



PROPOSED RULE MAKING

CR-102 (July 2022) (Implements RCW 34.05.320) Do NOT use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: November 22, 2022
TIME: 8:55 AM

WSR 22-23-146

Agency: Department of Labor & Industries

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

- Preproposal Statement of Inquiry was filed as WSR 22-16-089 ; or
- Expedited Rule Making--Proposed notice was filed as WSR _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
- Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) Pension Discount Rate. Amending WAC 296-14-8810, Pension Tables, Pension Discount Rate and Mortality Tables in Chapter 296-14 WAC, Industrial Insurance

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
January 4, 2023	1:00 pm	Joining electronically: Join Zoom Meeting at https://lni-wa.gov.zoom.us/j/9361655337 Meeting ID: 936 165 5337 Join by phone: +1 253-215-8782 US (Tacoma) Find your local number: https://lni-wa.gov.zoom.us/u/kdFrdfe0fg	The virtual meeting starts at 1:00 pm and will continue until all oral comments are received.

Date of intended adoption: January 31, 2023 (Note: This is **NOT** the effective date)

Submit written comments to: Name: Suzy Campbell Address: Department of Labor & Industries Insurance Services / Legal Services PO Box 44270 Olympia WA 98504-4270 Email: suzanne.campbell@lni.wa.gov Fax: 360-902-5029 Other: By (date) <u>January 4, 2023, 5:00 pm</u>	Assistance for persons with disabilities: Contact <u>Nathalie Penberthy</u> Phone: 360-902-4252 Fax: 360-902-6509 TTY: 360-902-4252 Email: nathalie.penberthy@lni.wa.gov Other: By (date) <u>December 27, 2022</u>
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Purpose of the proposal and its anticipated effects, including any changes in existing rules: The purpose of this rulemaking 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 money when evaluating the present value of future pension payments. This rule proposes to lower the PDR for self-insured employers from 5.7 percent to 5.6 percent effective April 1, 2023.

Reasons supporting proposal: These reductions allow our financial statements to more accurately reflect our liabilities and overall financial position, and are consistent with recommendations from our annual independent actuarial review of our rate making.

Statutory authority for adoption: RCW 51.04.020, RCW 51.44.070(1), RCW 51.44.080

Statute being implemented: RCW 51.44.070

Is rule necessary because of a:

- Federal Law? Yes No
Federal Court Decision? Yes No
State Court Decision? Yes No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

Type of proponent: Private Public Governmental

Name of proponent: (person or organization) Department of Labor & Industries

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Suzy Campbell	Tumwater, Washington	360-902-5003
Implementation:	Debra Hatzialexiou	Tumwater, Washington	360-902-6695
Enforcement:	Mike Ratko	Tumwater, Washington	360-902-4997

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?

Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

- Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

- Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain: Labor & Industries is exempt from preparing a cost-benefit analysis under RCW 34.05.328(5)(b)(vi) since the purpose of this rulemaking is to set or adjust fees or rates pursuant to legislative standards.

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:
- | | |
|---|---|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input checked="" type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
(i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |
- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).
- This rule proposal, or portions of the proposal, is exempt under RCW _____.
- Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. _____
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: November 22, 2022

Name: Joel Sacks

Title: Director

Signature:

