

# **Pennsylvania Public School Employees' Retirement System**

Actuarial Valuation Report

June 30, 2025

February 28, 2026

Board of Trustees  
Pennsylvania Public School Employees' Retirement System  
5 North 5th Street  
Harrisburg, PA 17101

Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the Pennsylvania Public School Employees' Retirement System (Retirement System or PSERS) as of June 30, 2025.

The valuation takes into account all of the promised benefits to which members are entitled as of June 30, 2025, including pension and survivor benefits, and, as required by the Public School Employees' Retirement Code, 24 Pa. C.S. §8101 et. seq. (Retirement Code), is the basis for the contribution rate for fiscal year 2026/2027. In addition, the contribution rate indicated in the report includes a rate for anticipated employer contributions to the Health Insurance Premium Assistance account for fiscal year 2026/2027, and to the Pennsylvania Employees' Defined Contribution Plan (DC Plan) for anticipated Class T-G, Class T-H and Class DC participants on or after July 1, 2026 and prior to July 1, 2027.

As required under Section 8502(j) of the Retirement Code, experience studies are performed once in every five-year period. This valuation was prepared on the basis of the demographic and economic assumptions that were recommended on the basis of an Experience Review covering the period from July 1, 2015 to June 30, 2020, and adopted by the Board of Trustees at its March 5, 2021, June 11, 2021, and August 6, 2021 meetings. The valuation also reflects the recommended changes to the administrative option factors, which were adopted by the Board at its August 6 meeting and implemented July 1, 2022. As mandated by the Retirement Code, these assumptions will remain in effect for valuation purposes until such time as the Board of Trustees adopts revised assumptions and/or administrative option factors.

This report addresses the funding requirements of PSERS only. Financial reporting required under applicable standards of the Governmental Accounting Standards Board (GASB) are addressed in separate reports.

### **Assets and Membership Data**

The Retirement System provided the individual data for members and DC Plan participants used in the valuation. While we did not audit the data, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements furnished by the Retirement System. The accuracy of the results presented in this report is dependent on the accuracy of the data provided.

### **Funding Adequacy**

The valuation results indicate that the employer contribution rate for fiscal year 2026/2027 is 33.59%, which includes a rate of 0.51% for employer contributions to the DC Plan. This is an estimated average DC contribution rate. The actual employer DC contribution rate applicable to each participating employer will be based on the employer's Class T-G, Class T-H, and Class DC membership/participation.

As of June 30, 2025, the total funded ratio of the plan (for Pensions and Health Insurance Premium Assistance combined) is 66.6%, based on the accrued liability and actuarial value of assets calculated under the funding requirements of Section 8328 of the Retirement Code.

For the eleventh consecutive year, the PSERS Board has certified the full employer contribution rate calculated by the actuary. This follows 15 years in which contributions to the Retirement System were statutorily constrained to be less than the actuarially determined amounts. Receipt of the full actuarially determined employer contribution is an essential step to bring PSERS back to a fully funded status. Full actuarial funding from employers, along with member contributions and investment income, are necessary sources of funds for the amortization of the unfunded liability of the Retirement System.

Unless stated otherwise, references to "funded ratio" and "unfunded accrued liability" are measured using the actuarial value of assets. It should be noted that if the same measurements were made using the market value of assets, different funded ratios and unfunded accrued liabilities would result. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Retirement System if it were to settle (i.e., purchase annuities to cover) a portion or all of its liabilities. Assuming that contributions are made at the level developed in the actuarial valuation and no future experience gains or losses arise, future expected contributions are expected to remain relatively level as a percent of payroll and the Retirement System's funded status is expected to increase.

### **Financial Results and Membership Data**

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuaries prepared supporting schedules included in the Actuarial and Statistical Section of the PSERS Annual Comprehensive Financial Report (ACFR) and also provided historical data schedules included in the Financial Section of the ACFR.

### **Use of Models**

Actuarial Standard of Practice No. 56 (ASOP 56) provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Gallagher uses the following:

- The GEMS<sup>®</sup> Economic Scenario Generator from Conning & Company was used to assess the reasonability of the interest rate used for the valuation. GEMS<sup>®</sup> uses a multifactor model to create internally consistent, realistic economic scenarios (paths) that reflect the current economic environment as a starting point. Asset class correlations may vary from year to year (just as in the real world), as well as from path to path. The model generates results that are not normally distributed, with fatter tails, and should therefore estimate the probabilities of rare events more realistically than a pure mean-variance model.
- Third-party software in the performance of annual actuarial valuations and projections to calculate the liabilities associated with the provisions of the Retirement System using data and assumptions as of the measurement date under the funding methods specified in this report.
- An internally developed model that applies applicable funding methods and policies to the liabilities derived from the output of the third-party software and other inputs, such as System assets and contributions, to generate many of the exhibits found in this report.

Gallagher has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other outputs and the internal model are similarly reviewed in detail and at a high level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software or model. The review is performed by experts within the company who are familiar with applicable funding methods as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed. Significant changes to the internal model that are applicable to multiple clients are generally developed, checked, and reviewed by multiple experts within the company who are familiar with the details of the required changes.

Future actuarial measurements may differ significantly from current measurements due to Retirement System experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in Retirement System provisions or applicable law. Liability models necessarily rely on the use of actuarial assumptions, approximations, and estimates and are sensitive to changes in these actuarial assumptions, approximations and estimates. Small variations in these actuarial assumptions, approximations and estimates may lead to significant changes in actuarial measurements. An analysis of the potential range of such future differences is beyond the scope of this valuation. However, Actuarial Standard of Practice No. 51 (ASOP 51) applies to funding calculations such as those presented in this report and requires certain disclosures of potential risks. Exhibit XI contains an assessment of the key risks applicable to the Retirement System.

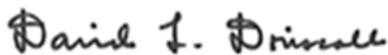
### Reasonability of Assumptions

Actuarial Standard of Practice No. 27 ("ASOP 27") requires the actuary to identify the economic and demographic assumptions that have a significant effect on the measurement and, for those that are prescribed by another party, to provide the information and analysis the actuary performed to determine that the assumption does not significantly differ from what the actuary deems reasonable for the purpose of the measurement. The Board adopted a new set of economic and demographic assumptions for the June 30, 2021 actuarial valuation based on the recommendations outlined by Gallagher in their five-year experience study for the period July 1, 2015 to June 30, 2020. Annually, the actuary reviews the assumptions through discussions with the PSERS staff and analyzing actuarial gain/loss experience. In the case of the Board's selection of the valuation interest rate, or expected return on assets ("EROA"), the actuary has also reviewed the analysis provided by the Retirement System's investment advisors, as well as Gallagher's Financial Risk Management ("FRM") practice, and determined the EROA assumption together with the Retirement System's other economic and demographic assumptions do not conflict with what, in the actuary's professional judgment, is reasonable for the purpose of the measurement.

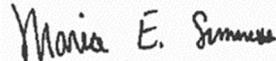
Use of this report for any other purpose than as stated, or by anyone other than the Board of Trustees or the staff of PSERS or employers or its auditors, may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Gallagher should be asked to review any statement to be made on the basis of the results contained in this report. Gallagher will accept no liability for any such statement made without prior review by Gallagher.

David L. Driscoll, Maria E. Simmers, and Matthew Staback are Fellows of the Society of Actuaries and Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions concerning it.

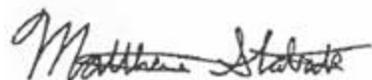
Gallagher Benefit Services, Inc. (hereinafter "Gallagher")



David L. Driscoll, FSA, EA, MAAA, FCA  
Principal, Consulting Actuary



Maria E. Simmers, FSA, EA, MAAA, FCA  
Director, Actuary



Matthew Staback, FSA, EA, MAAA, FCA, CERA  
Senior Consultant, Actuary

# Pennsylvania Public School Employees' Retirement System

## Table of Contents

### Table/Exhibit

Executive Summary.....	1
Table 1 - Summary of Results of Actuarial Valuation as of June 30, 2025.....	11
Table 2 - Summary of Sources of Employer Contribution Rate as of June 30, 2025 .....	12
Table 3 - Determination of Health Insurance Premium Assistance Contribution Rate for Fiscal Year 2026/2027 .....	13
Table 4 - Summary of Market Value of Plan Assets as of June 30, 2025.....	14
Table 5 - Derivation of Actuarial Value of Assets as of June 30, 2025 .....	15
Table 6 - Analysis of Change in Unfunded Accrued Liability as of June 30, 2025.....	16
Table 7 - Schedule of Funding Progress for Pensions.....	17
Table 8 - Solvency Test for Pensions - Comparative Summary of Accrued Liability and Actuarial Value of Assets.....	17
Table 9 - Schedule of Employer Contributions .....	18
Table 10 - History and Projection of Contribution Rates and Funded Ratios.....	19
Table 11 - Description of Actuarial Assumptions and Methods.....	20
Table 12 - Summary of Benefit and Contribution Provisions .....	26
Exhibit I - Member Reconciliation as of June 30, 2025 .....	34
Exhibit II - History of Annuitants, Beneficiaries, Survivor Annuitants and Active Members .....	35
Exhibit III - Summary of Membership Data as of June 30, 2025.....	36
Exhibit IV - Active Membership Data as of June 30, 2025 - Number and Average Annual Salary .....	41
Exhibit V - The Number and Average Annual Annuities as of June 30, 2025 - Retired on Account of Superannuation, Early Retirement and Those in Receipt of Withdrawal Annuities .....	42
Exhibit VI - The Number and Average Annual Annuities as of June 30, 2025 – Beneficiaries and Survivor Annuitants.....	43
Exhibit VII - The Number and Average Annual Annuities as of June 30, 2025 – Retired on Account of Disability.....	44
Exhibit VIII - Annuitant and Beneficiary Membership Data as of June 30, 2025.....	45
Exhibit IX - 10-Year History of Membership Data.....	46
Exhibit X - Detailed Tabulations of the Data.....	48
Exhibit XI - Risk Information .....	62
Exhibit XII - Glossary .....	67

# Executive Summary

This report presents the actuarial valuation as of June 30, 2025, for the Pennsylvania Public School Employees' Retirement System.

