

## **SERS news release**

for immediate release

May 5, 2026

### **Penn SERS Unfunded Liability Down by More Than a Half Billion Dollars; *Newer Members Will Pay Less Toward Their Retirement Benefit Employers Will See Little Change in Their Contribution Rate***

HARRISBURG – The Pennsylvania State Employees' Retirement Board, meeting here today, received highlights from the system's 2025 actuarial valuation showing a more than half-billion-dollar decrease in the pension fund's unfunded liability and strong investment gains over the past ten years to be shared between more than 67,000 members and the commonwealth's employing agencies, boards, and commissions.

While the full actuarial report will be published next month, [the actuarial highlights](#) show that the unfunded liability decreased from \$16.97 billion to \$16.44 billion as of Dec. 31, 2025.

The highlights also show that the SERS investment fund outperformed the assumed rate of return by more than 1 percentage point over the past ten years, triggering the first shared-gain member contribution decrease since the shared-risk/shared-gain provisions were added to the Retirement Code in 2010 and 2017. It is important to note that the member contribution decrease doesn't change the pension calculation, meaning the monthly pension benefit is not reduced.

"We are in a unique position to share a little of the SERS Fund overperformance with our newer members," explained SERS Board Chair Gregory C. Thall. "As a result, a large majority of our members will get to keep a little more in their paycheck, in the form of lower retirement contributions, for at least the next three years.

"At a time when inflation has been increasing the cost of nearly everything, that little bit may help them make ends meet," Thall added.

According to the shared-risk/shared-gain provisions, if the SERS Fund investments perform more than 1 percentage point above or below the assumed rate of return during a measurement period, the resulting gain or loss is shared by the employers and employees who first became SERS members since the start of 2011, in the form of lower or higher contribution rates. By law, shared-risk/shared-gain is reviewed every three years, with the next review to be conducted in 2029, when the employees could see their contribution rates increase, decrease, or stay the same.

The board also approved a composite employer contribution rate of 32.38% of payroll for pension benefits for fiscal year 2026-27, the same composite rate they are contributing toward their employees' pensions today.

#### **Investment Business**

In other business, the board approved an investment of up to €100 million (approximately \$115.9 million) in **PSG Europe III S.C.SP.** as a follow-on investment within the Private Equity asset class, focusing on investments in software and tech-enabled companies.

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The board voted to retain **Trading Technologies** (previously known as Abel Noser) as its investment transaction cost analysis consultant for a five-year term at the conclusion of the board's current contract on Sept. 30, 2026.

The board also approved updates to SERS' [U.S. and International Proxy Voting Policy](#). The updates add clarifying language or are in response to domestic and global government mandates.

### **Procurement Business**

Wrapping up a comprehensive competitive request for proposal (RFP 25-038) process led by the board's Audit, Risk and Compliance Committee, the board authorized staff to award a new contract for Independent Auditor Services to the winning bidder to be named after successful contract negotiations as required by the Commonwealth's Procurement Code, 62 Pa.C.S. §106.1(b)(4).

### **Other Business**

The board also approved the *2026 Board Education Plan*, which can be found as an appendix to the [Board Education Policy](#) in the [Board Governance Manual](#).

The next board meeting is scheduled for June 16, 2026.

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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 246,000 members. As of Dec. 31, 2025, SERS' Defined Benefit Plan had assets of approximately \$42 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had assets of approximately \$450 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with more than 57,000 participants and assets of approximately \$5.4 billion as of Dec. 31, 2025. A wealth of information is available at [www.SERS.pa.gov](http://www.SERS.pa.gov).

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