

Employees' Retirement

Employees' Retirement System

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Department Description

The Retirement System provides two major functions: administration of retirement benefits and management of the assets of the Retirement Fund. Employee and employer contributions as well as investment earnings provide funding for the System. Currently approximately 10,200 active employee members and 4,700 retired employee members participate in the plan. The provisions of the plan are set forth in Chapter 4.36 of the Seattle Municipal Code. The plan is a "defined benefit plan," which means an employee's salary, years of service and age at the time of retirement are used to determine the amount of retirement benefits. Retirees are given a choice of several payment options. The Retirement System is led by a seven-member Board of Administration, and an Executive Director appointed by the Board.

Policy and Program Changes

There are no substantive changes from the 2002 Adopted Budget. The variance in expenditures is due to variations in the fees paid to investment managers, which depend on the performance of the Retirement System's asset portfolio.

City Council Budget Changes and Provisos

There are no Council changes or provisos.

Resources	Summit Code	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
Employees' Retirement Budget Control Level					
Appropriation	R1E00	4,341,434	10,571,221	7,304,112	8,124,433
Department Total		4,341,434	10,571,221	7,304,112	8,124,433
Department Full-time Equivalents Total*		13.50	13.50	13.50	13.50

**The department FTE total is provided for information only. All authorized positions are listed in Appendix A.*

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Selected Mid-year Performance Measures

Develop a diversified investment portfolio in order to try to achieve higher than average investment returns without unnecessary risk

The desired long-term investment return will be at least equal to or greater than the actuarial assumed rate of return, which is currently 8%.

2001 Year End Actuals: -6.00%

2002 Midyear Actuals: -4.15%

2002 Year End Projection: Outperform the actuarial assumed rate of return, which is currently 8%. Even though recent investment experience has produced less return than desired, diversification of investments has significantly helped to minimize losses.

Employee/Retiree Benefits Management

Purpose Statement

The purpose of the Employee/Retiree Benefits Management program is to manage and administer retirement assets and benefits.

Program Summary

The costs to administer the Retirement System vary according to the performance of the investment portfolios.

Resources	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
Other Funds	4,341,434	10,571,221	7,304,112	8,124,433
Total	4,341,434	10,571,221	7,304,112	8,124,433
Full-time Equivalents Total*	13.50	13.50	13.50	13.50

**The program FTE total is provided for information only. All authorized positions are listed in Appendix A.*