The principal valuation results include:

- The employer contribution rate for fiscal year 2026/2027, which is 33.59% (32.52% Pension plus 0.56% Premium Assistance plus 0.51% Act 5-2017 DC contribution).
- The 0.51% Act 5-2017 DC contribution rate is an estimated average employer DC contribution rate. The actual DC contribution rate applicable to each employer will be based on the employer's Class T-G, Class T-H, and Class DC membership/participation.
- The unfunded accrued liability as of June 30, 2025 is \$40.9 billion. The change in unfunded accrued liability from \$42.0 billion in the June 30, 2024 valuation is primarily attributable to:
  - Payment of the full fiscal year 2024/2025 actuarially determined contribution rate
  - Retirement System actuarial experience is a net actuarial loss of \$237 million comprised of the following:
    - Actuarial net experience loss of \$614 million in the year ending June 30, 2025
    - Contribution gain of \$377 million

An analysis of the change in the unfunded accrued liability as of June 30, 2025, is discussed in Table 6.

- The total funded ratio of the Retirement System determined as of June 30, 2025, under the funding requirements of Section 8328 of the Retirement Code, is 66.6%, which is based on the accrued liability and the actuarial value of assets for Pensions and Health Insurance Premium Assistance as of that date. The funded ratio as of June 30, 2024 was 64.8%.
- The Act 120-2010 minimum employer pension rate is the normal cost rate of 5.21%.
- For the eleventh consecutive year, the PSERS Board has certified the full employer contribution rate calculated by the actuary. This follows 15 years in which contributions to the Retirement System were statutorily constrained to be less than the actuarially determined amounts. This is an essential step to bring PSERS back to a fully funded status. Full actuarial funding from employers, along with member contributions and investment income, are necessary sources of funds for the amortization of the unfunded liability of the Retirement System.
- In accordance with the Act 5-2017 Class T-E, Class T-F, Class T-G, and Class T-H "shared-risk" contribution provision, the contribution rates for Class T-E, Class T-F, Class T-G, and Class T-H members are the basic rates of 7.50%, 10.30%, 5.50% and 4.50%, respectively, for the period July 1, 2024 to June 30, 2027.
  - The next Class T-E, Class T-F, Class T-G and Class T-H shared-risk valuation is to be performed for the 10-year period ending June 30, 2026. The Act 5-2017 member shared-risk contribution rates are discussed on page 8.
- Annual disclosures as of June 30, 2025 in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 67 and 68 for Pensions and Statements No. 74 and 75 for the Health Insurance Premium Assistance Program have been provided in separate reports.

The valuation was completed based upon membership and financial data submitted by the Retirement System. Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are included in the valuation report. The actuaries prepared supporting schedules included in the Actuarial and Statistical Section of the PSERS Annual Comprehensive Financial Report (ACFR) and also provided historical data schedules included in the Financial Section of the ACFR.

**Changes Since Last Year**

Legislative and Administrative Changes

The benefit provisions and contribution provisions are summarized in Table 12. There were no legislative or administrative changes since the prior valuation.

Actuarial Assumptions and Methods

The actuarial assumptions and methods are outlined in Table 11. As required under Section 8502(j) of the Retirement Code, experience studies are performed once in every five-year period. This valuation was prepared using demographic, economic, and administrative option factor assumptions that were recommended on the basis of the Experience Review covering the period from July 1, 2015 to June 30, 2020 and adopted by the Board at its March 5, 2021, June 11, 2021, and August 6, 2021 meetings.

There have been no changes in the actuarial assumptions and methods from those used in the prior valuation.

The following is an overview of the economic assumptions since their adoption effective with the June 30, 2021 actuarial valuation:

- Expected rate of return on assets (EROA) of 7.00% - Based on Verus' Capital Market Assumptions, the expected return is 7.3%. Based on Gallagher's 2024 fourth-quarter Capital Market Assumptions, an expected return of approximately 7.5% was developed. Both rates exceed the current 7.00% EROA.
- Payroll growth assumption of 3.25% - The actual increase in the total payroll assumption for the last four valuation years are as follows:

<u>Valuation Year</u>	<u>Contribution for Fiscal Year</u>	<u>Total Payroll</u>	<u>Increase</u>
June 30, 2025	2026/2027	\$16.862 Bil	4.4%
June 30, 2024	2025/2026	\$16.152 Bil	3.6%
June 30, 2023	2024/2025	\$15.590 Bil	2.2%
June 30, 2022	2023/2024	\$15.260 Bil	5.3%
June 30, 2021	2022/2023	\$14.497 Bil	

- Salary increase assumption of an average of 4.5% - The actual average salary increase among full time continuing actives for the fiscal year 2024/2025 was approximately 5.6%.
- While we recognize the System's policy of completing an experience study every five years, these assumptions will be monitored to determine that they do not significantly differ from what the actuary deems reasonable for the purpose of the measurement.

We have reviewed the assumptions and methods used in completing the June 30, 2025 actuarial valuation along with recent experience. We have determined that these assumptions do not significantly conflict with what, in our professional judgement, are reasonable for the purpose of the measurement and are in compliance with the applicable standards. In our professional judgement, the combined effect of the assumptions is expected to have no significant bias.

**Contribution Rates**

The results of the valuation as of June 30, 2025 determine the employer contribution rate for fiscal year 2026/2027. The calculated employer contribution rate for the 2026/2027 fiscal year is 33.59%, and the Board of Trustees certified this rate at its December 11, 2025 meeting. The 33.59% Employer Rate includes a rate of 0.51% for employer DC contributions, which is an average estimated rate based on the assumptions outlined in Table 11 for future Class T-G, Class T-H and Class DC membership/participation. Actual employer DC contributions will be based on each employer’s actual Class T-G, Class T-H, and Class DC membership/participation.

The average base contribution rate payable by the members is 7.22%. The average base member contribution rate of 7.22% is a pay-weighted average of member rates that vary based on date of hire and Class membership. Effective January 1, 2002, the employee base contribution rate for members who elected to have prior school service and intervening military service converted to Class T-D service increased by 1.25% to 7.50%. Anyone who enrolled after July 1, 2001 and before July 1, 2011 is a member of Class T-D. Any employee who becomes a member after June 30, 2011 and prior to July 1, 2019 is a Class T-E member or, alternatively, may elect to become a Class T-F member. The base contribution rate for Class T-E members is 7.50% of compensation. The base contribution rate for Class T-F members is 10.30% of compensation. Any employee who becomes a member after June 30, 2019, is a Class T-G member or, alternatively, may elect to become a Class T-H member or a Class DC participant. The base contribution rate for Class T-G members is 5.50% for the defined benefit plan and 2.75% for the defined contribution plan and for Class T-H members is 4.50% for the defined benefit plan and 3.00% for the defined contribution plan. Class DC participants contribute 7.50% to the defined contribution plan.

In accordance with Act 5-2017, Class T-E, Class T-F, Class T-G and Class T-H members are subject to a “shared-risk” employee contribution rate, as discussed on page 8.

**Reasons for Change in the Employer Rate Calculated by the Actuary**

The employer contribution rate calculated by the actuary decreased from 34.00% for fiscal year 2025/2026 to 33.59% for fiscal year 2026/2027. The reconciliation of the employer contribution rates by source is as follows:

• FY 2025/2026 employer contribution rate	34.00%
• Decrease due to change in employer normal cost rate	(0.24)
• Net decrease due to total employer payroll growth and liability experience <sup>1</sup>	(0.24)
• Increase due to actuarial loss on assets	0.04
• Increase in Act 5-2017 DC employer contribution rate	0.09
• Change in health insurance premium assistance contribution rate	<u>(0.06)</u>
• FY 2026/2027 employer contribution rate	33.59%

1. Reflects increase in total employer payroll and liability losses.

## Summary of Principal Results

Summarized below are the principal financial results for the Public School Employees' Retirement System based upon the actuarial valuation as of June 30, 2025. Comparable results from the June 30, 2024 valuation are also shown.

