

**PA SERS Board Announces Employer Contribution Rate
Approves \$975 Million in Investments, Rebalances Equity Exposure,
Approves Consultant Contract Extension and Professional Membership**

HARRISBURG – The board of the Pennsylvania State Employees' Retirement System, meeting here today, certified the employer contribution rate for the commonwealth's 2019-20 fiscal year and approved \$975 million in investments.

The board certified a composite employer contribution rate of 33.53% of payroll for the commonwealth's 2019-20 fiscal year. That rate reflects the actuarially calculated amount plus an extra 0.71% of payroll to return Act 2017-5 savings to the system.

"Act 2017-5 included a savings 'plow back' provision requiring that the annual savings achieved through SERS benefit changes flow back into the system rather than to other non-pension obligations," explained SERS Executive Director Terrill J. Sanchez. "The 'plow-back' contributions, currently calculated to range from 0.10% to 0.93% of payroll, are expected in 13 of the next 23 fiscal years and will work to accelerate the system's return to fully funded status."

Without the Act 2017-5 "plow-back" provision, the composite rate would have been 32.82%, which is lower than the 32.90% of payroll that employers are currently paying.

The board's action followed a report by the system's actuary, Korn Ferry, on the [Key Results of the 2018 Actuarial Valuation](#) during the board's Finance and Member Services Committee meeting earlier today.

In keeping with its [2018-2019 Investment Plan](#), the board approved commitments of up to \$975 million within the Real Estate, Multi-Strategy, and Private Equity asset classes:

- Up to \$50 million to **Blue Moon Senior Housing II LP**
- \$50 million to **Blue Moon Senior Housing II Sidecar LP**
- Up to \$70 million to **Ares Special Opportunities Fund, L.P.**
- \$330 million to **Ares PA Opportunities Fund, L.P.**
- Up to €67 million (approximately \$75 million) to **ICG Europe Mid-Market Fund SCSp,**
- Up to \$75 million to **Permira Credit Solutions IV Master (Feeder) SCSp**
- \$100 million to **Permira Susquehanna (Co-investment) Fund, L.P.**
- Up to €67 million (approximately \$75 million) to **Permira VII L.P.1**
- Up to \$100 million to **ASF VIII B L.P.**
- Up to \$50 million to **ASF VIII PA Co-Investment Fund**

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In accordance with the *Portfolio Rebalancing Policy*, the board also approved the reallocation of approximately \$1 billion from the **Mellon Capital Management Russell 3000 Index** portfolio to cash.

The board also authorized an 18-month extension (until April 5, 2021) on the private equity consulting services contract with **StepStone Group LLC**.

The board also approved continuing the system's membership with the **Council of Institutional Investors**.

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Pennsylvania State Employees' Retirement System

Established in 1923, SERS is one of the nation's oldest and largest retirement plans for public employees, with nearly 241,000 members and assets of approximately \$29 billion. SERS also administers, through a partnership with a third-part administrator, a voluntary deferred compensation plan with nearly 56,000 participants and assets of more than \$3.5 billion. A wealth of information is available at www.SERS.pa.gov.

For more information

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