUD 1
Chehalis		Energy Northwest
Chelan Co.		Ferry Co. PUD 1
Clarkston		Franklin Co. Public Works 1
Columbia		Franklin Co. PUD 1
Douglas Co.		Grant Co. Public Works
Edmonds		Grant Co. PUD 2
Everett		Grays Harbor Co. PUD 1
Friday Harbor		Jefferson Co. PUD 1
Grant Co. 1 & 9		Kitsap Co. PUD 1
Grays Harbor		Kittitas Co. PUD 1
Ilwaco		Klickitat Co. PUD 1
Kalama		Lewis Co. PUD 1
Kennewick		Mason Co. PUD 1 & 3
Kingston		Okanogan Co. PUD 1
Klickitat		Pacific Co. PUD 2
Longview		Pend Oreille Co. PUD 1
Mattawa		Skagit Co. PUD 1
Moses Lake		Skamania Co. PUD 1
Olympia		Snohomish Co. PUD 1
Orcas		Stevens Co. PUD
Othello		Thurston Co. PUD 1
Pasco		Wahkiakum Co. PUD 1
Peninsula		West Sound Utility Dist.
Port Angeles		
Port Townsend		
Ridgefield		
Royal Slope		
Seattle		
Shelton		
Skagit Co.		
Skamania Co.		
Sunnyside		
Tacoma		
Vancouver		
	Public Facility Districts	
	Asotin Co. Public Facilities Dist.	
	Edmonds Public Facilities Dist.	
	Lynnwood Public Facilities Dist.	
	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.	
	SW Washington Behavioral Health Regional Support Network	
	Yakima Co. Health Dist.	
		Road Departments
		Chelan Co. Roads
		Lincoln Co. Highway Dept.

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2016 — Page 8 of 12

School Districts	School Districts (cont.)	School Districts (cont.)
Aberdeen	Columbia (Walla Walla Co.)	Goldendale
Adna	Colville	Grand Coulee Dam
Almira	Concrete	Grandview
Anacortes	Conway	Granger
Arlington	Cosmopolis	Granite Falls
Asotin Anatone	Coulee Hartline	Grapeview
Auburn	Coupeville	Great Northern
Bainbridge Island	Crescent	Green Mountain
Battle Ground	Creston	Griffin
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

Employers Covered by DRS-Administered Retirement Systems (cont.)

As of June 30, 2016 — Page 9 of 12

School Districts (cont.)	School Districts (cont.)	School Districts (cont.)
Lynden	Ocosta	Riverside
Mabton	Odessa	Riverview
Mansfield	Okanogan	Rochester
Manson	Olympia	Roosevelt
Mary M. Knight	Omak	Rosalia
Mary Walker	Onalaska	Royal
Marysville	Onion Creek	Saint John
McCleary	Orcas Island	San Juan Island
Mead	Orchard Prairie	Satsop
Medical Lake	Orient	Seattle
Mercer Island	Orondo	Sedro-Woolley
Meridian	Oroville	Selah
Methow Valley	Orting	Selkirk
Mill A	Othello	Sequim
Monroe	Palisades	Shaw Island
Montesano	Palouse	Shelton
Morton	Pasco	Shoreline
Moses Lake	Pateros	Skamania
Mossyrock	Paterson	Skykomish
Mount Adams	Pe Ell	Snohomish
Mount Baker	Peninsula	Snoqualmie Valley
Mount Pleasant	Pioneer	Soap Lake
Mount Vernon	Pomeroy	South Bend
Mukilteo	Port Angeles	South Kitsap
Naches Valley	Port Townsend	South Whidbey
Napavine	Prescott	Southside
Naselle-Grays River Valley	Prosser	Spokane Public Schools
Nespelem	Pullman	Sprague
Newport	Puyallup	Stanwood-Camano
Nine Mile Falls	Queets-Clearwater	Star
Nooksack Valley	Quilcene	Starbuck
North Beach	Quillayute	Stehekin
North Franklin	Quinault Lake	Steilacoom Historical
North Kitsap	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

Employers Covered by DRS-Administered Retirement Systems (cont.)

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School Districts (cont.)	Transportation Authorities, Transportation Districts	Other
<p>Tenino Thorp Toledo Tonasket Toppenish Touchet Toutle Lake Trout Lake Tukwila Tumwater Union Gap University Place Valley Vancouver Vashon Island Wahkiakum Wahluke Waitsburg Walla Walla Wapato Warden Jr. Consolidated Washougal Washtucna Waterville Wellpinit Wenatchee West Valley (Spokane Co.) West Valley (Yakima Co.) White Pass White River White Salmon Wilbur Willapa Valley Wilson Creek Winlock Wishkah Valley Wishram Woodland Yakima Yelm Zillah</p>	<p>Asotin Co. Ben Franklin Transit Chelan-Douglas P.T.B.A. Chelan-Douglas Transportation Council Clallam Transit System Clark Co. P.T.B.A. Columbia Co. Public Transportation Grant Transit Auth. Grays Harbor Transportation Auth. Intercity Transit Island Transit Jefferson Transit Auth. Kitsap Transit 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 Valley Transit Whatcom Transportation Auth.</p>	<p>Other Government Entities</p> <p>Lower Columbia Fish Recovery Board Public Stadium Auth. Snohomish Co. Police Staff Auxiliary South Correctional Entity Tacoma-Pierce Co. Employment & Training Consortium WA School Information Processing Cooperative Yakima Valley Conference of Governments</p> <p>State Entities</p> <p>State Agencies</p> <p>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 Aid Office of 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 Dept. of Financial Institutions Dept. of Fish & Wildlife Dept. of Health</p>
	<p>Weed Control Districts</p> <p>Benton Co. Noxious Weed Control Board Grant Co. Noxious Weed Board Grant Co. Weed Dist. 1 & 3 Pierce Co. Noxious Weed Board Spokane Co. Noxious Weed Control Board</p>	

Employers Covered by DRS-Administered Retirement Systems (cont.)

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State Agencies (cont.)	State Agencies (cont.)	State Agencies (cont.)
<p>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 Office of Public Defense Office of the Attorney General</p>	<p>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 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 WA State School Directors' Association WA State School for the Blind</p>	<p>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 Pacific 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	Universities
Bates Technical College	Central Washington University
Bellevue Community College	Eastern Washington University
Bellingham Technical College	Evergreen State College
Big Bend Community College	University of Washington
Cascadia College	Washington State University
Centralia College	Western Washington University
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	

Schedule of Benefit Recipients by Type of Benefit

PERS Plan 1									
For the 12 Months Ended June 30, 2015									
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	3,758	2,809	5	203	741	2,490	843	387	38
501-1,000	8,110	5,734	3	368	2,005	5,040	1,660	1,271	139
1,001-1,500	8,020	6,255	2	245	1,518	4,888	1,816	1,123	193
1,501-2,000	9,455	8,620	—	130	705	6,624	1,560	998	273
2,001-2,500	7,057	6,673	—	26	358	4,717	1,155	858	327
2,501-3,000	5,122	4,928	—	12	182	3,371	798	667	286
3,001-3,500	3,343	3,252	—	4	87	2,236	433	422	252
3,501-4,000	2,145	2,104	—	—	41	1,373	344	269	159
Over 4,000	3,260	3,208	—	1	51	1,904	487	501	368
Totals	50,270	43,583	10	989	5,688	32,643	9,096	6,496	2,035

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, 2015									
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	8,013	5,945	—	1,107	961	5,380	1,999	455	179
501-1,000	9,193	7,717	—	580	896	5,921	2,219	706	347
1,001-1,500	7,440	6,887	—	169	384	4,875	1,489	740	336
1,501-2,000	4,974	4,777	—	30	167	3,344	777	587	266
2,001-2,500	3,169	3,096	—	9	64	2,011	463	474	221
2,501-3,000	2,125	2,087	—	3	35	1,375	283	322	145
3,001-3,500	1,365	1,342	—	1	22	844	171	231	119
3,501-4,000	814	806	—	1	7	538	86	125	65
Over 4,000	1,600	1,590	—	2	8	1,001	158	276	165
Totals	38,693	34,247	—	1,902	2,544	25,289	7,645	3,916	1,843

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

Schedule of Benefit Recipients by Type of Benefit (cont.)

PERS Plan 3									
For the 12 Months Ended June 30, 2015									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	1,258	1,041	—	78	139	796	345	76	41
501-1,000	986	937	—	12	37	636	208	94	48
1,001-1,500	480	473	—	1	6	319	77	57	27
1,501-2,000	274	270	—	1	3	178	42	32	22
2,001-2,500	119	118	—	—	1	74	18	17	10
2,501-3,000	49	49	—	—	—	27	7	10	5
3,001-3,500	14	14	—	—	—	13	—	—	1
3,501-4,000	2	2	—	—	—	1	1	—	—
Over 4,000	4	4	—	—	—	3	—	1	—
Totals	3,186	2,908	—	92	186	2,047	698	287	154

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, 2015									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	2,379	2,022	—	193	164	1,711	498	116	54
501-1,000	2,312	2,166	—	54	92	1,688	392	158	74
1,001-1,500	1,051	1,018	—	6	27	751	138	110	52
1,501-2,000	449	443	—	1	5	336	49	48	16
2,001-2,500	188	187	—	—	1	121	19	39	9
2,501-3,000	80	79	—	—	1	60	7	12	1
3,001-3,500	42	42	—	—	—	29	7	3	3
3,501-4,000	28	28	—	—	—	22	3	2	1
Over 4,000	33	33	—	—	—	24	1	5	3
Totals	6,562	6,018	—	254	290	4,742	1,114	493	213

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

Schedule of Benefit Recipients by Type of Benefit (cont.)

SERS Plan 3									
For the 12 Months Ended June 30, 2015									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	3,922	3,674	—	79	169	2,825	830	179	88
501-1,000	1,432	1,404	—	6	22	1,052	196	134	50
1,001-1,500	282	280	—	1	1	208	26	35	13
1,501-2,000	83	83	—	—	—	64	8	7	4
2,001-2,500	21	21	—	—	—	17	4	—	—
2,501-3,000	4	4	—	—	—	2	2	—	—
3,001-3,500	5	5	—	—	—	4	—	1	—
3,501-4,000	—	—	—	—	—	—	—	—	—
Over 4,000	1	1	—	—	—	1	—	—	—
Totals	5,750	5,472	—	86	192	4,173	1,066	356	155

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, 2015									
Monthly Benefit Amount	Number of Retirees	Retirement Type				Option Selected¹			
		Service	Duty Disability	Nonduty Disability	Survivor Payment	1 Life	2 100%	3 50%	4 66%
\$ 0-500	44	33	—	6	5	28	11	1	4
501-1,000	33	32	—	—	1	26	5	2	—
1,001-1,500	3	3	—	—	—	3	—	—	—
1,501-2,000	—	—	—	—	—	—	—	—	—
2,001-2,500	—	—	—	—	—	—	—	—	—
2,501-3,000	—	—	—	—	—	—	—	—	—
3,001-3,500	—	—	—	—	—	—	—	—	—
3,501-4,000	—	—	—	—	—	—	—	—	—
Over 4,000	—	—	—	—	—	—	—	—	—
Totals	80	68	—	6	6	57	16	3	4

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

Schedule of Benefit Recipients by Type of Benefit (cont.)

TRS Plan 1 For the 12 Months Ended June 30, 2015									
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	1,407	1,209	—	35	163	965	336	89	17
501-1,000	2,832	1,865	—	130	837	1,533	593	658	48
1,001-1,500	3,863	2,887	—	123	853	1,946	1,107	687	123
1,501-2,000	9,457	8,725	—	186	546	6,350	1,870	929	308
2,001-2,500	7,456	7,158	—	58	240	5,078	1,267	813	298
2,501-3,000	4,458	4,330	—	21	107	2,716	911	556	275
3,001-3,500	2,831	2,790	—	2	39	1,722	572	334	203
3,501-4,000	1,481	1,456	—	2	23	888	296	191	106
Over 4,000	1,454	1,432	—	3	19	838	280	203	133
Totals	35,239	31,852	—	560	2,827	22,036	7,232	4,460	1,511

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, 2015									
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	460	399	—	29	32	321	108	23	8
501-1,000	737	626	—	36	75	470	170	55	42
1,001-1,500	696	655	—	12	29	461	137	59	39
1,501-2,000	715	687	—	5	23	466	136	63	50
2,001-2,500	680	675	—	1	4	454	96	84	46
2,501-3,000	437	433	—	1	3	309	67	44	17
3,001-3,500	279	273	—	—	6	191	31	34	23
3,501-4,000	164	163	—	—	1	130	7	14	13
Over 4,000	137	136	—	—	1	102	14	14	7
Totals	4,305	4,047	—	84	174	2,904	766	390	245

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

Schedule of Benefit Recipients by Type of Benefit (cont.)