Item	June 30, 2025	June 30, 2024
<b>Demographics</b>		
Active Members		
• Number <sup>1</sup>	261,669	255,652
• Average Annual Pay	\$ 63,142	\$ 61,319
Annuitants		
• Number <sup>2</sup>	254,735	253,896
• Average Annual Benefit Payment	\$ 26,522	\$ 26,392
<b>Contribution Rates (as a Percentage of Payroll)</b>		
	(Fiscal Year 2026/2027)	(Fiscal Year 2025/2026)
Employer Contribution Rate:		
• Total Pension Rate Calculated by Actuary <sup>3</sup>	32.52%	32.96%
• Health Insurance Premium Assistance Contribution Rate	0.56	0.62
• Act 5-2017 DC Employer Contribution Rate <sup>4</sup>	<u>0.51</u>	<u>0.42</u>
• Total Contribution Rate	33.59%	34.00%
• Total Contribution Rate Certified by Board	33.59%	34.00%
• Member Average Base Contribution Rate	<u>7.22</u>	<u>7.29</u>
• Total Rate	40.81%	41.29%
<b>Funded Status<sup>5</sup></b>		
• Accrued Liability	\$ 122,362.0 Mil	\$ 119,300.0 Mil
• Actuarial Value of Assets	81,451.8	77,318.2
• Market Value of Assets	82,764.6	76,629.4
• Unfunded Accrued Liability		
• Actuarial Value of Assets	\$ 40,910.2	\$ 41,981.8
• Market Value of Assets	39,597.4	42,670.6
• Funded Ratio		
• Actuarial Value of Assets	66.6%	64.8%
• Market Value of Assets	67.6%	64.2%

1. Includes 948 and 834 Class DC participants as of June 30, 2025 and June 30, 2024, respectively.
2. Excludes 2,352 and 2,483 beneficiaries as of June 30, 2025 and June 30, 2024, respectively, who are only entitled to a pending lump sum distribution.
3. The Act 120-2010 minimum pension rate is 5.21% for the June 30, 2025 valuation and is 5.45% for the June 30, 2024 valuation.
4. Average DC contribution rate. Actual rate will vary by employer based on Class T-G, Class T-H, and Class DC membership/participation.
5. Pensions and Health Insurance Premium Assistance combined.

## Five-Year History of Principal Financial Results

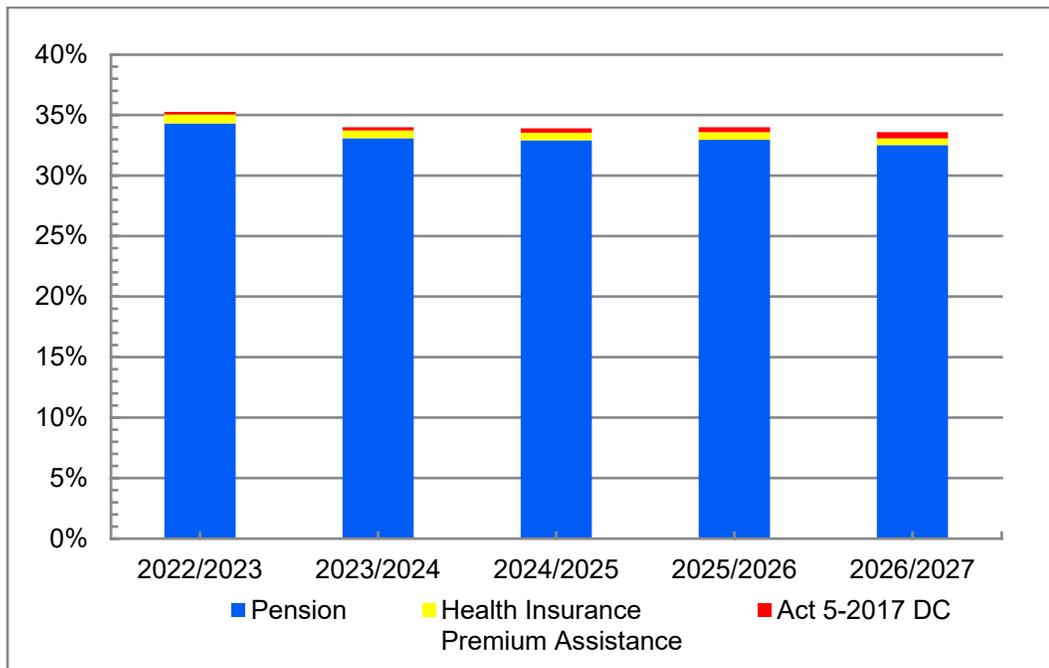
### Five-Year History of Contribution Rates (As a % of Payroll)

Fiscal Year	Member Contributions	Employer Contributions					
		Normal Cost	Unfunded Accrued Liability	Health Insurance Premium Assistance	Act 5-2017 DC Employer Rate <sup>1</sup>	Preliminary Employer Contribution	Final Employer Contribution <sup>2</sup>
2026/2027	7.22%	5.21%	27.31%	0.56%	0.51%	33.59%	33.59%
2025/2026	7.29	5.45	27.51	0.62	0.42	34.00	34.00
2024/2025	7.37	5.68	27.24	0.63	0.35	33.90	33.90
2023/2024	7.44	5.86	27.23	0.64	0.27	34.00	34.00
2022/2023	7.52	6.07	28.24	0.75	0.20	35.26	35.26

1. Average DC contribution rate. Actual rate will vary by employer based on Class T-G, Class T-H and Class DC membership/participation.
2. Certified by the Board.

The following chart shows a five-year history of employer contribution rates:

**Five-Year History of Employer Contribution Rates**



## Funded Ratio

The financing objective of the Retirement System is to:

- Fully fund all current costs based on the normal contribution rate determined under the funding method; and
- Liquidate the unfunded accrued liability based on level-percent-of-pay amortization schedules required by the Retirement Code as amended by Act 120-2010, i.e., a schedule of 24 years for the unfunded accrued liability as of June 30, 2010 and each change in the unfunded accrued liability due to actuarial experience after the June 30, 2010 valuation. Any legislation after June 30, 2010, that increases the liability due to benefit enhancements will be funded over 10 years based on level-percent-of-pay amortization.
- As directed by Act 120-2010, the minimum employer pension contribution rate will be the normal cost rate.
- Fully fund the employer contribution to the DC Plan.

The total contribution rate of 33.59% of payroll payable by employers, when taken together with the contributions payable by the members, current assets, and expected future asset returns, is sufficient to achieve the financing objective.

The Retirement System's total funded ratio on this funding basis is measured by comparing the actuarial value of assets (based on a 10-year moving average market value) to the accrued liability. The accrued liability for pensions is the present value of benefits accumulated to date under the Retirement System's funding method and reflects future pay increases for active employees. The accrued liability for Health Insurance Premium Assistance equals the assets in the Health Insurance account.

On this basis, the Retirement System's total funded ratio (for Pensions and Health Insurance Premium Assistance combined) is 66.6% as of June 30, 2025. This funded ratio is based on an actuarial value of assets of \$81.45 billion and an accrued liability of \$122.36 billion. The funded ratio for Pensions alone is 66.5% as of June 30, 2025, based on an actuarial value of assets of \$81.32 billion and an accrued liability of \$122.23 billion.

### Reasons for Change in the Total Funded Ratio

The total funded ratio increased from 64.8% as of June 30, 2024, to 66.6% as of June 30, 2025. Employers have been contributing the full actuarially determined contributions since the fiscal year ending June 30, 2017. In addition, the Retirement System received member and employer contributions that were greater than anticipated amounts, which were offset by a net demographic experience loss and returns less than expected on assets measured at actuarial value.

Table 6 provides an analysis of the change in the unfunded accrued liability as of June 30, 2025.

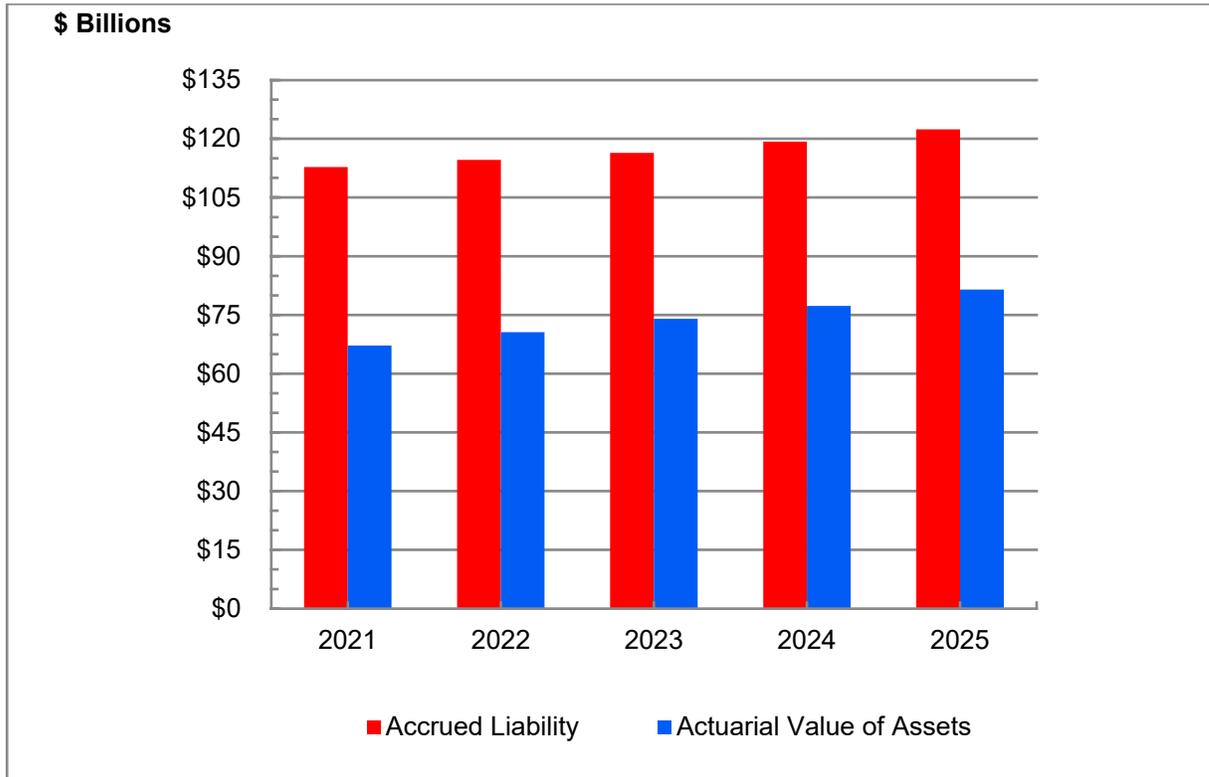
**Five-Year History of Total Funded Ratio<sup>1</sup>**  
 (\$ Amounts in Millions)

Valuation as of June 30	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2025	\$ 122,362.0	\$ 81,451.8	\$ 40,910.2	66.6%
2024	119,300.0	77,318.2	41,981.8	64.8
2023	116,383.9	74,044.1	42,339.8	63.6
2022	114,612.3	70,646.8	43,965.5	61.6
2021	112,783.3	67,248.7	45,534.6	59.6

1. For Pensions and Health Insurance Premium Assistance (under the funding provisions of the Retirement Code).

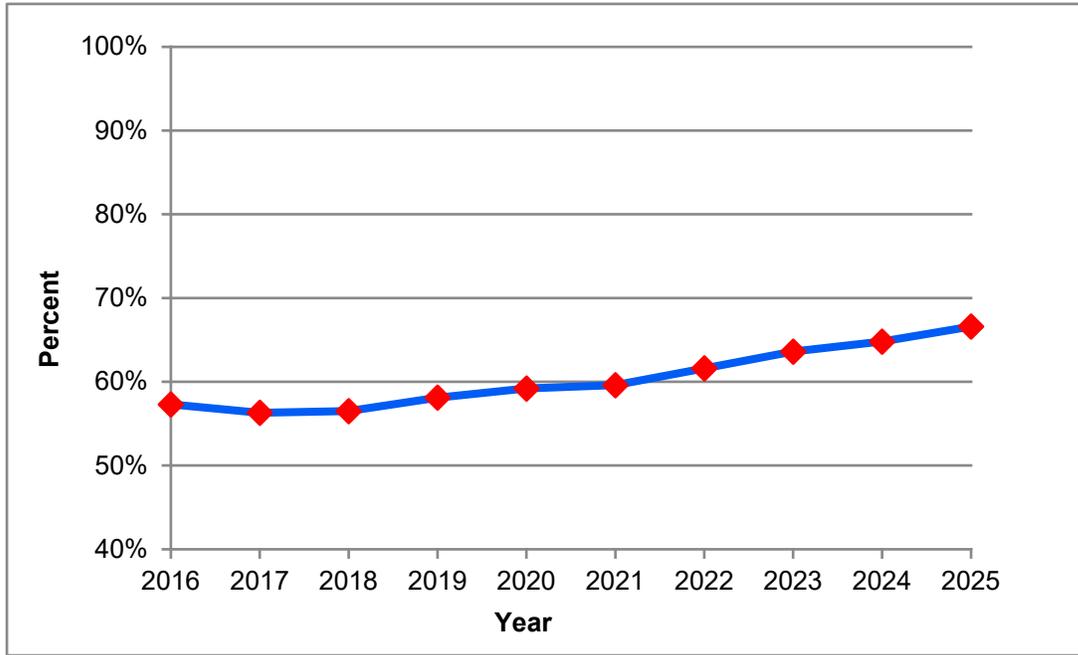
The following chart shows a five-year history of the accrued liability and the actuarial value of assets:

**Five-Year History of Accrued Liability and Actuarial Value of Assets**



The following chart shows a ten-year history of the total funded ratio based on actuarial value of assets for Pensions and Health Insurance Premium Assistance:

**Ten-Year History of Total Funded Ratio (2016 – 2025)**



**Act 5-2017 Class T-E, Class T-F, Class T-G and Class T-H shared-risk contributions**

Commencing with the annual actuarial valuation for the period ending June 30, 2014, and every three years thereafter, the Board compares the actual investment rate of return, net of fees, to the annual interest rate adopted by the Board for the calculation of the normal contribution rate, based on the market value of assets, for the prior ten-year period. Until the Retirement System has accumulated a ten-year period of investment rate of return experience following June 30, 2011, the look-back period used in this calculation will begin not earlier than June 30, 2011. If the annual interest rate adopted by the Board for the calculation of the normal contribution rate is changed during the period used to determine the shared-risk contribution rate, the Board, with the advice of the actuary, shall determine the applicable rate during the entire period, expressed as an annual rate.

The shared-risk contribution rates of Class T-E, Class T-F, Class T-G, and Class T-H members are determined as follows:

- If the actual time-weighted investment rate of return, net of fees, is less than the annual interest rate adopted by the Board by an amount of 1.00% or more, the shared-risk contribution rate of Class T-E and Class T-F members will increase by 0.50% and the shared-risk contribution rate for Class T-G and Class T-H members will increase by 0.75%.

If the actual time-weighted investment rate of return, net of fees, is equal to or exceeds the annual interest rate adopted by the Board by less than 1.00%, the shared-risk contribution rate of Class T-E and Class T-F members will decrease by 0.50% and the shared-risk contribution rate for Class T-G and Class T-H members will decrease by 0.75% provided the total member contribution rate on the date of the actuarial valuation is above the member’s basic contribution rate.

- If the actual time-weighted investment rate of return, net of fees, is more than the annual interest rate adopted by the Board by an amount of 1.00% or more, the shared-risk contribution rate of Class T-E and Class T-F members will decrease by 0.50% and the shared-risk contribution rate for Class T-G and Class T-H members will decrease by 0.75%.

If the actual time-weighted investment rate of return, net of fees, is equal to or below the annual interest rate adopted by the Board by less than 1.00%, the shared-risk contribution rate of Class T-E and Class T-F members will increase by 0.50% and the shared-risk contribution rate for Class T-G and Class T-H members will increase by 0.75% provided the total member contribution rate on the date of the actuarial valuation is below the member's basic contribution rate.

The total member contribution rate for Class T-E members shall not be less than 5.50%, nor more than 9.50%. The total member contribution rate for Class T-F members shall not be less than 8.30%, nor more than 12.30%. The total member pension contribution rate for Class T-G members shall not be less than 2.50% nor more than 8.50% and the total member pension contribution rate for Class T-H members shall not be less than 1.50% nor more than 7.50%.

If the Retirement System's total funded ratio based on the actuarial value of assets is at least 100% as of the shared-risk valuation date, the shared-risk contribution rate shall not be greater than zero. There shall be no increase in the member contribution rate if there has not been an equivalent increase to the employer contribution rate over the previous three-year period ending on the shared-risk valuation date. For any fiscal year in which the employer contribution rate is lower than the final contribution rate under section 8328(h), the total member contribution rate for Class T-E, T-F, T-G, and T-H members shall be prospectively reset to the basic contribution rate provided the total member contribution rate is at or above the basic contribution rate. Shared-risk member contributions for Class T-E, Class T-F, Class T-G, and Class T-H service shall not be made in any fiscal year in which the Commonwealth fails to make the annually required contribution to the Retirement System as provided under section 8328.

In accordance with Section 8328 of the Retirement Code, member shared-risk contributions cannot be used to offset the employer normal contribution rate. Instead, any increase or decrease in the unfunded accrued liability due to member shared-risk contributions shall be recognized as part of the Retirement System's actuarial experience and amortized as a level percentage of compensation over a period of 24 years beginning with the second July 1 following the actuarial valuation in which the shared-risk contribution was recognized.

The next Class T-E, Class T-F, Class T-G and Class T-H "shared-risk" valuation is to be performed for the ten-year period ending June 30, 2026.

## Rate of Return

The investment return of the trust fund (i.e., total return including both realized and unrealized gains and losses) for fiscal years 2015/2016 through 2024/2025 is shown in the table below.

The rate of return on market value reflects the investment earnings on the market value of assets from the beginning of the fiscal year to the end of the fiscal year.

<b>Fiscal Year</b>	<b>Rate of Return Based on Market Value<sup>1</sup></b>
2024/2025	9.7%
2023/2024	8.1
2022/2023	3.5
2021/2022	2.2
2020/2021	24.6
2019/2020	1.1
2018/2019	6.7
2017/2018	9.3
2016/2017	10.2
2015/2016	1.3

1. Rates are time-weighted and provided by PSERS' investment consultant.

**Table 1**

**Summary of Results of Actuarial Valuation as of June 30, 2025**  
 (\$ Amounts in Thousands)

Item	June 30, 2025	June 30, 2024
<b>Member Data</b>		
1. Number of Members		
a) Active Members	260,721	254,818
b) Class DC Participants	948	834
c) Vestees <sup>1</sup>	26,030	26,331
d) Annuitants, Beneficiaries and Survivor Annuitants <sup>2</sup>	<u>254,735</u>	<u>253,896</u>
e) Total	542,434	535,879
2. Annualized Salaries (\$ Amounts in Thousands) <sup>3</sup>	\$ 16,522,255	\$ 15,676,376
3. Annual Annuities (\$ Amounts in Thousands)	\$ 6,755,973	\$ 6,700,704
<b>Valuation Results</b>		
4. Present Value of Future Pension Benefits		
a) Active Members	\$ 72,188,079	\$ 69,133,979
b) Inactive Members	471,139	450,553
c) Vestees	3,021,375	2,810,205
d) Annuitants, Beneficiaries and Survivor Annuitants	<u>63,265,217</u>	<u>63,319,486</u>
e) Total	\$138,945,810	\$135,714,223
5. Present Value of Future Pension Normal Cost		
a) Active Members	\$ 10,331,873	\$ 10,018,443
b) Employer	<u>6,385,303</u>	<u>6,532,262</u>
c) Total	\$ 16,717,176	\$ 16,550,705
6. Pension Accrued Liability		
a) Active Members (4a) - (5c)	\$ 55,470,903	\$ 52,583,274
b) Inactive Members	471,139	450,553
c) Vestees	3,021,375	2,810,205
d) Annuitants, Beneficiaries and Survivor Annuitants	<u>63,265,217</u>	<u>63,319,486</u>
e) Total	\$122,228,634	\$119,163,518
7. Health Insurance Assets for Premium Assistance	\$ 133,377	\$ 136,448
8. Total Accrued Liability for Funding (6) + (7)	\$122,362,011	\$119,299,966
9. Actuarial Value of Assets	\$ 81,451,814	\$ 77,318,150
10. Funded Status (9) / (8)	66.6%	64.8%
11. Unfunded Accrued Liability (8) - (9)	\$ 40,910,197	\$ 41,981,816
12. Total Normal Cost Rate	12.43%	12.74%
13. Member Contribution Rate	7.22%	7.29%
14. Employer Normal Cost Rate (12) - (13)	5.21%	5.45%
<b>Employer Annual Funding Requirement</b>		
15. Employer Contribution Rate Calculated by Actuary		
a) Normal Cost	5.21%	5.45%
b) Unfunded Accrued Liability	<u>27.31</u>	<u>27.51</u>
c) Preliminary Pension Rate = (15a) + (15b)	32.52%	32.96%
d) Health Insurance Premium Assistance	0.56	0.62
e) Act 5-2017 DC <sup>4</sup>	<u>0.51</u>	<u>0.42</u>
f) Total Rate <sup>5</sup> = (15c) + (15d) + (15e)	33.59%	34.00%

1. Excludes 167,664 and 163,365 inactive members and non-members as of June 30, 2025 and June 30, 2024, respectively, who are no longer participating and are valued for their accumulated deductions only.
2. Excludes 2,352 and 2,483 beneficiaries as of June 30, 2025 and June 30, 2024, respectively, who are only entitled to a pending lump sum distribution.
3. The salaries shown represent an annual rate of pay for members and Class DC participants who were in active service on the valuation date.
4. Average DC contribution rate. Actual rate will vary by employer based on Class T-G, Class T-H, and Class DC membership/participation.
5. The Act 120-2010 minimum pension rate for the June 30, 2025 valuation is 5.21% and for the June 30, 2024 valuation is 5.45%.

**Table 2**

**Summary of Sources of Employer Contribution Rate as of June 30, 2025**  
 (\$ Amounts in Thousands)

	Funding Period (Years)	Beginning July 1	Initial Liability	6/30/2025 Outstanding Balance	Annual Payment	
					Amount	Percent <sup>1</sup>
1. Amortization of:						
a) Act 120-2010 Fresh Start Unfunded Accrued Liability and Asset Method Change	24	2011	\$ 16,279,283	\$ 14,937,514	\$ 1,927,508	11.43 %
b) 2010 Experience	24	2011	3,419,297	3,125,428	403,299	2.39
c) 2011 Experience	24	2012	564,642	533,919	63,689	0.38
d) 2011 Assumption Changes	24	2012	4,592,397	4,342,524	518,002	3.07
e) 2012 Experience	24	2013	2,372,550	2,323,680	258,343	1.53
f) 2013 Experience	24	2014	2,707,494	2,727,792	284,604	1.69
g) 2014 Experience	24	2015	2,170,432	2,236,385	220,252	1.31
h) 2015 Experience	24	2016	1,941,277	2,035,514	190,181	1.13
i) 2016 Experience	24	2017	2,666,236	2,826,030	251,580	1.49
j) 2016 Assumption Changes	24	2017	2,521,326	2,672,435	237,907	1.41
k) 2017 Experience	24	2018	1,433,915	1,535,371	130,730	0.78
l) 2017 Act 5-2017	24	2018	(6,867)	(7,353)	(626)	0.00
m) 2018 Experience	24	2019	348,881	376,113	30,733	0.18
n) 2019 Experience	24	2020	(527,527)	(570,873)	(44,900)	(0.27)
o) 2020 Experience	24	2021	291,214	315,501	23,949	0.14
p) 2021 Experience	24	2022	(785,001)	(847,415)	(62,230)	(0.37)
q) 2021 Assumption Changes	24	2022	2,772,127	2,992,537	219,758	1.30
r) 2022 Experience	24	2023	(1,036,865)	(1,118,139)	(79,609)	(0.47)
s) 2023 Experience	24	2024	(609,249)	(655,031)	(45,305)	(0.27)
t) 2024 Experience	24	2025	832,996	891,306	59,994	0.36
u) 2025 Experience	24	2026	236,959	<u>236,959</u>	<u>16,529</u>	<u>0.10</u>
Total				\$ 40,910,197	\$ 4,604,388	27.31 %
2. Employer Normal Cost Rate						5.21
3. Pension Rate (1) + (2) <sup>2</sup>						32.52 %
4. Health Insurance Premium Assistance Rate						0.56
5. Act 5-2017 DC Rate <sup>3</sup>						0.51
6. Final Total Employer Contribution Rate Calculated by Actuary: (3) + (4) + (5)						33.59 %

1. Based on Estimated Employer Payroll for Fiscal Year Ending 2027 of \$16,862,000.

2. Cannot be less than the Act 120-2010 Fiscal Year 2027 Minimum Employer Pension Rate (Employer Normal Cost Rate) of 5.21%.

3. Average DC contribution rate. Actual rate will vary by employer based on Class T-G, Class T-H, and Class DC membership/participation.

**Table 3**

**Determination of Health Insurance Premium Assistance Contribution Rate for Fiscal Year 2026/2027**  
(\$ Amounts in Thousands)

<b>Item</b>				
1.	June 30, 2025 Balance in Health Insurance Premium Assistance Account		\$	133,377
2.	Estimated Fiscal 2025/2026 Contribution			
	(a) Contribution Rate Certified in 2024 Valuation			0.62%
	(b) Estimated Fiscal 2025/2026 payroll		\$	<u>16,736,000</u>
	(c) Estimated Contribution = (a) x (b)		\$	103,763
3.	Estimated Number of Annuitants who:	Are Eligible	Elect Percent	Elect Coverage
	(a) Fiscal 2025/2026	158,600	58.00%	91,988
	(b) Fiscal 2026/2027	160,300	58.00%	92,974
	(c) Fiscal 2027/2028	161,800	58.00%	93,844
4.	Estimated Disbursements:	Administration	Assistance	Total
	(a) Fiscal 2025/2026	\$ 1,162	\$ 110,386	\$ 111,548
	(b) Fiscal 2026/2027	1,197	111,569	112,766
	(c) Fiscal 2027/2028	<u>1,233</u>	<u>112,613</u>	<u>113,846</u>
	(d) Total	\$ 3,592	\$ 334,568	\$ 338,160
5.	Required Fiscal 2026/2027 Contribution (4d) - (1) - (2c); includes interest through 6/30/2026		\$	93,842
6.	Required Health Insurance Premium Assistance Contribution Rate			
	(a) Estimated 2026/2027 Payroll		\$	16,862,000
	(b) Required Health Insurance Premium Assistance Contribution Rate (5) / (6a) (rounded up)			0.56%

Notes:

1. Current estimates of fiscal 2025/2026 membership payroll and administrative expenses, and of fiscal 2026/2027 and fiscal 2027/2028 administrative expenses, were provided by PSERS staff.
2. Beginning in fiscal year 2025/2026, 58% of eligible annuitants are assumed to elect coverage.
3. Premium Assistance payments equal \$100 per month per electing eligible annuitant.

**Table 4**

**Summary of Market Value of Plan Assets as of June 30, 2025**

(\$ Amounts in Thousands)

<b>Market Value</b>	
1. Market Value of Assets as of June 30, 2024	\$ 76,629,442
2. Contributions During Fiscal 2024/2025	6,762,705
3. Disbursements During Fiscal 2024/2025	7,896,309
4. Investment Return During Fiscal 2024/2025	
a) Investment Return (Net of Investment Expenses)	\$ 7,329,024
b) Administrative Expenses	<u>60,275</u>
c) Investment Return After Expenses (a) - (b)	\$ 7,268,749
5. Market Value of Assets as of June 30, 2025 (1) + (2) - (3) + (4c)	\$ 82,764,587
6. Rate of Return <sup>1</sup>	9.67%
<b>Asset Allocation by Account</b>	
1. Members' Savings Account	\$ 20,324,242
2. Annuity Reserve Account	63,265,217
3. State Accumulation Account	(958,249)
4. Health Insurance Account	<u>133,377</u>
5. Total (1) + (2) + (3) + (4)	\$ 82,764,587

1. The rate of return is provided for informational purposes only. The source of the investment return is PSERS's audited financial statements.

