



Defined Benefit Plan Snapshot

Members
as of Dec 31, 2019

242,749 total
132,731 retirees and beneficiaries receiving benefits
103,266 active members paying into the system
6,752 vested members not receiving benefits

Average 2018 Annuity

\$21,282 per year
\$29,440 per year for those who work to full retirement age

Total Pension Benefits Paid
paid in 2019, unaudited

\$3.5 billion

Member Contribution Rate
PA FY 2019/20

6.25% of salary, by payroll deduction (for most members)
Varies between 5% and 9.3%

Number of Employers
as of Dec 31, 2019

102

Employer Contribution Rate
PA FY 2019/20

33.59% of payroll, composite rate
1.25% of payroll for benefits earned this year
32.34% of payroll for the unfunded liability

Projected Employer Contribution Rate
PA FY 2020/21

33.63% of payroll
1.41% of payroll for benefits earned this year
32.22% of payroll for the unfunded liability

Employer Contribution Sources
% provided by the Governor's Budget Office (FY 2017/18)

approx. 40% general funds
approx. 48% special and federal funds
approx. 12% independent employer funds

Funding Sources
as of year-end Dec 31, 2019, unaudited

\$409 million member contributions
\$2.1 billion employer contributions
\$4.97 billion investment earnings

Investment Returns
as of Dec 31, 2019
unaudited, annualized, net-of-fees

18.8% 1-year
8.1% 10-year
6.0% 20-year
8.4% 30-year

Total Fund Assets
as of Dec 31, 2019, unaudited

\$30.9 billion

Cash Flow
2020 projected

\$2.46 billion annual contributions (member/employer)
\$3.61 billion annual payments (benefits/administrative expenses)
difference in sum necessary to cover payments must come from investment income

Funded Status
2018 actuarial report adjusted with preliminary 2018 year-end performance data

56.5% with an unfunded liability of \$22.3 billion

Key Assumptions
2018 Actuarial Report

7.25% long-term investment return
7.125% long-term investment return effective with 2019 valuation
5.55% average total salary/career growth
2.60% inflation rate