

CITY OF SEATTLE

RESOLUTION 32071

A RESOLUTION amending Resolution 31334; establishing the City Council’s intent to fund the Seattle City Employees’ Retirement System as informed by the January 1, 2022 Actuarial Study.

WHEREAS, the City provides and manages a defined-benefit pension for its non-uniformed employees to serve as a source of retirement income, along with Social Security; and

WHEREAS, the City Council previously declared, in Resolution 31334, its intention to fully fund the actuarially required contribution amounts into the pension system, including a plan to amortize the system’s unfunded liability in 30 or fewer years; and

WHEREAS, the January 1, 2022 valuation study performed by the Seattle City Employees’ Retirement System (SCERS) actuary identified the contribution rate necessary to fully fund the system; and

WHEREAS, the City will update its contribution rate to SCERS annually to a level not less than the actuarial required contribution for that year as determined by the most recent valuation; and

WHEREAS, under Seattle Municipal Code Section 4.36.505 the SCERS Board of Administration shall recommend to the City Council any necessary revisions in the rate of contributions of members and the City; and

WHEREAS, the SCERS Board of Administration, at its June 9, 2022 meeting, voted to recommend to the City Council that it implement the 2022 actuarially required employer contribution rate of 15.82 percent for fiscal year 2023; NOW, THEREFORE,

1 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
2 **MAYOR CONCURRING, THAT:**

3 Section 1. Resolution 31334, last amended by Resolution 32023, is amended as follows:

4 Section 1. The City will fully fund its actuarially required contributions to SCERS
5 in the 2012 Adopted Budget and thereafter. The City will base its contribution rate on a
6 five-year smoothed asset valuation as described in the most recent actuarial report, and
7 the rate will be sufficient to amortize the system's unfunded liabilities in 30 or fewer
8 years.

9 Section 2. To that end, the ~~((2022))~~ 2023 Adopted Budget will include sufficient
10 appropriation for the City to maintain payment of ~~((16.10))~~ 15.82 percent of regular (non-
11 overtime) payroll into SCERS. This is greater than the employee contribution rates into
12 the system. ~~((It keeps the combined contribution at 25.56 percent.))~~ The employer
13 contribution rate must not be less than the required Actuarial Contribution Rate of
14 ~~((15.33))~~ 15.82 percent and a combined contribution rate of ~~((24.68))~~ 25.06 percent, as
15 determined by the January 1, ~~((2021))~~ 2022, Actuarial Valuation.

16 Section 3. The City endorses the actuarial assumptions and methods adopted by
17 the SCERS Board of Administration, utilized beginning with the January 1, 2011,
18 valuation, and modified by the Board as a result of the actuary's investigation of the
19 system's experience from ~~((2014))~~ 2018 through ~~((2017))~~ 2021. These include:

- 20 A. The entry age normal actuarial cost method;
- 21 B. An investment return rate of ~~((7.25))~~ 6.75 percent;
- 22 C. A five-year smoothed method for asset valuation;

1 D. Generational mortality tables that take future life expectancy improvements
2 into account;

3 E. Expected average membership growth of ((0.5)) 0.25 percent per year; and

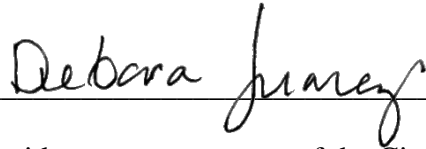
4 F. Other economic and demographic assumptions as described in the valuation.

5 Section 4. Each year, and in the event the SCERS Board of Administration should
6 wish to change its actuarial assumptions and methods, the City requests that the Board
7 consult with the Mayor and the City Council by the tenth day of July regarding the
8 impacts of such changes on funding requirements, as described in Seattle Municipal Code
9 subsection 4.36.550.A, to allow sufficient time to make budget preparations.


10 Section 5. The City will update its contribution rate to SCERS annually to a level
11 not less than the actuarial required contribution for that year as determined by the most
12 recent valuation. The City may elect to exceed the required contribution rate in any given
13 year in the interest of funding stability or to amortize the system's unfunded liability in
14 fewer than 30 years.

15 Section 6. Beginning with the January 1, 2013, Actuarial Valuation and thereafter,
16 the amortization period is closed and fixed. That is to say, the amortization rate should
17 be sufficient to retire the system's unfunded liability over the period 2013-2042. Since
18 closed amortizations can generate excessive contribution rate volatility in the second half
19 of the period, the Council may consider re-opening the amortization period after 15 years.
20 At any time, the SCERS Board and its actuary may recommend additional amortization
21 layers and/or separate amortization periods for any new unfunded liabilities or surpluses
22 generated after January 1, 2013.


1 Adopted by the City Council the 29th day of November, 2022,
2 and signed by me in open session in authentication of its adoption this 29th day of
3 November, 2022.

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5 _____
6 President _____ of the City Council

6 The Mayor concurred the 2nd day of December, 2022.

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8 _____
9 Bruce A. Harrell, Mayor

9 Filed by me this 2nd day of December, 2022.

10 
11 _____
12 Elizabeth M. Adkisson, Interim City Clerk

12 (Seal)