**Table 5**

**Derivation of Actuarial Value of Assets as of June 30, 2025**  
(\$ Amounts in Thousands)

1.	Market Value of Assets as of June 30, 2025						\$ 82,764,587
2.	Determination of Deferred Gain (Loss)						
			Return on Assets				
	<u>Fiscal Year</u>	<u>Actual</u>	<u>Expected</u>	<u>Difference</u>	<u>Recognized Amount</u>	<u>% Deferred</u>	<u>Deferred Amount</u>
	2024/2025	\$ 7,268,749	\$ 5,372,594	\$ 1,896,155	\$ 189,616	90.00%	\$ 1,706,539
	2023/2024	5,654,004	5,138,372	515,632	51,563	80.00	412,505
	2022/2023	2,744,862	4,904,830	(2,159,968)	(215,997)	70.00	(1,511,978)
	2021/2022	(317,211)	4,668,244	(4,985,455)	(498,546)	60.00	(2,991,273)
	2020/2021	14,704,125	4,588,063	10,116,062	1,011,606	50.00	5,058,031
	2019/2020	955,651	4,395,438	(3,439,787)	(343,979)	40.00	(1,375,915)
	2018/2019	3,580,178	4,179,951	(599,773)	(59,977)	30.00	(179,932)
	2017/2018	4,666,466	4,115,904	550,562	55,056	20.00	110,112
	2016/2017	4,948,659	4,101,830	846,829	84,683	10.00	84,684
	2015/2016	426,974	4,220,500	<u>(3,793,526)</u>	<u>(379,352)</u>	0.00	<u>0</u>
				\$ (1,053,269)	\$ (105,327)		\$ 1,312,773
3.	Preliminary Actuarial Value of Assets <sup>1,2</sup> (1) - (2)						\$ 81,451,814
4.	70% of the Market Value of Assets (1) x 70%						\$ 57,935,211
5.	130% of the Market Value of Assets (1) x 130%						\$ 107,593,963
6.	Actuarial Value of Assets: (3) not less than (4) and not greater than (5)						\$ 81,451,814

1. The amounts reported include assets for both Pension and Health Insurance Premium Assistance.
2. The rate of return on the actuarial value of assets was 6.86%. This investment return is based on the change in the actuarial value of assets from the June 30, 2024 valuation to the June 30, 2025 valuation. The actuarial value of assets developed above is a rolling ten-year average. The impact of investment gains and losses is not fully realized in the year the gain or loss arose but is smoothed in over a ten-year period.

**Table 6**

**Analysis of Change in Unfunded Accrued Liability as of June 30, 2025<sup>1</sup>**  
 (\$ Amounts in Thousands)

Item	Amount
1. Unfunded Accrued Liability at June 30, 2024	\$ 41,981,816
2. Interest Credit to June 30, 2025	2,938,727
3. Expected Contributions Toward Unfunded Accrued Liability	<u>4,247,305</u>
4. Expected Unfunded Accrued Liability at June 30, 2025 (1) + (2) - (3)	\$ 40,673,238
5. Actual Unfunded Accrued Liability at June 30, 2025	<u>40,910,197</u>
6. Increase (Decrease) from Expected (5) - (4)	\$ 236,959
7. Reasons for Increase (Decrease)	
(a) Experience Losses (Gains)	
(i) Loss from Investment Return on Actuarial Value of Assets	\$ 105,327
(ii) Loss from New Entrants and Pickups	310,505
(iii) Loss from Salary Increases Greater than Expected	247,436
(iv) Loss from Mortality Experience	4,448
(v) Gain from Terminations (retirement/disability/terminations) Experience	(118,740)
(vi) Loss from Data/Miscellaneous	<u>65,174</u>
(vii) Subtotal - Experience Losses (Gains)	\$ 614,150
(b) Actual contributions greater than expected	<u>(377,191)</u>
(c) Total	\$ 236,959

1. The amounts reported include assets and liabilities for Pensions only.

**Table 7**

**Schedule of Funding Progress for Pensions<sup>1</sup>**  
(\$ Amounts in Thousands)

Valuation as of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll <sup>2</sup>	Unfunded Accrued Liability as a Percentage of Covered Payroll
2025	\$ 81,318,437	\$ 122,228,634	\$ 40,910,197	66.5 %	\$ 16,482,368	248.2 %
2024	77,181,702	119,163,518	41,981,816	64.8	15,643,059	268.4
2023	73,903,408	116,243,213	42,339,805	63.6	14,995,870	282.3
2022	70,511,293	114,476,801	43,965,508	61.6	14,397,002	305.4
2021	67,116,157	112,650,825	45,534,668	59.6	14,057,526	323.9
2020	63,798,937	107,833,399	44,034,462	59.2	13,974,295	315.1

1. The amounts reported above include assets and liabilities for Pensions only, and excludes assets and liabilities for Premium Assistance.
2. The salaries shown represent an annual rate of pay for the year ended June 30th for members who were in active service on June 30th.

The above schedule is not required by current GASB standards for pension plans. The information is provided for historical perspective as PSERS has transitioned to GASB Statement No. 67.

**Table 8**

**Solvency Test for Pensions**  
**Comparative Summary of Accrued Liability and Actuarial Value of Assets**  
(\$ Amounts in Thousands)

Valuation as of June 30	(1)	(2)	(3)	Actuarial Value of Assets	Portion of Accrued Liability Covered by Valuation Assets		
	Active Member Contributions	Retirees and Beneficiaries	Active Member Employer Financed		(1)	(2)	(3)
2025	\$ 20,324,242	\$ 63,265,217	\$ 38,639,175	\$ 81,318,437	100%	96%	0%
2024	19,630,600	63,319,486	36,213,432	77,181,702	100	91	0
2023	19,188,548	62,344,050	34,710,615	73,903,408	100	88	0
2022	18,802,945	61,869,159	33,804,697	70,511,293	100	84	0
2021	18,156,350	61,168,172	33,326,303	67,116,157	100	80	0
2020	17,558,412	58,415,383	31,859,604	63,798,937	100	79	0

**Table 9****Schedule of Employer Contributions for Pensions**  
(\$ Amounts in Thousands)

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contributions Related to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Percentage Contributed
2025	\$ 5,436,968	\$ 5,436,968	\$ 0	100.0%
2024	5,249,563	5,249,563	0	100.0
2023	5,237,092	5,237,092	0	100.0
2022	4,985,571	4,985,571	0	100.0
2021	4,752,338	4,752,338	0	100.0

Valuation date: Actuarially determined contributions are calculated as of the June 30 preceding the fiscal year in which contributions are made. That is, the contribution calculated as of the June 30, 2025 actuarial valuation will be made during the fiscal year ended June 30, 2027.

**Schedule of Employer Contributions For Postemployment Benefits Other Than Pensions**  
(\$ Amounts in Thousands)

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contributions Related to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Percentage Contributed
2025	\$ 111,484	\$ 102,903	\$ 8,581	92.3%
2024	113,769	101,879	11,890	89.5
2023	119,084	114,358	4,726	96.0
2022	147,312	116,773	30,539	79.3
2021	133,971	116,365	17,606	86.9

Valuation date: Actuarially determined contributions are calculated as of the June 30 preceding the fiscal year in which contributions are made. That is, the contribution calculated as of the June 30, 2025 actuarial valuation will be made during the fiscal year ended June 30, 2027.

The Actuarially Determined Contribution is based on the Entry Age Normal Accrued Liability and assets as of the valuation date and a 30-year amortization of the unfunded accrued liability. See the Information Required Under Governmental Accounting Standards Board Statement No. 74 as of June 30, 2025 (published September 11, 2025) for additional information.

**Table 10**

**History and Projection of Contribution Rates and Funded Ratios**

Fiscal Year Ending June	Budgeted Total Employer Payroll (thousands)	Contribution Rates <sup>1</sup>								Funded Ratio
		Employee	Employer Normal Cost	Employer Unfunded Liability	Preliminary Employer Pension	Final Employer Pension <sup>2</sup>	Act 5-2017 Employer DC <sup>6</sup>	Employer Health Insurance	Total Employer	
2016 <sup>3</sup>	\$ 13,375,000	7.49%	8.38%	19.44%	27.82%	25.00%		0.84%	25.84%	57.3%
2017	13,549,000	7.52	8.31	20.89	29.20	29.20		0.83	30.03	56.3
2018 <sup>4</sup>	13,449,000	7.54	7.70	24.04	31.74	31.74		0.83	32.57	56.5
2019	13,775,000	7.57	7.59	25.01	32.60	32.60		0.83	33.43	58.1
2020	13,880,000	7.59	7.49	25.87	33.36	33.36	0.09%	0.84	34.29	59.2
2021	14,078,000	7.61	7.37	26.14	33.51	33.51	0.18	0.82	34.51	59.6
2022	14,289,000	7.56	7.20	26.79	33.99	33.99	0.15	0.80	34.94	61.6
2023 <sup>5</sup>	14,497,000	7.52	6.07	28.24	34.31	34.31	0.20	0.75	35.26	63.6
2024	15,260,000	7.44	5.86	27.23	33.09	33.09	0.27	0.64	34.00	64.8
2025	15,590,000	7.37	5.68	27.24	32.92	32.92	0.35	0.63	33.90	<b>66.6</b>
2026	16,152,000	7.29	5.45	27.51	32.96	32.96	0.42	0.62	34.00	*
<b>2027</b>	<b>16,862,000</b>	<b>7.22</b>	<b>5.21</b>	<b>27.31</b>	<b>32.52</b>	<b>32.52</b>	<b>0.51</b>	<b>0.56</b>	<b>33.59</b>	*

1. In general, the Preliminary Employer Pension Rate equals the sum of the rates for the Employer Normal Cost and the Unfunded Liability; and the Final Employer Pension Rate is the greater of the Preliminary Pension Rate and any Pension Rate Floor or Collar stated in the Retirement Code. The Total Employer Rate is the sum of the Final Employer Pension Rate, Act 5-2017 Employer DC Rate and the Employer Health Insurance Premium Assistance Rate.
2. The Final Employer Pension rate is limited by the Act 2010-120 pension rate collars for fiscal years 2014 through 2016.
3. Actuarial assumptions based on a five-year experience review ended June 30, 2010, were used to determine the contributions for the fiscal years ending June 30, 2013, and thereafter, which include an interest rate of 7.50%.
4. Revised actuarial assumptions based on a five-year experience review ended June 30, 2015, were used to determine the contributions for the fiscal years ending June 30, 2018, and thereafter, which include an interest rate of 7.25%.
5. Revised actuarial assumptions based on a five-year experience review ended June 30, 2020, were used to determine the contributions for the fiscal years ending June 30, 2023, and thereafter, which include an interest rate of 7.00%.
6. Act 5-2017 new member assumptions:

<u>Valuation</u>	<u>Class T-G</u>	<u>Class T-H</u>	<u>Class DC</u>
2018-2019	65%	30%	5%
After 2019	98%	1%	1%

The above rate is an average DC contribution rate. Actual rate will vary by employer based on Class T-G, Class T-H, and Class DC membership/participation.

\*Not available

**Table 11**

**Description of Actuarial Assumptions and Methods**

**Assumptions**

**Interest Rate:** 7.00% per annum, compounded annually. The components are 2.50% for inflation and 4.50% for the real rate of return. Actuarial equivalent benefits are determined based on an interest rate of 4.00% per year (since 1960) except, in accordance with Act 5-2017, an interest rate of 7.00% per year is used for Class T-E, Class T-F, Class T-G, and Class T-H members' Option 4 partial withdrawal of accumulated member contributions and certain Class T-G and Class T-H early retirement factors.

**Separation from Service:** Illustrative rates of assumed separation from service are shown in the following table.

Age	Class T-C and Class T-D Annual Rate of:						
	Withdrawal			Death <sup>1</sup>	Disability	Early Retirement <sup>2</sup>	Superannuation Retirement
	Less Than Five Years of Service	Five Years but Less Than 10 Years of Service	10 or More Years of Service				
<b>MALES</b>							
25	21.83%	9.22%	4.55%	.022%	.01%		
30	14.93	3.84	4.55	.029	.01		
35	15.17	3.77	1.68	.038	.04		
40	16.04	4.44	1.42	.053	.06		
45	15.12	5.17	1.41	.082	.11		19.0%
50	15.81	4.96	1.89	.129	.23		19.0
55	15.54	4.96	3.63	.194	.37	14.5%	25.0
60	13.85	6.37	5.49	.289	.37	14.5	29.0
65				.447	.11		23.0
70				.699	.08		20.0
75				1.076	.08		25.0
79				1.701	.08		25.0
<b>FEMALES</b>							
25	18.33%	7.47%	3.90%	.008%	.01%		
30	15.16	5.92	3.90	.013	.02		
35	14.66	5.68	2.83	.019	.03		
40	12.86	5.16	1.67	.030	.06		
45	12.82	5.25	1.60	.046	.11		16.0%
50	13.02	5.23	2.08	.069	.18		16.0
55	13.43	5.31	3.66	.102	.29	14.5%	16.0
60	13.81	7.53	5.94	.154	.24	15.0	31.0
65				.251	.07		28.0
70				.431	.09		23.0
75				.766	.09		25.0
79				1.239	.09		25.0

1. These base mortality tables will then be projected on a generational basis using the Buck Modified scale MP-2020. Refer to the pre-retirement mortality description below.
2. Early Retirement – Age 55 with 25 years of service, but not eligible for Superannuation retirement.

**Table 11**  
(Continued)

**Description of Actuarial Assumptions and Methods**

Age	Class T-E, Class T-F, Class T-G and Class T-H Annual Rate of:					
	Withdrawal		Death <sup>1</sup>	Disability	Early Retirement <sup>2</sup>	Superannuation Retirement
	Less Than 10 Years of Service	10 or More Years of Service				
<b>MALES</b>						
25	17.02%	4.55%	.022%	.01%		
30	11.25	4.55	.029	.01		
35	12.09	1.68	.038	.04		
40	13.14	1.42	.053	.06		
45	13.87	1.41	.082	.11		
50	13.67	1.89	.129	.23		
55	11.91	3.63	.194	.37	14.5%	16.3%
60	11.19	5.49	.289	.37	14.5	16.3
65	11.19		.447	.11		16.3
70	11.19		.699	.08		16.3
75	11.19		1.076	.08		16.3
79	11.19		1.701	.08		16.3
<b>FEMALES</b>						
25	14.54%	3.90%	.008%	.01%		
30	11.68	3.90	.013	.02		
35	12.39	2.83	.019	.03		
40	11.53	1.67	.030	.06		
45	10.99	1.60	.046	.11		
50	10.72	2.08	.069	.18		
55	10.75	3.66	.102	.29	14.5%	19.5%
60	11.62	5.94	.154	.24	15.0	19.5
65	11.62		.251	.07		19.5
70	11.62		.431	.09		19.5
75	11.62		.766	.09		19.5
79	11.62		1.239	.09		19.5

1. These base mortality tables will then be projected on a generational basis using the Buck Modified scale MP-2020. Refer to the pre-retirement mortality description below.
2. Early Retirement – prior to eligibility for Superannuation retirement.

**Death before Retirement:**

Male participants: 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 Employee (Total General Employees dataset) Amount Weighted Male Tables, with a 99.0% adjustment, generationally projected with Buck Modified scale MP-2020.

Female participants: 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 Employee (Total General Employees dataset) Amount Weighted Female Tables, with an 88.6% adjustment, generationally projected with Buck Modified scale MP-2020.

**Table 11**  
(Continued)

**Description of Actuarial Assumptions and Methods**

**Death after Retirement:**

Male annuitants: 50% PubT-2010 Retiree (Total Teacher dataset) and 50% PubG-2010 Retiree (Total General Employees dataset) Amount Weighted Male Tables, with a 99.7% adjustment, generationally projected with Buck Modified scale MP-2020.

Female annuitants: 50% PubT-2010 Retiree (Total Teacher dataset) and 50% PubG-2010 Retiree (Total General Employees dataset) Amount Weighted Female Tables, with a 95.4% adjustment, generationally projected with Buck Modified scale MP-2020.

Male disabled annuitants: Pub-2010 Disability Mortality Non-Safety Amount Weighted Male Table, with a 105.4% adjustment, generationally projected with Buck Modified scale MP-2020.

Female disabled annuitants: Pub-2010 Disability Mortality Non-Safety Amount Weighted Female Table, with a 95.0% adjustment, generationally projected with Buck Modified scale MP-2020.

Male contingent annuitants: Pub-2010 Contingent Survivor Amount Weighted Male Table, with a 106.0% adjustment, generationally projected with Buck Modified scale MP-2020.

Female contingent annuitants: Pub-2010 Contingent Annuitant Amount Weighted Female Table, with a 116.2% adjustment, generationally projected with Buck Modified scale MP-2020.

For determination of actuarial equivalence, a unisex table based on 25% males and 75% females blend of the Board approved base mortality tables to be used for actuarial valuations beginning June 30, 2021, generationally projected to 2025 with the Buck Modified MP-2020 improvement scale.

**Salary Increase:** Effective average of 4.50% per annum, compounded annually. The components are 2.50% for inflation, and 2.00% for real wage growth and merit or seniority increases. Representative values are as follows:

Age	Annual Rate of Salary Increase
20	9.65%
30	7.15
40	5.15
50	3.15
55	2.75
60	2.75
65	2.75
Over 65	2.75

**Payroll Growth:** A 3.25% per annum payroll growth assumption is used to liquidate the unfunded accrued liability based on level-percent-of-pay amortization schedules required by the Retirement Code as amended by Act 120-2010 and Act 5-2017, i.e., a schedule of 24 years for the unfunded accrued liability as of June 30, 2010, and each change in the unfunded accrued liability due to actuarial experience after the June 30, 2010 valuation. Any legislation after June 30, 2010 that increases the liability due to benefit enhancements will be funded over 10 years based on level-percent-of-pay amortization.

**Table 11**  
(Continued)

**Description of Actuarial Assumptions and Methods**

**MISCELLANEOUS:**

**Option 4 - Refund of Contributions Elections:** 75% of Class T-C and Class T-D and 50% of Class T-E, Class T-F, Class T-G, and Class T-H members are assumed to elect a refund of contributions and a reduced annuity.

**Withdrawal Annuity:** 50% of members are assumed to commence payment immediately and 50% are assumed to defer payment to superannuation age.

**Optional Forms of Annuity Payment at Retirement:** Anticipated active member elections of optional forms of payment at retirement as follows:

- 45% will elect Maximum Straight Life Annuity (MSLA)
- 25% will elect OPTION 1 (Straight life annuity with guaranteed payments equal to present value of MSLA)
- 20% will elect OPTION 2 (100% Joint and Survivor with males 3 years older than females)
- 10% will elect OPTION 3 (50% Joint and Survivor with males 3 years older than females)
- 0% will elect OPTION 4 annuity

**Optional Forms of Payment Factors:** Actuarial equivalent benefits are determined based on a statutorily specified interest rate of 4.00% per year or 7.00% per annum, as applicable. The mortality basis is a blend of 25% males and 75% females blend of the Board approved base mortality tables to be used for actuarial valuations beginning June 30, 2021, generationally projected to 2025 with the Buck Modified MP-2020 improvement scale.

**Health Insurance Premium Assistance:**

Elections: 58% of eligible retirees are assumed to elect premium assistance.

Administrative Expenses: Assumed equal to \$1,162,000 for fiscal year 2025/2026, \$1,197,000 for fiscal year 2026/2027 and \$1,233,000 for fiscal year 2027/2028.

