



Snapshot

Pennsylvania State Employees' Retirement System

Members

year end 2012 (preliminary)

229,908
117,061 retirees and beneficiaries receiving benefits
106,152 active members paying into the system
6,695 vested members not receiving benefits

Average Annuity Paid

for those who work to full retirement age

\$25,083 per year

Total Fund Assets

as of Dec 31, 2012, unaudited

\$25.3 billion

Funding Sources

as of Dec 31, 2012, 10-year totals, unaudited

\$ 3.3 billion (12.4%) employee contributions
\$ 2.5 billion (9.3%) employer contributions
\$20.9 billion (78.3%) investment earnings

Employee Contribution Rate

PA FY 2012/13

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

Employer Actual Cost

PA FY 2013/14

5.1% of payroll for new employees as of Jan 1, 2011
25.4% of payroll for the unfunded liability rate
30.5% 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, 2012

105

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

2012 SERS employer contributions: \$564 million
SERS-paid benefits to PA residents: \$2.4 billion

1:4

For every \$1 contributed by SERS employers in 2011, \$4 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, 2012
unaudited, annualized, net of fees

12.0% 1-year 8.4% 20-year
8.4% 10-year 9.7% 30-year

Cash Flow

2013 projected

\$ 98 million monthly contributions (employee/employer)
\$245 million monthly payments (benefits/admin expense)
difference in sum necessary to cover payments must come from investment income

Funded Status

2011 Actuarial Report adjusted with
preliminary 2012 year-end performance data

58.6% with an unfunded liability of \$17.9 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