

Pennsylvania House of Representatives
State Government Committee
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Keith Brainard and Alex Brown
National Association of State Retirement Administrators



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Public Pensions In Pennsylvania

- ~\$140 billion in assets
- ~\$225 billion in liabilities
- 480,000 active (working) plan participants
- 485,000 annuitants receiving a regular benefit

- PA PSERS and PA SERS in 2020 together distributed more than \$10 billion in benefits
- More than 90 percent of these benefits are paid to Pennsylvania residents

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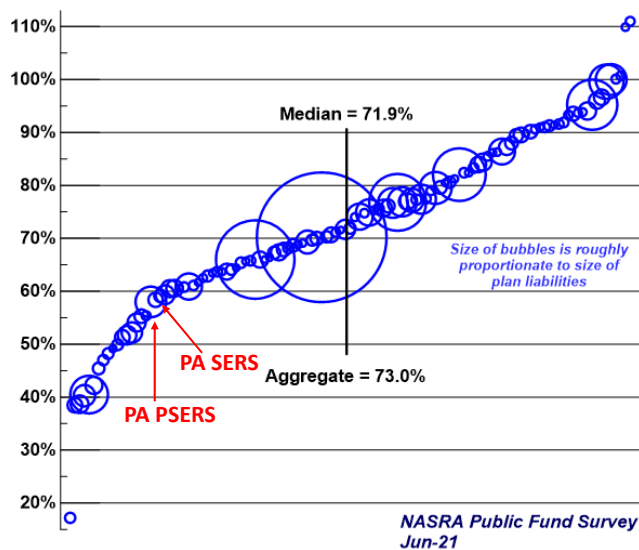
Public Pensions In Pennsylvania

- PSERS and SERS account for around three-fourths of all public pension plan assets and participants in Pennsylvania
- Relative to public pensions in other states, the PSERS and SERS are:
 - More mature: fewer active participants relative to those receiving a benefit
 - Less well funded: higher liabilities relative to assets
- Pennsylvania has, by far, more local pension plans than any other state

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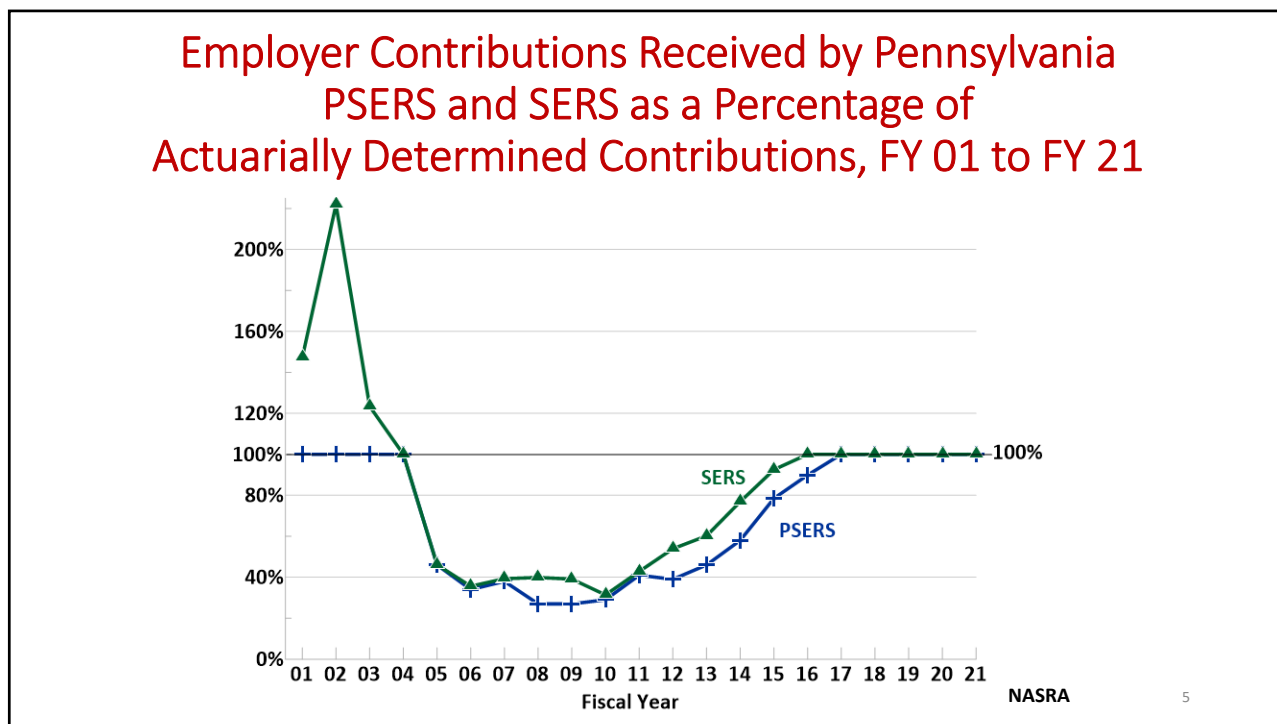
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Distribution of Public Pension Funding Levels, FY 20

