

## CHAPTER 6

# SALARY, PENSION AND INSURANCE DATA

### Agency compensation data collection and update

The salary data collection process for collective bargaining has concluded. The Governor's Office, supported by the OFM State Human Resources (State HR) Division, negotiates collective bargaining agreements for state governmental agencies and for some institutions of higher education. The nature of collective bargaining requires OFM to have salary data at the employee level. OFM must be prepared for proposals that group employees by bargaining unit, classification, range and step, years of service, etc. It is also necessary to have compensation data available at this level of detail for non-represented state employees to enable similar calculations for non-represented groups.

OFM data collection for 2019–21 collective bargaining salary negotiations and budgeting for all state employee salaries and benefits concluded May 18, 2018.

### Valid pension system codes

The following table reflects all valid pension system codes for the 2019–21 biennial budget.

| Retirement Systems | Description  |
|--------------------|--|
| H1                 | Higher education (HE) system - 5% contribution rate    |
| H2                 | 2-year HE system - 7.5% contribution rate              |
| H3                 | 2-year HE system - 10% contribution rate               |
| H4                 | 4-year HE system - 7.5% rate capped at 6%              |
| H5                 | 4-year HE system - 10% rate capped at 6%               |
| J2                 | Judicial Retirement System (capped)                    |
| JA                 | Judicial Retirement Account Plan/PERS 1                |
| JB                 | Judicial Retirement Account Plan/PERS 2/3              |
| L1                 | Law Enforcement Officers' and Fire Fighters' - Plan I  |
| L2                 | Law Enforcement Officers' and Fire Fighters' - Plan II |
| NE                 | Not-eligible/unknown system                            |
| P0                 | Retired-rehired  |
| N2                 | Public Safety Employees' Retirement System             |
| P1                 | Public Employees' Retirement System - Plan I           |
| P2                 | Public Employees' Retirement System - Plan II          |
| P3                 | Public Employees' Retirement System - Plan III         |
| T1                 | Teachers' Retirement System - Plan I                   |
| T2                 | Teachers' Retirement System - Plan II                  |
| T3                 | Teachers' Retirement System - Plan III                 |
| S1                 | Washington State Patrol Retirement System - Plan I     |
| S2                 | Washington State Patrol Retirement System - Plan II    |

## Other compensation cost notes

### Requesting funding for pay increases

Most requests for salary adjustments are addressed through collective bargaining, but there are some exceptions.

**Classified staff:** Agency pay proposals for all classified positions, whether they are covered by collective bargaining agreements or not, are governed by the State HR [process](#) for classification and compensation proposals.

State HR will request funding for: (1) compensation adjustments they have negotiated, (2) multi-agency proposals they initiate, and (3) their recommended compensation adjustments for classified, nonrepresented positions after review through the classification and compensation proposal process.

**WMS and exempt staff:** Agencies seeking funding for pay adjustments for WMS or exempt employees should continue to **submit decision packages (DPs)** with their budget requests. They should also send an electronic copy of the proposal to [State HR](#). **Changes resulting from the statewide project on IT restructuring are an exception.** State HR and OFM budget will work with agencies on addressing the impact of this restructuring.

**Note for higher education institutions** – Institutions that conduct their own collective bargaining should continue to submit requests for funding by October 1. Only pay proposals for exempt, non-represented staff, do not require State HR review.

### Salaries

In developing DPs, agencies should use base salaries from the [salary schedules](#) published by State HR. If there are tentative collective bargaining agreements that would affect the cost of a DP, agencies should estimate that impact and refer to them separately in the DP.

Discuss the use of any other compensation plan with your budget [analyst](#) before using it in a budget request. Agencies should not budget for overtime, sick leave or shared leave.

### Workers' compensation costs (medical aid and industrial insurance)

OFM will coordinate with the Office of Actuarial Services at the Department of Labor and Industries to determine agency rates and add workers' compensation rate adjustments to agency budgets in the biennial budget. Agencies should not submit DPs for workers' compensation in their biennial budget request.

In supplemental budgets, however, an agency may submit a DP for the portion of the rate adjustment that the agency believes it cannot accommodate in its budget.