Seattle Retirement
Seattle City Employees' Retirement System

UPCOMING CHANGES TO MORTALITY TABLES- EFFECTIVE JANUARY 1, 2027

Highlights

1. The changes to the assumptions and mortality tables that go into effect on January 1, 2027 will have **minimal** impact to your benefit estimate amount. This is a different outcome than past assumption change cycles (e.g., 2023).

2. Through Seattle City Employees' Retirement System's (SCERS's) Member Self Service (MSS) Portal, you have the tools necessary to easily determine what the actual impact will be to your specific benefit. Use SCERS's online Benefit Estimate Calculator tool in the MSS Portal to calculate various estimates and see how your benefit will change.

Overview

SCERS anticipates that members will experience minimal difference, if any, to their estimated benefit amount when the new assumptions go into effect on January 1, 2027.

Below is an example to illustrate how benefit estimates will be impacted with the 2027 assumption changes.

Example[1]: A member retiring on December 31, 2026, receiving a $5,000 unmodified benefit would receive the same $5,000 unmodified benefit if they retired on January 1, 2027, when the new assumptions take effect. As you can see from the example below, the change to the benefit amounts for modified options (A-E, F, G) are minor (only a couple of dollars increase or decrease).

Benefit Option	Benefit Amount (Retiring 12/31/26)	Benefit Amount (Retiring 1/1/27)	Change
Unmodified	$ 5,000.00	$ 5,000.00	$ -
Option A	4,962.18	4,961.54	(0.64)
Option B	4,971.14	4,970.74	(0.40)
Option C-5	4,980.00	4,980.00	-
Option C-10	4,930.00	4,930.00	-
Option C-15	4,845.00	4,845.00	-
Option C-20	4,725.00	4,725.00	-
Option D	4,610.98	4,614.41	3.43
Option E	4,278.12	4,284.04	5.92
Unmodified + Option F	6,274.80	6,272.00	(2.80)
Unmodified + G50	4,401.12	4,397.79	(3.33)

Unmodified + G100	3,802.24	3,795.58	(6.66)
Contributions 2x match	2.395.52	2.408.84	13.32

[1] Example provided by SCERS's actuary for illustrative purposes. Assumes a $5,000 unmodified monthly benefit at retirement; member age is 62 at retirement and spouse age is 60; member's accumulated contributions with interest are $200,000; the member's social security benefit at age 67 is $2,000 per month. In this example, the service formula benefit is higher than the Contributions 2x match benefit.

Background

SCERS updates its assumptions and mortality tables every four years based on an Experience Study conducted by actuaries. The purpose of the Experience Study is to evaluate and adjust SCERS's economic & demographic assumptions to reflect actual experience and future forecasts to reach fully funded status.

There are many assumptions that may get updated from an Experience Study, but the most impactful to members are often changes to the expected rate of return on investment, which is used to calculate the annuity for Plan 1 members eligible to receive the Contribution 2x match benefit, and to the mortality tables, which are used to estimate life expectancy.

The recent 2026 Experience Study led to no change to the expected rate of return on investment and a slight change to the mortality tables. The means that members will only experience a very minor change to their benefit estimate because of the new 2027 assumptions.

In prior years, active employees have worried that changing assumptions would decrease their benefit. For example, on January 1, 2023, the expected rate of return on investment decreased from 7.25% to 6.75%, which resulted in a significant impact to some employees; specifically, Plan 1 members whose benefit was based on the Contributions 2x Match benefit rather than the service formula benefit that is received by most employees. While this small subset of members was significantly impacted by the 2023 assumption changes, most employees found a slight decrease in their benefit if they retired in January 2023, but that decrease would be quickly made up and then exceeded if they chose to work 1-2 months longer (e.g., retired in March 2023). Some employees even saw slight increases in their benefit because of the 2023 assumption changes.

Changes that may impact a small subset of members may not impact all members. Because of this, we ask that you come directly to SCERS for your facts rather than assuming that the impact to one member will have the same impact on you.

The online Benefit Estimate Calculator Tool is always the fastest way to determine how your specific benefit will be impacted.

You are strongly encouraged to create benefit estimates using the online Benefit Estimate Calculator tool in the Member Self Service Portal. Creating estimates will allow you to see the change in your benefit if you retire December 31, 2026, versus January 1, 2027, versus March 2027, etc. The estimator tool will use the new 2027 factors for 2027 retirement estimates and is the best way for you to get real information about your specific benefit.

https://www.seattle.gov/retirement

FREQUENTLY ASKED QUESTIONS (FAQs)

Q1: Will my benefit be impacted?