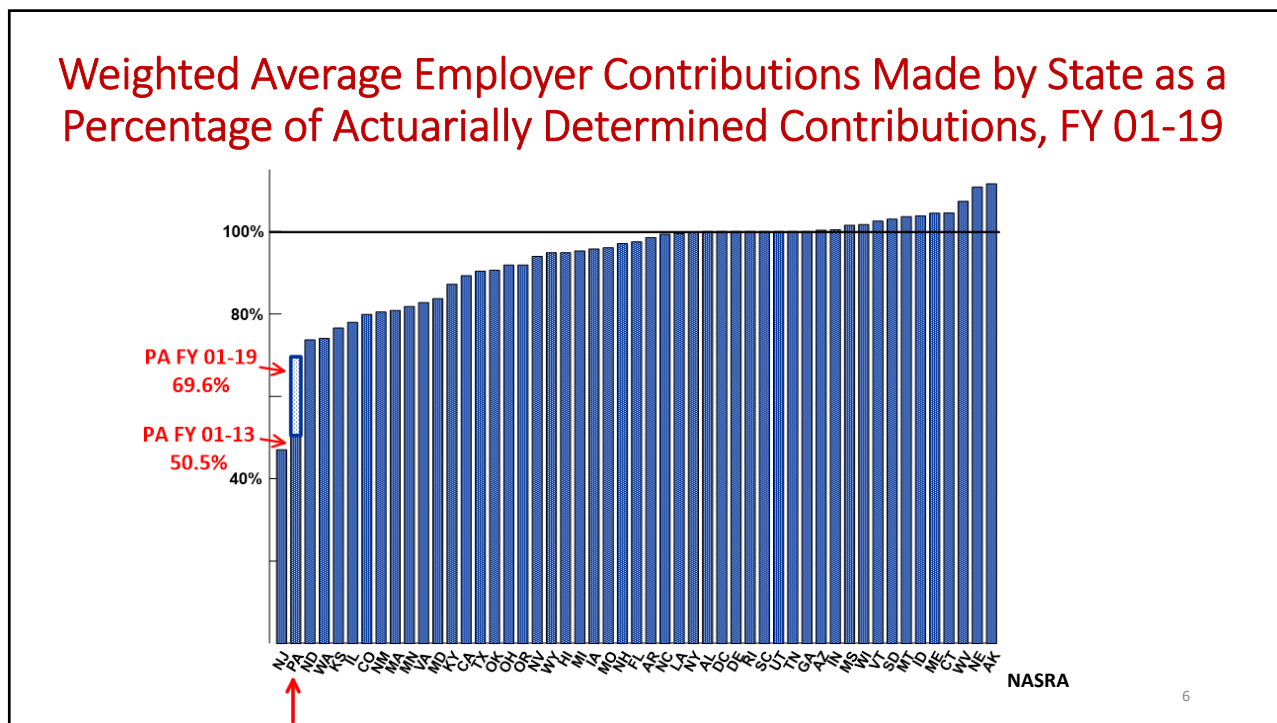


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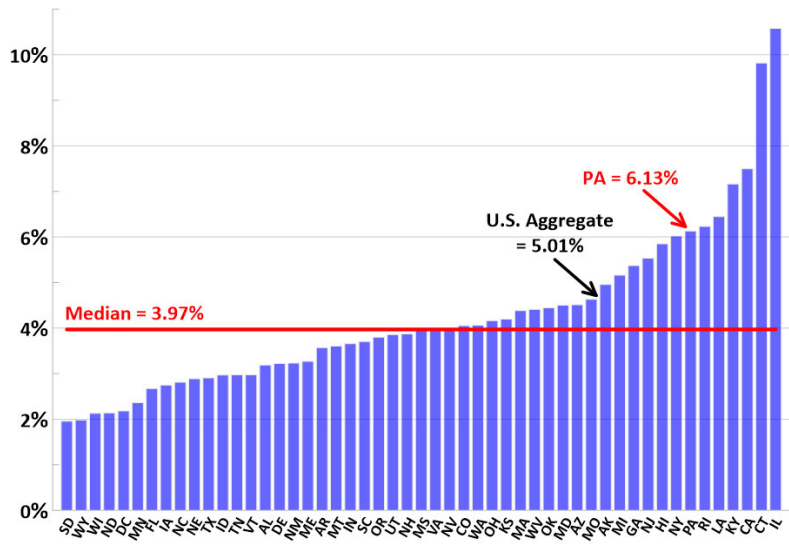


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Spending by States on Public Pensions as a Percentage of All State & Local Government Spending, 2019



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Notable Developments Affecting Public Pensions In Pennsylvania

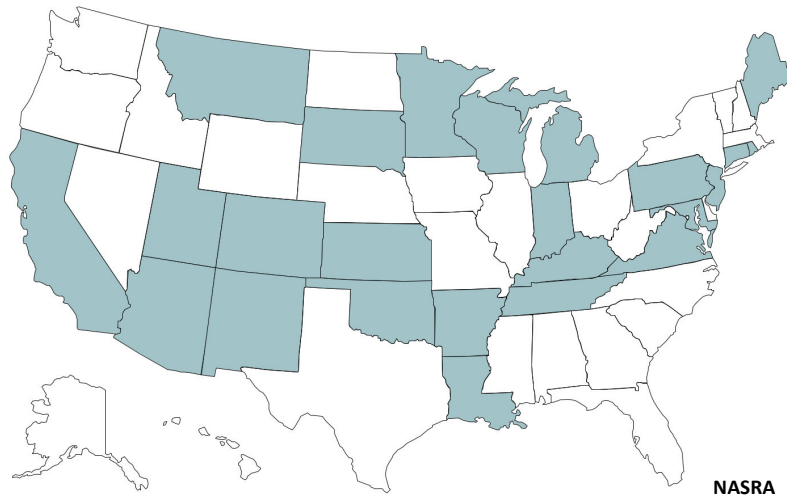
- Return to payment of full contributions after years of underfunding
- Changes in benefits structure and employee contribution requirements
 - 2010
 - Creation of flexible employee contribution rates based on fund investment performance
 - Reduction of benefits via lower retirement multiplier, higher vesting period, and increased age and years of service needed to qualify for retirement
 - 2017
 - Establishment of plan choice for new school hires and most new state hires, providing access to hybrid and defined contribution plans as employees' primary retirement benefit

These changes are consistent with broad national trends among states and public retirement systems

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States that Implemented Automatic Risk-Sharing Plan Design Features Since 2009



NASRA

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