

**PennSERS Board Maintains Current Investment Return Assumption
Adjusts Other Actuarial Assumptions Based on Five-Year Experience
Invests \$1.5 Billion In Fixed Income**

HARRISBURG – The Pennsylvania State Employees' Retirement Board, meeting here today, maintained the pension system's current investment return assumption and adjusted several other economic and demographic assumptions to better align with the system's recent experience.

"Periodic experience studies allow pension plan administrators to compare the demographic and economic assumptions used to calculate the value of the plan against the actual experience of the plan," explained SERS Executive Director Joseph A. Torta. "We can then fine-tune the assumptions considering the results of the study and the expectations of the actuary, investment consultants, and staff."

After reviewing [highlights from the 20th Investigation of Actuarial Experience](#), presented by the board's actuary, Korn Ferry, and an asset allocation presentation by the board's general investment consultant, RVK, the board chose to maintain the system's current 6.875% long-term assumed rate of investment return.

"Having been on this board for the better part of 15 years, I think we have acted very prudently over that period to make fairly conservative assumptions with respect to the assumed rate of return," said the board's Finance and Member and Participant Services Committee Chair, Representative Dan Frankel. "Staying put at 6.875% is a prudent and reasonable long-term decision."

The board adjusted some other economic and demographic assumptions that deviated from experience over the past five years, including the career salary increase and annuitant mortality assumptions, as well as those that related to smaller groups of members in the system.

The full actuarial experience study will be published this fall.

The board also approved three commitments of \$500 million each, to three separate strategies and managers within the Fixed Income asset class, as follows:

- Core Bond Strategy product managed by **J.P. Morgan Investment Management**
- Core Fixed Income product managed by **Loomis, Sayles & Company**
- Core Broad Market Fixed Income product managed by **NISA Investment Advisors**

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In other business, the Audit, Risk and Compliance Committee authorized staff to procure a Global Internal Audit Standards Gap Assessment of SERS-Internal Audit Office practices and operations. SERS Internal Audit Office plans for the assessment to be conducted by the Institute of Internal Auditors Quality Services division later this year.

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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 approximately 245,000 members. As of Dec. 31, 2024, SERS' Defined Benefit Plan had net assets of approximately \$38.7 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had approximately \$295.4 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with nearly 57,000 participants and net assets of approximately \$4.9 billion as of Dec. 31, 2024. A wealth of information is available at www.SERS.pa.gov.

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