- ANSWER: Members who are already retired will see no change in their benefit. For those looking to retire at the end of 2026 or beginning of 2027, the impact to your benefit will be minor, if any. The example on page 1 of this memo illustrates this. However, the best way to determine the exact impact to your benefit is to use the Member Self Service Portal to create benefit estimates.

  Using the Benefit Estimate Calculator in the Member Self Service Portal will show you how your benefit may be impacted. To see the impact, create estimates for various dates, including December 31, 2026, January 1, 2027, and other later 2027 dates. Remember, the longer you work, the more service credit you accrue, the higher your benefit will be. It may be in your best interest to wait until February or March 2027 to retire, rather than retiring in December 2026 or January 2027.

Q2: I'm a Plan 1 member and believe my benefit will be based on the Contributions 2x Match rather than the Service Formula. How will my benefit be impacted.

- ANSWER: As you can see from the example on page 1 of this memo, it is likely that a benefit based on the Contributions 2x match will slightly increase if you wait until 2027 to retire.

  The best way to determine the exact impact on your benefit is to use the Member Self Service Portal to create benefit estimates for various dates, including December 31, 2026, January 1, 2027, and other later 2027 dates.

Q3: How can I tell if my benefit estimate is based on Contributions ("2x Match") vs. the Service Retirement Formula?

- ANSWER: Use the online Benefit Estimate Calculator tool to create a benefit estimate. Once you have this estimate, find the following two pieces of information on the estimate, 1) Unmodified Benefit amount, and 2) Final Average Salary, and then divide them:
  For example, if your Unmodified benefit = $1,000 and your Final Average Salary = $9,000/month, if you divide them ($1,000 / $9,000 x 100 = 11%) you see that your percentage is 11%.

  If the percentage is 60% or greater, then your benefit is based on Contributions ("2x Match") rather than the Service Retirement Formula. If the percentage is less than 60%, then your benefit is most likely based on the Service Retirement Formula.

Q4: I plan on retiring in 2027 and I believe that my benefit will be significantly impacted. What should I do?

- ANSWER: Use the online Benefit Estimator Calculator tool to create benefit estimates for multiple dates, including December 31, 2026 and January 1, 2027 (which will reflect your benefit amount using the new 2027 assumptions). These estimates will give you the information that you need to determine if your benefit is impacted. You can use this information to determine if it is more beneficial for you to retire in 2026 or 2027.

Once you have decided what date you would like to retire, reach out to SCERS and schedule a retirement appointment. Please schedule your retirement appointment as soon as possible. At minimum, retirement appointments must occur at least 30 days before your retirement date.

Q5: If I received a benefit estimate earlier this year for a retirement date in 2027, do I need to get an updated estimate to reflect the new mortality table assumptions?

- ANSWER: No. Please use the online Benefit Estimator Calculator tool to see your updated benefit estimate for a proposed 2027 retirement date. The calculator tool will use the 2027 assumptions to produce your updated benefit estimate.

Q6: Will the factors from the retirement formula Factor Table change?

- ANSWER: No. The factors included in the Factor Table are not changing. We multiply your Years of Service by the Factor to get the total percentage of your average salary that will become your benefit amount.

Q7: If I'm already retired, will my benefit be impacted?

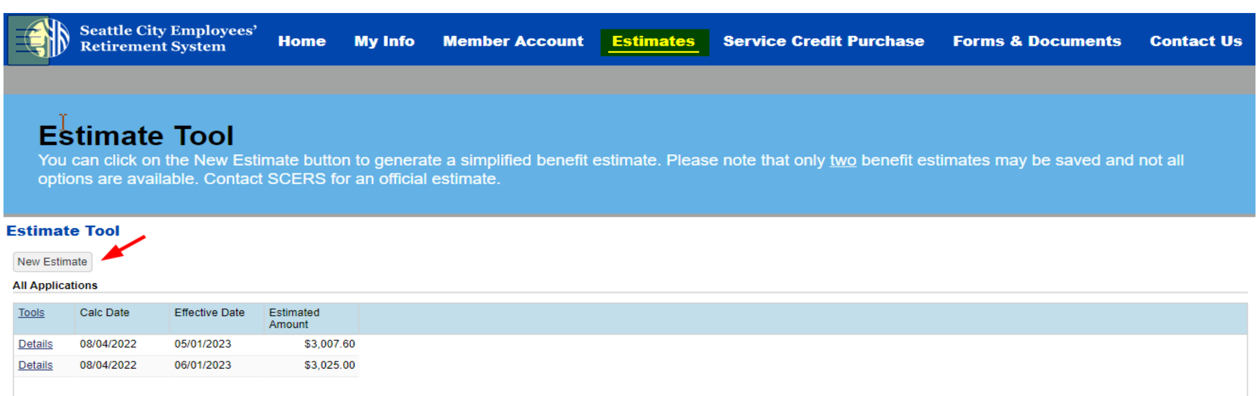
- ANSWER: No, if you are retired your benefit is set.