TRS Plan 3 For the 12 Months Ended June 30, 2015									
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	1,737	1,471	—	69	197	1,118	494	74	51
501-1,000	2,170	2,066	—	10	94	1,488	422	170	90
1,001-1,500	1,768	1,739	—	2	27	1,109	354	193	112
1,501-2,000	1,284	1,274	—	1	9	899	163	148	74
2,001-2,500	359	357	—	—	2	276	30	36	17
2,501-3,000	97	96	—	—	1	66	12	14	5
3,001-3,500	23	23	—	—	—	17	—	4	2
3,501-4,000	10	10	—	—	—	9	1	—	—
Over 4,000	5	5	—	—	—	3	1	1	—
Totals	7,453	7,041	—	82	330	4,985	1,477	640	351

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, 2015										
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	15	—	—	4	—	1	1	—	17
501-1,000	54	40	—	—	14	1	2	1	—	50
1,001-1,500	52	27	1	—	24	—	5	3	—	44
1,501-2,000	82	25	14	12	31	—	9	5	2	66
2,001-2,500	327	58	115	58	96	2	60	5	9	251
2,501-3,000	952	136	422	129	265	11	153	8	9	771
3,001-3,500	1,678	265	846	158	409	6	154	16	24	1,478
3,501-4,000	1,552	357	811	53	331	24	53	6	10	1,459
Over 4,000	2,791	1,634	735	11	411	9	51	13	15	2,703
Totals	7,507	2,557	2,944	421	1,585	53	488	58	69	6,839

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.

Schedule of Benefit Recipients by Type of Benefit (cont.)

LEOFF Plan 2 For the 12 Months Ended June 30, 2015									
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	105	64	11	4	26	49	46	9	1
501-1,000	212	148	23	3	38	89	101	12	10
1,001-1,500	246	187	30	7	22	103	102	22	19
1,501-2,000	264	192	35	8	29	103	115	26	20
2,001-2,500	302	255	24	6	17	109	129	40	24
2,501-3,000	342	290	28	2	22	133	132	48	29
3,001-3,500	424	371	34	10	9	198	139	51	36
3,501-4,000	377	336	29	2	10	154	119	57	47
Over 4,000	1,438	1,328	79	7	24	653	341	229	215
Totals	3,710	3,171	293	49	197	1,591	1,224	494	401

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, 2015								
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	13	3	—	—	10	10	3	—
1,001-1,500	26	9	—	—	17	22	4	—
1,501-2,000	29	6	—	—	23	28	1	—
2,001-2,500	34	12	—	—	22	26	8	—
2,501-3,000	55	26	—	—	29	37	17	1
3,001-3,500	131	104	—	—	27	45	86	—
3,501-4,000	189	176	—	—	13	81	106	2
Over 4,000	552	537	—	—	15	237	305	10
Totals	1,033	877	—	—	156	488	532	13

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

Schedule of Benefit Recipients by Type of Benefit (cont.)

JRS										
For the 12 Months Ended June 30, 2015										
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	95	67	—	—	28	—	6	—	1	88
Totals	106	67	—	—	39	—	6	—	1	99

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

Schedule of Average Benefit Payments to Service Retirees

PERS Plan 1						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 393.64	\$ 855.83	\$ 1,297.98	\$ 1,792.25	\$ 2,753.99	\$ 2,916.86
Average Final Salary (Monthly)	\$ 3,495.56	\$ 3,576.91	\$ 3,776.29	\$ 4,016.80	\$ 4,933.84	\$ 5,003.15
Number of Active Retirees	150	104	171	173	770	587

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

PERS Plan 2						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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	—
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 381.31	\$ 840.64	\$ 1,153.19	\$ 1,443.59	\$ 1,861.25	\$ —
Average Final Salary (Monthly)	\$ 3,096.35	\$ 3,495.45	\$ 3,599.48	\$ 4,014.82	\$ 4,159.12	\$ —
Number of Active Retirees	397	289	318	308	130	—

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

PERS Plan 3						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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	—
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 250.54	\$ 330.93	\$ 430.38	\$ 781.75	\$ 848.25	\$ —
Average Final Salary (Monthly)	\$ 4,241.98	\$ 3,707.32	\$ 4,000.23	\$ 4,518.98	\$ 4,933.97	\$ —
Number of Active Retirees	12	34	51	21	10	—

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

SERS Plan 2						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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	—
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 227.30	\$ 481.10	\$ 700.31	\$ 807.10	\$ 1,220.00	\$ —
Average Final Salary (Monthly)	\$ 1,624.78	\$ 1,907.18	\$ 2,240.95	\$ 2,255.18	\$ 3,008.47	\$ —
Number of Active Retirees	84	84	93	81	32	—

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

SERS Plan 3						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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	—
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 158.83	\$ 209.91	\$ 294.67	\$ 345.13	\$ 533.98	\$ —
Average Final Salary (Monthly)	\$ 2,050.86	\$ 2,042.36	\$ 2,119.57	\$ 2,091.65	\$ 2,833.81	\$ —
Number of Active Retirees	18	56	74	57	16	—

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

PSERS Plan 2¹												
Retirement Effective Dates¹	Years of Credited Service											
	5-10		11-15		16-20		21-25		26-30		31+	
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

Schedule 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 7/1/2014 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
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 367.34	\$ 1,011.54	\$ 1,519.99	\$ 2,017.00	\$ 2,817.52	\$ 2,880.89
Average Final Salary (Monthly)	\$ 2,936.42	\$ 4,174.56	\$ 4,765.76	\$ 5,018.16	\$ 5,632.88	\$ 5,640.67
Number of Active Retirees	61	58	100	157	486	465

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

TRS Plan 2						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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	—
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 515.76	\$ 1,042.26	\$ 1,516.39	\$ 1,875.65	\$ 2,282.00	\$ —
Average Final Salary (Monthly)	\$ 3,562.09	\$ 4,270.10	\$ 4,672.24	\$ 4,924.09	\$ 4,870.42	\$ —
Number of Active Retirees	47	49	48	53	18	—

