



Snapshot

Pennsylvania State Employees' Retirement System

Members

year end 2011

228,552

115,342 retirees and beneficiaries receiving benefits
107,021 active members paying into the system
6,189 vested members not receiving benefits

Average Annuity Paid

for those who work to full retirement age

\$24,448 per year

Total Fund Assets

as of Dec 31, 2011

\$24.7 billion

Funding Sources

as of Dec 31, 2011, 10-year totals

\$ 3.3 billion (15.8%) employee contributions
\$ 2.0 billion (9.5%) employer contributions
\$15.4 billion (74.7%) investment earnings

Employee Contribution Rate

PA FY 2012/13

6.25% of salary, by payroll deduction (for most employees)

Employer Actual Cost

PA FY 2012/13

5.1% of payroll for new employees as of Jan 1, 2011
21.3% of payroll for the unfunded liability rate
26.4% of payroll, composite rate

Employer Contribution Rate

PA FY 2012/13

11.5% of payroll, as suppressed by Act 2010-120

Number of Employers

as of Dec 31, 2011

107

Sources of Employer Contributions

% provided by Budget Office,
Feb 2012 applied to projected FY12/13
contributions under the Governor's jurisdiction

general funds \$ 247.1 million (45.2%)
special funds \$ 120.2 million (22.0%)
federal funds \$ 79.3 million (14.5%)
other funds \$ 99.9 million (18.3%)

Ratio of Employer Contributions to PA Benefits Paid

2011 SERS employer contributions: \$392 million
SERS-paid benefits to PA residents: \$2.4 billion

1:6

For every \$1 contributed by SERS employers in 2011, \$6 was returned to the PA economy through payments to retirees and beneficiaries. The multiplier results from employee contributions and SERS investment earnings over time.

Investment Returns

as of Dec 31, 2011
unaudited, annualized, net of fees

2.7% 1-year
6.0% 10-year
8.2% 20-year
10.2% 30-year

Cash Flow

2012 projected

\$ 77 million monthly income (employee and employer contributions)
\$235 million monthly payments (benefits and admin expense)
difference in sum necessary to cover payments must come from investment income

Funded Status

2011 Actuarial Report

65.3% with an unfunded liability of \$14.7 billion

Key Assumptions

2011 Actuarial Report

7.50% annual investment return
6.20% average total salary/career growth per year
2.75% annual inflation rate