



news release

for immediate release

August 7, 2017

PA SERS Releases 2016 Comprehensive Annual Financial Report

HARRISBURG – The Pennsylvania State Employees' Retirement System (SERS) today released its [2016 Comprehensive Annual Financial Report](#) (CAFR) that details the audited financial statements of the system for the year, as well as investment, actuarial, and statistical information.

The independent auditor's report included an unmodified opinion that the system's fiduciary net position and changes in fiduciary net position, as reported in the financial statements, are fairly presented, in all material respects, in accordance with generally accepted accounting principles.

The SERS portfolio returned 6.5% net of all fees and expenses in 2016, which provided nearly \$1.6 billion to the fund.

Highlights of the 2016 CAFR include:

- In 2016, SERS served 103 agencies/employers, and approximately 240,000 members – more than 104,000 active employees, approximately 127,000 retirees and beneficiaries, and more than 7,000 inactive members no longer working for the commonwealth but owed a benefit.
- As of December 31, 2016, the SERS Fund stood at approximately \$26.4 billion after paying out \$3.2 billion in retirement benefits to nearly 127,000 retirees and beneficiaries; \$2.9 billion – more than 90% - was paid to people living in Pennsylvania, stimulating local economies. SERS benefit payroll obligations continue to steadily grow, from about \$1 billion just two decades ago to our current payroll.
- Last year, nearly 6,700 employees retired and were added to the annuity payroll with an average annual benefit of about \$28,700; while approximately 4,000 retirees, who had an average annual benefit of about \$15,000, were removed from the rolls.
- Based on the actuarial methods used for funding purposes as of December 31, 2016, the unfunded actuarial accrued liability was \$19.9 billion. SERS funded ratio was 58.1%. Based on the actuarial methods used for financial reporting purposes as of December 31, 2016, the net pension liability was \$19.3 billion. SERS' fiduciary net position as a percentage of the total pension liability was 57.8%.
- With 2016's returns, the SERS Fund achieved positive annual earnings for 17 of the last 20 years, and actual earnings have exceeded the assumed long-term rate of return for 12 of them.
- Employers contributed approximately \$1.6 billion to the SERS Fund in 2016; members contributed approximately \$375 million.



While SERS is not legally required to produce a CAFR, the system does so each year out of a commitment to transparency and accountability to its members, participating employers, and the public.

SERS has also released the [2016 Actuarial Report](#) that details SERS' current membership, explains assumptions underlying our pension system's calculations, projects future cash flow, and reports our liabilities and funded status.

These reports are available in the Newsroom area of [SERS' website](#).

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Pennsylvania State Employees' Retirement System

Established in 1923, SERS is one of the nation's oldest retirement plans for public employees, with approximately 240,000 members and assets of more than \$27.5 billion. A wealth of information is available at www.SERS.pa.gov.

for more information

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