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

Schedule 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 7/1/2014 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	—
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 297.95	\$ 448.22	\$ 666.82	\$ 869.07	\$ 1,101.94	\$ —
Average Final Salary (Monthly)	\$ 4,392.04	\$ 4,659.35	\$ 4,950.00	\$ 5,187.16	\$ 5,239.94	\$ —
Number of Active Retirees	32	45	73	41	20	—

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

LEOFF Plan 1											
Retirement Effective Dates¹	Years of Credited Service										
	5-10		11-15		16-20		21-25		26-30		31+
Period 7/1/2014 to 6/30/2015											
Average Monthly Benefit	\$	—	\$	—	\$	—	\$	—	\$	3,891	\$ 8,081.82
Average Final Salary (Monthly)	\$	—	\$	—	\$	—	\$	—	\$	6,708	\$ 9,859.16
Number of Active Retirees		—		—		—		—		1	40
Period 7/1/2013 to 6/30/2014											
Average Monthly Benefit	\$	—	\$	—	\$	—	\$	—	\$	3,690	\$ 7,788.21
Average Final Salary (Monthly)	\$	—	\$	—	\$	—	\$	—	\$	6,220	\$ 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	\$	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	\$	—	\$	—	\$	3,785.27	\$ 5,086.57
Average Final Salary (Monthly)	\$	—	\$	5,204	\$	—	\$	—	\$	6,727.37	\$ 7,548.05
Number of Active Retirees		—		1		—		—		20	63
Period 10/1/2005 to 9/30/2006											
Average Monthly Benefit	\$	3,628	\$	—	\$	—	\$	3,307.40	\$	3,999.96	\$ 4,870.88
Average Final Salary (Monthly)	\$	6,596	\$	—	\$	—	\$	6,549.30	\$	7,104.56	\$ 7,484.82
Number of Active Retirees		1		—		—		1		47	80

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

Schedule 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 7/1/2014 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
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ 603.71	\$ 1,133.58	\$ 1,965.38	\$ 2,733.20	\$ 3,186.75	\$ —
Average Final Salary (Monthly)	\$ 4,482.80	\$ 4,740.11	\$ 5,532.82	\$ 6,249.84	\$ 6,319.38	\$ —
Number of Active Retirees	16	19	24	65	41	—

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

Schedule of Average Benefit Payments to Service Retirees (cont.)

WSPRS Plan 1						
Retirement Effective Dates ¹	Years of Credited Service					
	5-10	11-15	16-20	21-25	26-30	31+
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
Period 10/1/2005 to 9/30/2006						
Average Monthly Benefit	\$ —	\$ —	\$ —	\$ —	\$ 3,488.08	\$ 3,996.14
Average Final Salary (Monthly)	\$ —	\$ —	\$ —	\$ —	\$ 6,559.78	\$ 6,112.68
Number of Active Retirees	—	—	—	—	15	7

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

Schedule 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 7/1/2014 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		—		—		—		—		—		—
Period 10/1/2005 to 9/30/2006												
Average Monthly Benefit	\$	—	\$	—	\$	6,242.30	\$	—	\$	8,412.38	\$	—
Average Final Salary (Monthly)	\$	—	\$	—	\$	9,987.16	\$	—	\$	11,216.50	\$	—
Number of Active Retirees		—		—		2		—		1		—

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

Schedule of Benefit Expenses and Refunds by Type

PERS Plan 1

For the Years Ended 2007–2016 — Dollars in Thousands

	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
Benefit Expenses										
Service	\$ 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	\$ 901,730
Disability	11,646	12,222	13,240	13,496	13,810	14,431	14,718	14,871	15,121	14,950
Survivor	84,098	82,718	80,789	79,180	77,529	75,555	72,113	68,675	65,460	62,315
Refunds										
Separations	2,912	3,171	3,373	3,365	3,667	2,930	3,997	3,612	4,011	4,194
Death	1,461	858	846	633	887	540	949	1,459	1,562	2,021
Total	\$ 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	\$ 985,210

PERS Plan 2/3

For the Years Ended 2007–2016 — Dollars in Thousands

	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
Benefit Expenses										
Service	\$ 734,381	\$ 626,959	\$ 531,509	\$ 430,352	\$ 350,550	\$ 287,560	\$ 230,776	\$ 188,971	\$ 154,388	\$ 129,890
Disability	13,645	13,217	12,417	11,695	10,901	10,140	9,795	9,014	8,294	7,669
Survivor	28,188	25,232	21,734	18,028	15,548	13,243	11,194	9,334	7,635	6,243
Refunds										
Separations	28,527	28,494	28,119	28,286	30,148	27,956	25,005	22,798	24,498	21,866
Death	7,778	7,004	7,083	7,393	5,568	5,730	6,420	3,644	2,076	4,599
Total	\$ 812,519	\$ 700,906	\$ 600,862	\$ 495,754	\$ 412,715	\$ 344,629	\$ 283,190	\$ 233,761	\$ 196,891	\$ 170,267

Schedule of Benefit Expenses and Refunds by Type (cont.)

PERS Plan 3 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 3,731	\$ 2,640	\$ 1,435	\$ 697	\$ 322	\$ 164	\$ 80	\$ 51	\$ 23	\$ —
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	—	—	—	—	—	—	—	—	—	—
Refunds										
Separations	84,734	\$ 89,446	\$ 80,489	68,671	66,095	56,974	40,215	38,856	35,702	33,724
Death	—	—	—	—	150	2,169	1,508	1,346	2,589	1,530
Total	\$ 88,465	\$ 92,086	\$ 81,924	\$ 69,368	\$ 66,567	\$ 59,307	\$ 41,803	\$ 40,253	\$ 38,314	\$ 35,254

SERS Plan 2/3 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 107,962	\$ 91,986	\$ 77,320	\$ 63,134	\$ 50,597	\$ 40,753	\$ 32,202	\$ 26,468	\$ 20,944	\$ 16,230
Disability	1,604	1,549	1,553	1,457	1,387	1,198	1,068	1,037	928	781
Survivor	3,187	2,649	2,343	1,835	1,646	1,387	1,179	802	755	630
Refunds										
Separations	1,932	2,084	2,076	1,984	1,947	1,916	1,779	1,693	1,752	2,148
Death	562	807	656	671	569	576	346	432	293	368
Total	\$ 115,247	\$ 99,075	\$ 83,948	\$ 69,081	\$ 56,146	\$ 45,830	\$ 36,574	\$ 30,432	\$ 24,672	\$ 20,157

Schedule of Benefit Expenses and Refunds by Type (cont.)

SERS Plan 3										
For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 2,354	\$ 1,526	\$ 854	\$ 464	\$ 302	\$ 182	\$ 91	\$ 62	\$ 8	\$ —
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	—	—	—	—	—	—	—	—	—	—
Refunds										
Separations	78,843	84,767	72,972	65,643	60,929	51,431	31,383	40,501	39,438	30,539
Death	—	—	—	—	—	1,811	2,533	1,540	377	1,538
Total	\$ 81,197	\$ 86,293	\$ 73,826	\$ 66,107	\$ 61,231	\$ 53,424	\$ 34,007	\$ 42,103	\$ 39,823	\$ 32,077

PSERS Plan 2¹										
For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 593	\$ 411	\$ 237	\$ 129	\$ 63	\$ 30	\$ 14	\$ 1	\$ —	\$ —
Disability	13	12	12	17	5	4	3	4	—	—
Survivor	24	21	7	2	2	1	—	—	—	—
Refunds										
Separations	2,630	2,520	2,107	2,142	1,868	1,747	895	450	151	22
Death	17	92	87	44	53	33	33	16	1	1
Total	\$ 3,277	\$ 3,056	\$ 2,450	\$ 2,334	\$ 1,991	\$ 1,815	\$ 945	\$ 471	\$ 152	\$ 23

¹ PSERS Plan 2 became effective July 1, 2006.

Schedule of Benefit Expenses and Refunds by Type (cont.)

TRS Plan 1 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 866,940	\$ 870,547	\$ 871,366	\$ 860,631	\$ 860,848	\$ 847,353	\$ 809,214	\$ 801,974	\$ 798,668	\$ 757,896
Disability	9,529	10,013	10,074	10,606	10,618	11,111	10,905	11,068	11,186	11,301
Survivor	47,908	46,455	44,535	43,372	42,398	41,355	39,131	37,220	35,132	33,147
Refunds										
Separations	976	915	1,348	1,512	1,120	1,389	574	930	827	841
Death	206	640	914	478	432	431	930	330	173	1,037
Total	\$ 925,559	\$ 928,570	\$ 928,237	\$ 916,599	\$ 915,416	\$ 901,639	\$ 860,754	\$ 851,522	\$ 845,986	\$ 804,222

TRS Plan 2/3 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 211,967	\$ 177,689	\$ 144,464	\$ 112,521	\$ 87,707	\$ 68,782	\$ 52,921	\$ 42,587	\$ 33,984	\$ 26,770
Disability	1,145	1,176	1,126	1,117	1,071	1,118	921	838	882	732
Survivor	4,899	4,347	3,932	3,024	2,622	2,238	1,812	1,370	1,150	1,032
Refunds										
Separations	2,409	2,401	1,460	2,115	1,652	1,584	2,092	1,423	1,712	2,284
Death	562	439	528	799	517	697	776	766	478	442
Total	\$ 220,982	\$ 186,052	\$ 151,510	\$ 119,576	\$ 93,569	\$ 74,419	\$ 58,522	\$ 46,984	\$ 38,206	\$ 31,260

Schedule of Benefit Expenses and Refunds by Type (cont.)

TRS Plan 3 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 9,146	\$ 5,924	\$ 3,084	\$ 1,569	\$ 1,149	\$ 542	\$ 257	\$ 128	\$ 45	\$ 18
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	—	—	—	—	—	—	—	—	—	—
Refunds										
Separations	272,792	\$ 263,454	\$ 232,551	176,052	150,404	110,425	67,158	74,586	82,756	59,658
Death	—	—	—	—	—	5,146	4,507	1,580	2,020	3,152
Total	\$ 281,938	\$ 269,378	\$ 235,635	\$ 177,621	\$ 151,553	\$ 116,113	\$ 71,922	\$ 76,294	\$ 84,821	\$ 62,828

LEOFF Plan 1 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 149,411	\$ 147,957	\$ 146,285	\$ 143,906	\$ 138,884	\$ 134,321	\$ 132,450	\$ 126,562	\$ 119,464	\$ 112,073
Disability	141,526	143,951	145,666	146,643	146,207	147,653	150,521	148,846	145,795	143,468
Survivor	69,547	66,503	63,789	61,247	58,347	56,801	55,260	51,625	48,271	44,911
Refunds										
Separations	440	330	248	14	4	48	11	43	—	1
Death	—	4	—	—	431	—	3	150	150	10
Total	\$ 360,924	\$ 358,745	\$ 355,988	\$ 351,810	\$ 343,873	\$ 338,823	\$ 338,245	\$ 327,226	\$ 313,680	\$ 300,463

Schedule of Benefit Expenses and Refunds by Type (cont.)

LEOFF Plan 2 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 163,879	\$ 134,364	\$ 110,170	\$ 87,232	\$ 67,331	\$ 52,547	\$ 39,100	\$ 30,694	\$ 23,096	\$ 16,889
Disability	14,266	12,340	10,599	9,693	7,318	6,710	5,356	4,632	3,480	3,204
Survivor	5,922	4,782	4,152	3,607	3,504	2,619	1,702	1,289	929	720
Refunds										
Separations	6,287	6,798	7,730	8,117	9,774	7,155	6,739	6,112	6,350	7,557
Death	358	1,743	1,298	560	1,440	1,026	4,208	1,111	1,289	438
Total	\$ 190,712	\$ 160,027	\$ 133,949	\$ 109,209	\$ 89,367	\$ 70,057	\$ 57,105	\$ 43,838	\$ 35,144	\$ 28,808

WSPRS Plan 1 For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 48,540	\$ 45,034	\$ 42,805	\$ 39,537	\$ 36,687	\$ 35,073	\$ 33,015	\$ 31,643	\$ 30,293	\$ 29,048
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	5,111	4,738	4,338	3,984	3,681	3,314	3,101	2,879	2,670	2,345
Refunds										
Separations	476	119	344	98	46	148	97	68	269	291
Death	15	—	—	88	216	99	—	138	—	—
Total	\$ 54,142	\$ 49,891	\$ 47,487	\$ 43,707	\$ 40,630	\$ 38,634	\$ 36,213	\$ 34,728	\$ 33,232	\$ 31,684

Schedule of Benefit Expenses and Refunds by Type (cont.)