Q8: I am not registered for the SCERS Member Self Service (MSS) Portal. What do I do?

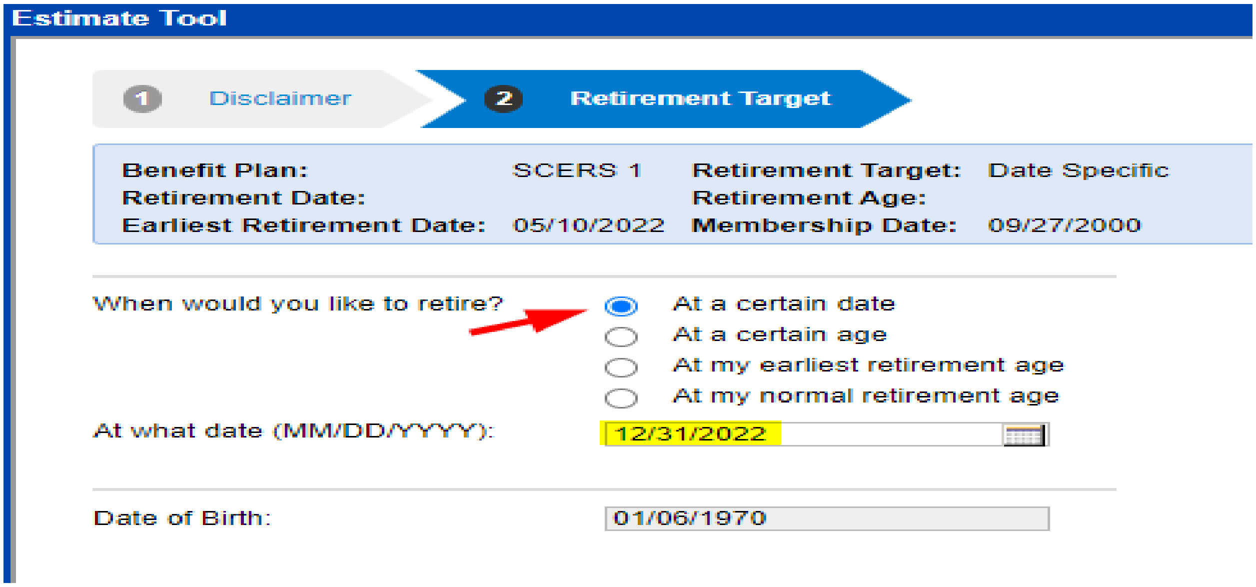
- ANSWER: If you have not yet registered for the MSS portal, you will need to contact SCERS by phone or email to have new Registration Letter and Pin Letter sent to you. If you already registered but have forgotten your password, please follow the link on the MSS Portal login page, "Forgot Password" which will lead you to answer the security questions you established when you first registered and then will let you reset your password.

Q9: How do I use the Benefit Estimate Calculator Tool once I've logged into my MSS Portal?

- ANSWER: Go to the "Estimates" Tab and click "New Estimate." See screen shots below.



The calculator tool will walk you through the process to calculate a new benefit estimate. When you get to the screen to enter your retirement date, you will be given several different options. Click “At A Certain Date,” and then enter your retirement date in the date field (e.g., 12/31/2026, 01/01/2027 etc.).



You can only run one estimate / one retirement date at a time, and your portal will only save the two most recent estimates.

Q10: What assumptions get evaluated as part of the Experience Study every four years and what is changing in 2027?

Assumption	2027 Change?
Inflation	No. Keep at 2.60%
Investment Return	No. Keep at 6.75%
Wage Growth	No. Keep at inflation +0.75%
Membership Growth	No. Keep at 0.25%
Interest on post-2011 contributions	No. Keep at inflation +1.25%
Admin Expenses	Yes. Increase to 0.90%
Portability	Yes. Increase to 6.0%
Amortization method	Yes. Keep original 30-year amortization and add in layered amortization
Merit Salary Scale	No.
Death while Active	Yes. Update table
Retirement	Yes. Various adjustments resulting in lower rates
Disability	No.
Retired Mortality	Yes. Update table, slight decrease in longevity
Termination	Yes. Increase rates at lower service levels
Probability of Refund	Yes. Reduce rates

Q11: I am hearing mixed information about the impact of the changing mortality tables and/or I still have questions. What should I do?

- ANSWER: The most accurate information is provided by SCERS. If you are hearing different information from colleagues or friends, or if you still have questions, please come talk to us. We are happy to help make sure that you have the correct information.

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