

Penn SERS 2017 Financial Reports Available

HARRISBURG – The Pennsylvania State Employees' Retirement System today released its [2017 Comprehensive Annual Financial Report](#) (CAFR) for the calendar year ended Dec. 31, 2017.

The purpose of this report is to provide a clear accounting of SERS operations and financial position. We hope you will find the financial, investment, actuarial, and statistical information interesting and useful.

Highlights of the 2017 CAFR include:

- **The system earned strong investment returns in 2017.**
The SERS portfolio returned 15.1% net of all fees and expenses in 2017, which provided approximately \$4.1 billion to the fund. With 2017'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.
- **The funded status increased during 2017.**
Based on the actuarial methods used for funding purposes, as of Dec. 31, 2017, the unfunded actuarial accrued liability was \$19.7 billion, with a funded ratio of 59.4%, up from 58.1%. Based on the actuarial methods used for financial reporting purposes, as of Dec. 31, 2017, the net pension liability was \$17.3 billion, with a fiduciary net position as a percentage of the total pension liability of 63.0%, up from 57.8%.
- **The employer contribution rate will drop next fiscal year.**
The fiscal year 2018-19 employer rate will drop to 32.9% of payroll after nine years of rising rates as employers worked to restore funding to the underfunded system. Employers contributed approximately \$1.9 billion to the SERS Fund in 2017; members contributed approximately \$383 million.
- **The fund grew while paying out \$3.3 billion in benefit payments in 2017.**
As of Dec. 31, 2017, SERS had approximately \$29.4 billion after paying out \$3.3 billion in retirement benefits to more than 129,000 retirees and beneficiaries; \$3.0 billion – more than 90% – was paid to people living in Pennsylvania, stimulating local economies. SERS benefit payments continue to steadily grow, from about \$1 billion just two decades ago to \$3.3 billion in 2017.
- **System membership continued to evolve in 2017.**
In 2017, SERS served 102 agencies/employers, as well as approximately 239,000 total members. As is the case with mature pension plans, new retirees tend to have higher benefits than those leaving the annuity payroll. Last year, nearly 6,300 members retired with an average annual benefit of about \$28,100. Approximately 4,200 retirees, who had average annual benefits of about \$15,100, were removed from the rolls.

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On June 12, 2017, Governor Wolf signed into law Act 2017-5. This law fundamentally changes retirement options for most new hires beginning Jan. 1, 2019. In addition, the legislation allows current members to opt into one of the three new options between Jan. 1, 2019, and March 31, 2019. The system has been working hard to implement the benefit changes.

In addition, SERS' actuary published its 2017 [Actuarial Report](#) detailing the system's assets and liabilities as of Dec. 31.

Both reports, along with other information, are available on the [Newsroom](#) page of the SERS website, www.SERS.pa.gov.

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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 more than 239,000 members and assets of nearly \$29 billion. A wealth of information is available at www.SERS.pa.gov.

For more information

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