WSPRS Plan 2										
For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	—	—	—	—	—	—	—	—	—	—
Refunds										
Separations	7	184	23	118	—	63	30	5	—	—
Death	10	—	—	—	—	5	—	—	—	—
Total	\$ 17	\$ 184	\$ 23	\$ 118	\$ —	\$ 68	\$ 30	\$ 5	\$ —	\$ —

JRS										
For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 6,821	\$ 7,178	\$ 7,388	\$ 7,504	\$ 7,569	\$ 7,678	\$ 7,704	\$ 7,811	\$ 7,719	\$ 7,696
Disability	—	—	—	—	—	—	—	—	—	—
Survivor	2,310	2,158	2,092	2,193	2,195	2,060	2,019	1,772	1,795	1,660
Refunds										
Separations	—	—	—	—	—	—	—	—	—	—
Death	—	—	—	—	—	—	—	7	—	—
Total	\$ 9,131	\$ 9,336	\$ 9,480	\$ 9,697	\$ 9,764	\$ 9,738	\$ 9,723	\$ 9,590	\$ 9,514	\$ 9,356

Schedule of Benefit Expenses and Refunds by Type (cont.)

JRF For the Years Ended 2007–2016 — Dollars in Thousands										
	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
Benefit Expenses										
Service	\$ 347	\$ 346	\$ 346	\$ 402	\$ 421	\$ 420	\$ 421	\$ 422	\$ 466	\$ 483
Disability	—	—	—	72	—	—	—	—	—	—
Survivor	93	98	98	—	61	79	79	79	79	98
Refunds										
Separations	—	—	—	—	—	—	—	—	—	—
Death	—	—	—	—	—	—	—	—	—	—
Total	\$ 440	\$ 444	\$ 444	\$ 474	\$ 482	\$ 499	\$ 500	\$ 501	\$ 545	\$ 581

Deferred Compensation Program Status Report

DCP Status Report								
Dollars in Thousands — Page 1 of 2								
	6/30/2016		6/30/2015		6/30/2014		6/30/2013	
Funding Media	Plan Balance	%	Plan Balance	%	Plan Balance	%	Plan Balance	%
Active U.S. Core Stock Fund ¹	\$ —	—	\$ —	—	\$ —	—	\$ —	—
Active U.S. Value Stock Fund ¹	—	—	—	—	—	—	—	—
Calvert Social Investment	—	—	—	—	—	—	—	—
Fund — Balanced Portfolio	—	—	—	—	—	—	—	—
Emerging Market Equity Index ²	49,471	1.37%	56,912	1.58%	59,894	1.68%	54,693	1.71%
Fidelity Equity–Income Fund	—	—	—	—	—	—	—	—
Fidelity Growth Company Fund ¹	—	—	—	—	—	—	—	—
Fidelity Independence Fund	—	—	—	—	—	—	—	—
Fidelity Overseas Fund	—	—	—	—	—	—	—	—
Global Equity Index ²	116,099	3.21%	121,679	3.37%	114,142	3.19%	84,495	2.64%
International Stock Fund ¹	—	—	—	—	—	—	—	—
Savings Pool	868,269	23.98%	863,001	23.91%	937,359	26.21%	1,000,437	31.27%
U.S. Large Cap Equity Index ²	384,369	10.61%	364,343	10.09%	312,282	8.74%	227,917	7.12%
U.S. Small Cap Equity Index ²	179,182	4.95%	188,368	5.22%	199,588	5.58%	150,240	4.69%
U.S. Small Stock Index Fund ¹	—	—	—	—	—	—	—	—
U.S. Stock Market Index Fund ¹	—	—	—	—	—	—	—	—
Washington State Bond Fund ³	242,947	6.71%	230,429	6.38%	222,168	6.21%	257,135	8.04%
Washington State Long–Horizon Fund	—	—	—	—	—	—	—	—
Washington State Mid–Horizon Fund	—	—	—	—	—	—	—	—
Washington State Short–Horizon Fund	—	—	—	—	—	—	—	—
Washington State Socially Responsible Balanced Fund ⁴	141,740	3.91%	132,229	3.66%	128,312	3.59%	109,148	3.41%
Retirement Maturity Strategy Fund ⁵	24,052	0.66%	23,772	0.66%	24,999	0.70%	25,468	0.80%
Retirement Strategy 2005 ⁵	36,136	1.00%	37,874	1.05%	39,905	1.12%	38,443	1.20%
Retirement Strategy 2010 ⁵	100,244	2.77%	111,130	3.08%	121,329	3.39%	117,647	3.68%
Retirement Strategy 2015 ⁵	280,694	7.75%	313,588	8.69%	332,310	9.29%	290,316	9.07%
Retirement Strategy 2020 ⁵	399,657	11.04%	401,305	11.12%	380,889	10.65%	308,468	9.64%
Retirement Strategy 2025 ⁵	324,826	8.97%	313,852	8.70%	288,862	8.08%	223,555	6.99%
Retirement Strategy 2030 ⁵	205,154	5.67%	197,681	5.48%	183,453	5.13%	143,763	4.49%
Retirement Strategy 2035 ⁵	134,634	3.72%	129,075	3.58%	120,809	3.38%	91,183	2.85%
Retirement Strategy 2040 ⁵	72,012	1.99%	68,789	1.90%	61,489	1.72%	44,745	1.40%
Retirement Strategy 2045 ⁵	36,635	1.01%	32,737	0.91%	28,288	0.79%	19,892	0.62%
Retirement Strategy 2050 ⁵	12,411	0.34%	10,782	0.30%	9,694	0.27%	5,706	0.18%
Retirement Strategy 2055 ⁶	10,319	0.28%	9,760	0.27%	9,964	0.28%	6,358	0.20%
Retirement Strategy 2060 ⁷	2,172	0.06%	1,801	0.05%	—	—	—	—
Total	\$3,621,024	100.00%	\$3,609,107	100.00%	\$3,575,736	100.00%	\$3,199,609	100.00%

¹ This investment option was discontinued in October 2011.

² This investment option was added in October 2011.

