

WSR 23-04-078  
PERMANENT RULES  
DEPARTMENT OF  
LABOR AND INDUSTRIES

[Filed January 31, 2023, 8:16 a.m., effective April 1, 2023]

Effective Date of Rule: April 1, 2023.

Purpose: The purpose of this rule making is to lower the pension discount rate (PDR) to better align with the rate of return for long-term treasuries for self-insured pensions. The PDR is the interest rate used to account for the time value of money when evaluating the present value of future pension payments. This rule lowers the PDR for self-insured employers from 5.7 percent to 5.6 percent, effective April 1, 2023.

Citation of Rules Affected by this Order: Amending WAC 296-14-8810.

Statutory Authority for Adoption: RCW 51.04.020, 51.44.070(1), 51.44.080.

Adopted under notice filed as WSR 22-23-146 on November 22, 2022.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 1, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: January 31, 2023.

Joel Sacks  
Director

**OTS-4163.1**

AMENDATORY SECTION (Amending WSR 22-05-075, filed 2/15/22, effective 4/1/22)

**WAC 296-14-8810 Pension tables, pension discount rate and mortality tables.** (1) The department uses actuarially determined pension tables for calculating pension annuity values, required pension reserves, and actuarial adjustments to monthly benefit amounts.

(a) The department's actuaries calculate the pension tables based on:

(i) Mortality tables from nationally recognized sources;

(ii) The department's experience with rates of mortality, disability, and remarriage for annuity recipients;

(iii) A pension discount rate of 4.0 percent for state fund pensions;

(iv) A pension discount rate of (~~5.7~~) 5.6 percent for self-insured pensions, including the United States Department of Energy pensions; and

(v) The higher of the two pension discount rates so that pension benefits for both state fund and self-insured recipients use the same reduction factors for the calculation of death benefit options under RCW 51.32.067.

(b) The department's actuaries periodically investigate whether updates to the mortality tables relied on or the department's experience with rates of mortality, disability, and remarriage by its annuity recipients warrant updating the department's pension tables.

(2) To obtain a copy of any of the department's pension tables, contact the department of labor and industries actuarial services.

[Statutory Authority: RCW 51.04.020, 51.44.070(1) and 51.44.080. WSR 22-05-075, § 296-14-8810, filed 2/15/22, effective 4/1/22; WSR 21-02-066, § 296-14-8810, filed 1/5/21, effective 4/1/21; WSR 20-02-114, § 296-14-8810, filed 1/2/20, effective 4/1/20; WSR 19-01-096, § 296-14-8810, filed 12/18/18, effective 4/1/19; WSR 18-05-081, § 296-14-8810, filed 2/20/18, effective 4/1/18; WSR 17-05-096, § 296-14-8810, filed 2/14/17, effective 4/1/17; WSR 16-05-087, § 296-14-8810, filed 2/16/16, effective 4/1/16; WSR 15-02-061, § 296-14-8810, filed 1/6/15, effective 4/1/15.]