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

⁴ This 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											
6/30/2012		6/30/2011		6/30/2010		6/30/2009		6/30/2008		6/30/2007	
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%	\$ 352,142	13.82%
—	—	299,662	10.20%	245,272	10.03%	213,669	9.87%	326,400	13.43%	500,501	19.65%
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
52,542	1.79%	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	366,490	12.48%	268,855	10.99%	224,090	10.35%	315,284	12.97%	279,402	10.97%
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
65,500	2.23%	—	—	—	—	—	—	—	—	—	—
—	—	123,184	4.20%	97,897	4.00%	89,981	4.16%	140,526	5.78%	167,724	6.58%
1,045,569	35.66%	1,013,313	34.51%	959,255	39.21%	954,969	44.10 %	819,272	33.71%	723,624	28.41%
178,250	6.08%	—	—	—	—	—	—	—	—	—	—
109,915	3.75%	—	—	—	—	—	—	—	—	—	—
—	—	116,776	3.98%	77,248	3.16%	52,854	2.44%	64,641	2.66%	87,907	3.45%
—	—	163,011	5.55%	124,866	5.10%	102,935	4.75%	134,940	5.55%	152,066	5.97%
267,316	9.12%	179,032	6.10%	178,187	7.28%	134,101	6.19%	132,298	5.44%	87,000	3.42%
—	—	—	—	—	—	—	—	64,478	2.65%	62,784	2.46%
—	—	—	—	—	—	—	—	72,182	2.97%	61,143	2.40%
—	—	—	—	—	—	—	—	34,602	1.42%	24,892	0.98%
101,014	3.45%	73,021	2.49%	58,828	2.41%	49,115	2.27%	58,317	2.40%	48,082	1.89%
24,435	0.83%	6,312	0.21%	3,973	0.16%	3,458	0.16%	—	—	—	—
35,891	1.22%	11,313	0.39%	9,269	0.38%	6,919	0.32%	—	—	—	—
115,133	3.93%	48,294	1.64%	38,435	1.57%	29,057	1.34%	—	—	—	—
253,859	8.66%	100,846	3.43%	69,852	2.86%	44,406	2.05%	—	—	—	—
256,143	8.74%	81,120	2.76%	51,674	2.11%	34,220	1.58%	—	—	—	—
179,951	6.14%	50,278	1.71%	30,265	1.24%	19,402	0.90%	—	—	—	—
114,916	3.92%	29,300	1.00%	17,133	0.70%	10,986	0.51%	—	—	—	—
73,173	2.50%	17,332	0.59%	10,869	0.44%	7,444	0.34%	—	—	—	—
35,038	1.19%	10,251	0.35%	6,417	0.26%	4,163	0.19%	—	—	—	—
14,996	0.51%	5,554	0.19%	3,301	0.14%	2,215	0.10%	—	—	—	—
4,355	0.15%	2,228	0.08%	1,491	0.06%	882	0.04%	—	—	—	—
3,868	0.13%	1,023	0.03%	769	0.03%	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
\$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%	\$2,547,267	100.00%

Deferred Compensation Program Performance

DCP Performance					
Performance Periods Ending June 30, 2016					
Fund Name Benchmark	Quarter Ending 6/30/2016	Performance History ¹ Average Annual Total Returns			
		1 Year	3 Years ²	5 Years ²	10 Years/ Since Inception
Emerging Market Equity Index Fund	0.67%	(12.18)%	(1.44)%	—	2.09%
MSCI Emerging Markets Investable Market Index	0.62%	(12.16)%	(1.36)%	—	2.30%
Global Equity Index Fund	1.17%	(3.37)%	6.61%	—	10.71%
MSCI ACWI Investable Market Index	1.06%	(3.87)%	6.13%	—	10.19%
Savings Pool	0.31%	93.00%	0.71%	1.22%	2.74%
U.S. Large Cap Equity Index Fund	2.46%	4.02%	11.71%	12.16%	7.54%
S&P 500 Index	2.46%	3.99%	11.66%	12.10%	7.42%
U.S. Small Cap Value Equity Index Fund	4.40%	(2.35)%	6.65%	8.15%	5.19%
Russell 2000 Value Index	4.31%	(2.58)%	6.36%	8.15%	5.15%
Washington State Bond Fund	2.83%	5.28%	4.38%	4.21%	6.05%
Barclays Capital Intermediate Credit Index	2.12%	4.97%	3.88%	3.96%	5.38%
Washington State Socially Responsible Balanced Fund	2.27%	5.85%	7.90%	7.62%	7.01%
Custom Benchmark ³	1.91%	2.50%	7.23%	7.82%	6.38%
Retirement Maturity Strategy Fund⁴	1.72%	2.64%	4.49%	4.32%	6.23%
2000 Composite Benchmark ³	1.50%	2.65%	4.35%	4.43%	5.83%
2005 Retirement Strategy	1.77%	1.96%	4.97%	4.82%	6.83%
2005 Composite Benchmark ³	1.60%	2.07%	4.92%	5.05%	6.50%
2010 Retirement Strategy	1.77%	1.23%	5.43%	5.29%	7.31%
2010 Composite Benchmark ³	1.72%	1.43%	5.46%	5.63%	7.14%
2015 Retirement Strategy	1.79%	0.51%	5.85%	5.62%	7.59%
2015 Composite Benchmark ³	1.83%	0.76%	5.92%	6.07%	7.47%
2020 Retirement Strategy	1.73%	(0.23)%	6.06%	5.76%	7.64%
2020 Composite Benchmark ³	1.82%	0.15%	6.17%	6.29%	7.61%
2025 Retirement Strategy	1.66%	(0.89)%	6.25%	5.89%	7.68%
2025 Composite Benchmark ³	1.77%	(0.50)%	6.40%	6.49%	7.74%
2030 Retirement Strategy	1.56%	(1.51)%	6.41%	5.97%	7.57%
2030 Composite Benchmark ³	1.71%	(1.12)%	6.59%	6.66%	7.73%
2035 Retirement Strategy	1.35%	(2.22)%	6.34%	5.84%	7.27%
2035 Composite Benchmark ³	1.55%	(1.88)%	6.59%	6.62%	7.54%
2040 Retirement Strategy	1.18%	(2.77)%	6.31%	5.80%	7.24%
2040 Composite Benchmark ³	1.29%	(2.51)%	6.56%	6.61%	7.54%
2045 Retirement Strategy	1.12%	(2.88)%	6.27%	5.78%	7.26%
2045 Composite Benchmark ³	1.22%	(2.62)%	6.52%	6.59%	7.52%
2050 Retirement Strategy	1.11%	(2.82)%	6.29%	5.80%	7.28%
2050 Composite Benchmark ³	1.22%	(2.62)%	6.52%	6.59%	7.52%
2055 Retirement Strategy	1.07%	(2.83)%	6.27%	5.80%	6.57%
2055 Composite Benchmark ³	1.22%	(2.62)%	6.52%	6.59%	7.69%
2060 Retirement Strategy⁵	1.11%	(2.80)%	—	—	0.34%
2060 Composite Benchmark ³	1.22%	(2.62)%	—	—	0.34%

¹Current 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.

²Dashed spaces indicate that data is not available. These funds have not been in existence long enough to have performance history for these periods.

³For 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.

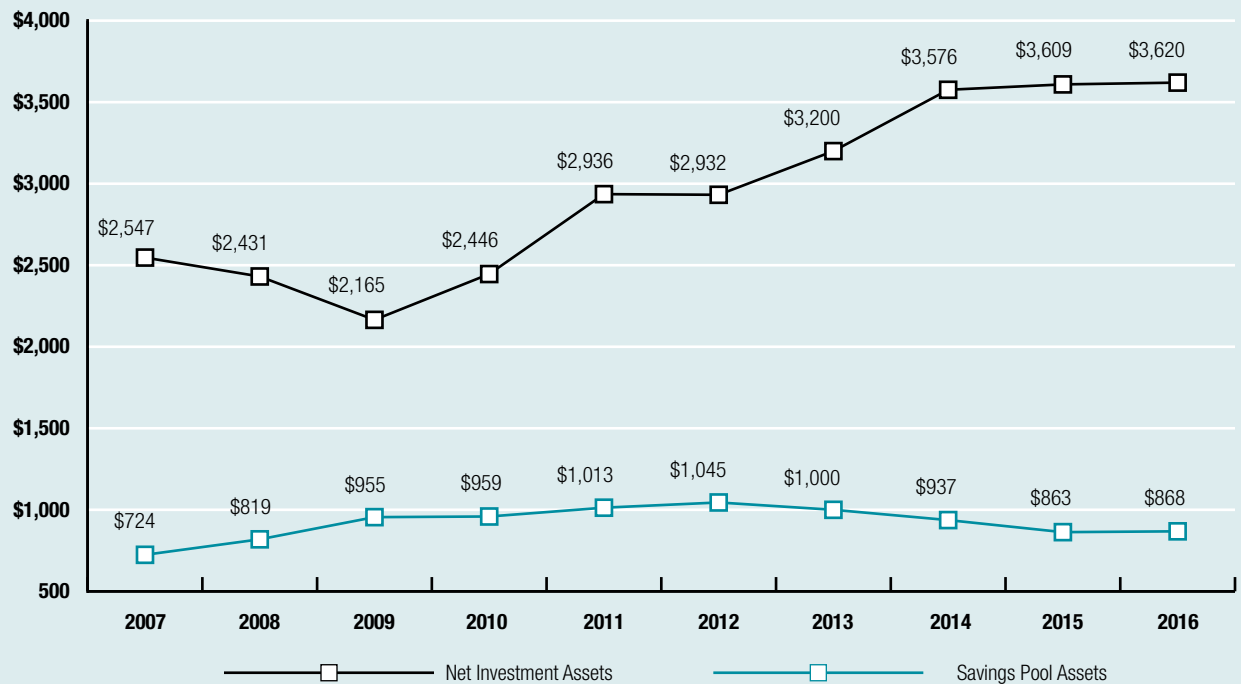
⁴Retirement Maturity Strategy Fund replaced Retirement Strategy 2000 in January 2015.

⁵This investment option was added in January 2015.

Deferred Compensation Program Performance (cont.)

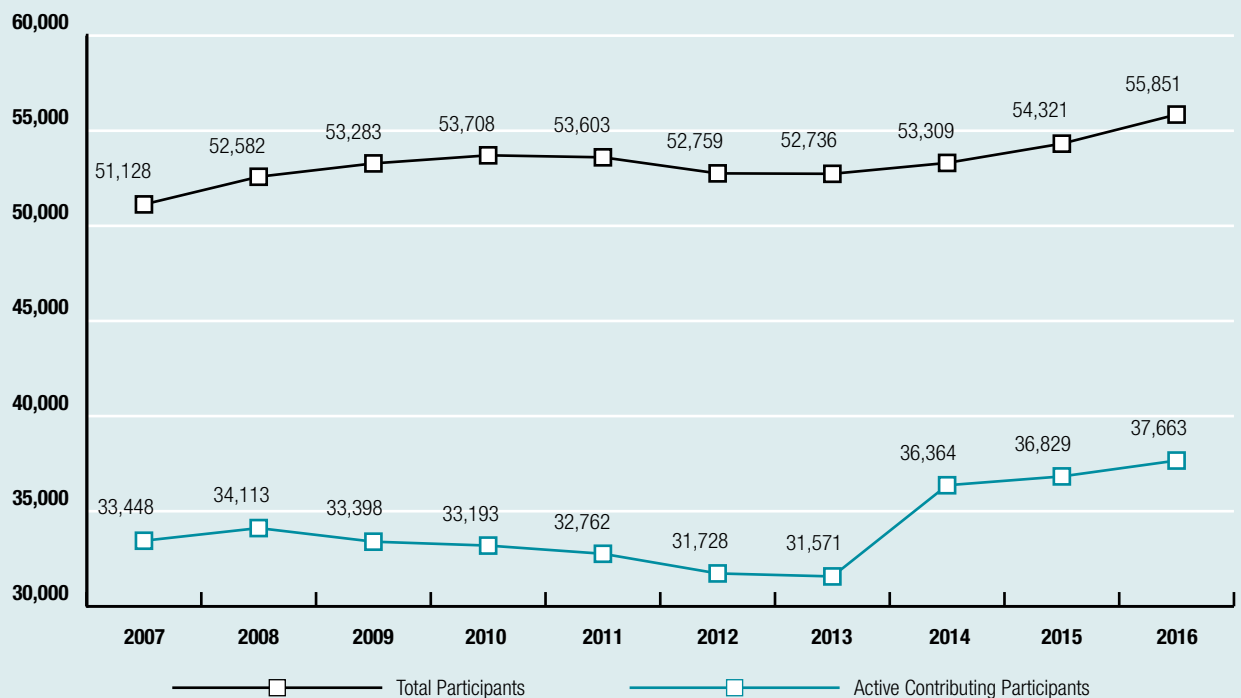
DCP Net Investment Asset Growth

For the Fiscal Years Ended June 30, 2007-2016 — Dollars in Millions



DCP Participation

For the Fiscal Years Ended June 30, 2007-2016



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