**Summary of Changes since the June 30, 2024 Valuation:**

Beginning in fiscal year 2026/2027, 58% of eligible retirees are assumed to elect premium assistance.

Assumed administrative expenses for the Health Insurance Premium Assistance Plan changed from \$1,324,000 to \$1,162,000 for fiscal year 2025/2026, from \$1,363,000 to \$1,197,000 for fiscal year 2026/2027, and the amount of \$1,233,000 was added for the fiscal year 2027/2028.

**Methods**

**Calculations:** The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the Retirement System, and on actuarial assumptions that are internally consistent and reasonable based on the actual experience of the Retirement System.

**Asset Valuation Method:** A ten-year moving market average value of assets that recognizes the 7.00% (7.25% prior to June 30, 2021 and 7.50% prior to June 30, 2016) actuarial expected investment return immediately and spreads the difference between the actual return on the market value of assets and the expected return on the actuarial value of assets over a period of ten years. The actuarial value of assets can be no less than 70% and no more than 130% of the market value of assets.

**Table 11**  
(Continued)

**Description of Actuarial Assumptions and Methods**

**Actuarial Cost Method for Pension Funding:** Entry Age Normal Cost Method (modified slightly as of June 30, 2005 to use a pay-weighted average normal contribution rate). The gross normal cost rate is determined as of the valuation date. It is the ratio of the gross normal cost amount to the anticipated total salary during the first year, which is adjusted to the beginning of the year by one-half of the effective average salary increase assumption of 4.50% per annum. This method produces a gross normal cost rate that is consistent with the Retirement System's past annual valuations.

The results of each June 30 valuation determine the employer contribution rate for the second succeeding fiscal year. Act 120-2010 revised the funding method effective with the June 30, 2010 valuation. Act 120-2010 mandated that the outstanding balance of the unfunded accrued liability as of June 30, 2010, including changes in the unfunded accrued liability due to the funding reforms of Act 120-2010, be amortized over a 24-year period, as a level percent of pay, beginning July 1, 2011. Future valuation gains and losses, and changes in the unfunded accrued liability resulting from changes in actuarial assumptions and methods, are amortized over a 24-year period, as a level percent of pay. As provided by Act 5-2017, future increases in the unfunded accrued liability due to benefit enhancement legislation will be amortized over 10-year periods, as a level percent of pay. Act 120-2010 also modified the employer pension contribution requirements by imposing collars on the rate for fiscal years ending June 30, 2012, June 30, 2013, and on or after June 30, 2014; the pension contribution rate was limited to 3.0%, 3.5% and 4.5%, respectively, of total compensation of all active members, greater than the prior year's final contribution rate. Beginning with the fiscal year ending June 30, 2017, the actuarially required contribution rate was less than the collared rate and the final contribution rate was the actuarially determined contribution rate. However, as provided by Act 120-2010, the final contribution rate cannot be less than the employer normal contribution rate.

In accordance with Act 5-2017, member shared-risk contributions cannot be used to offset the employer normal contribution rate. Instead, any increase or decrease in the unfunded accrued liability due to member shared-risk contributions shall be recognized as part of the Retirement System's actuarial experience and amortized as a level percentage of compensation over a period of 24 years beginning with the July 1 second succeeding the actuarial valuation in which the shared-risk contribution was recognized.

In the actuary's professional judgment, the Retirement System's funding policy meets the Actuarial Standard of Practice No. 4 standards for a reasonable Actuarially Determined Contribution.

**Actuarial Cost Method for Health Insurance Premium Assistance Funding:** The actuarial liability equals the assets in the health insurance account, and the results of the June 30 valuation determine the contribution rate for the second succeeding fiscal year. The rate so determined is the rate necessary to establish reserves sufficient to cover administrative expenses and provide premium assistance payments for all participating eligible annuitants during the third fiscal year that follows the valuation date.

**Employer DC contributions:** An average DC contribution rate is determined based on the anticipated employer contributions for DC participants and Retirement System appropriation payroll for the second succeeding fiscal year after the June 30 valuation date. It is assumed that among new employees hired on or after July 1, 2025 that 98% will become Class T-G members, 1% will become Class T-H members and 1% will become Class DC participants. The actual rate will vary by employer based on their respective Class T-G, Class T-H, and Class DC membership/participation.

**Data**

**Census and Assets:** The pension valuation was based on members of the Retirement System as of June 30, 2025 and does not take into account future members. All census data was supplied by the Retirement System and was subject to reasonable consistency checks. The actuaries adjust the data to account for service and pay earned by members on or before the valuation that is not reported by the Retirement System until after the actuarial valuation is performed. Asset data was supplied by the Retirement System.

**Table 11**  
(Continued)

**Description of Actuarial Assumptions and Methods**

**30-Year Historical Interest Rate Assumption:**

<b>June 30 Valuation</b>	<b>Interest Rate</b>	<b>June 30 Valuation</b>	<b>Interest Rate</b>	<b>June 30 Valuation</b>	<b>Interest Rate</b>
2024	7.00%	2014	7.50%	2004	8.50%
2023	7.00	2013	7.50	2003	8.50
2022	7.00	2012	7.50	2002	8.50
2021	7.00	2011	7.50	2001	8.50
2020	7.25	2010	8.00	2000	8.50
2019	7.25	2009	8.00	1999	8.50
2018	7.25	2008	8.25	1998	8.50
2017	7.25	2007	8.50	1997	8.50
2016	7.25	2006	8.50	1996	8.50
2015	7.50	2005	8.50	1995	8.50

**Table 12**

**Summary of Benefit and Contribution Provisions**

**Membership**

For valuation purposes, all employees are considered to be full coverage members. All employees who become members on and after January 1, 1966 are members of the dual coverage group. Dual coverage members contribute to both PSERS and to Social Security.

**Benefits**

**Superannuation Annuity**

**Eligibility** Age 62, or age 60 with 30 years of service, or 35 years of service regardless of age. For Class T-E and Class T-F members, age 65 with a minimum of three years of service credit, or any combination of age and service that totals 92 with at least 35 years of credited service. For Class T-G members, age 67 with a minimum of three years of service, or any combination of age and service that totals 97 with at least 35 years of credited service. For Class T-H members, age 67 with a minimum of three years of service credit.

**Amount**

<b>Class</b>	<b>Accrual</b>	<b>Final Average Salary</b>
T-C	2.00%	For any 3 years of service
T-D	2.50%	For any 3 years of service
T-E	2.00%	For any 3 years of service
T-F	2.50%	For any 3 years of service
T-G	1.25%	For any 5 years of service
T-H	1.00%	For any 5 years of service

Based on the above table, Accrual Rate times the Final Average Salary times years of school service and intervening military service. Minimum of \$100 per year of service. The "final average salary" means the highest average annual salary.

Annual salary is subject to a limit of \$200,000, as adjusted under Section 401(a)(17) of the Internal

**Table 12**

(Continued)

**Summary of Benefit and Contribution Provisions**

Revenue Code. As of June 30, 2025, the adjusted limit is \$350,000.

For members who elect coverage under Class T-D, the maximum benefit is equal to the limit established by Section 415 of the Internal Revenue Code.

For Class T-E, Class T-F, Class T-G and Class T-H members, the maximum benefit is equal to the lesser of the limit established by Section 415 of the Internal Revenue Code or 100% of final average salary.

**Early Retirement Annuity**

Eligibility

Age 55 with 25 years of service. For Class T-G members, age 57 with 25 years of service.

Amount

Accrued benefit as of date of retirement, reduced 1/4% for each month by which commencement of payments precedes Superannuation Age.

For members who elect coverage under Class T-D, the maximum benefit is equal to the limit established by Section 415 of the Internal Revenue Code.

For Class T-E, Class T-F, Class T-G and Class T-H members, the maximum benefit is equal to the lesser of the limit established by Section 415 of the Internal Revenue Code or 100% of final average salary.

**Withdrawal Annuity**

Eligibility

Class T-C and Class T-D members: 5 years of service.  
Class T-E, Class T-F, Class T-G and Class T-H members: 10 years of service.

Amount

Accrued benefit deferred to superannuation retirement age or an actuarially reduced benefit payable immediately. For Class T-C, Class T-D, Class T-E and Class T-F members, PSERS early retirement factors are based on the statutory interest rate of 4.00%. For Class T-G and T-H members with less than 25 years of service, PSERS early retirement factors from age 62 to superannuation are based on the statutory interest rate of 4.00%. From commencement age to age 62, PSERS early retirement factors are based on the assumed long-term return on plan assets as adopted by the Board.

**Table 12**  
(Continued)

**Summary of Benefit and Contribution Provisions**

**Disability Annuity**

Eligibility	5 years of service.
Amount	The standard single life annuity if the total number of years of credited service is greater than 16.667, otherwise the standard single life annuity multiplied by the lesser of the following ratios: $(Y^*/Y)$ or $(16.667/Y)$ where Y is the number of years of credited service and Y* is the total years of credited service if the member were to continue as a school employee until superannuation retirement age (or at current age, if later). For Class T-G and Class T-H members, the standard single life annuity for this provision is based on a 2.00% accrual rate. Minimum of \$100 per year of service.

**Return of Contributions**

Eligibility	Death or separation from service and member does not qualify for other benefits.
Amount	Refund of accumulated deductions includes interest (less annuity payments received prior to death in the case of a retired member).

**Death Benefit**

Eligibility	Death of an active member or vestee who was eligible to receive an annuity.
Amount	The present value of the annuity that would have been effective if the member retired on the day before death. Option 1 assumed payable if no other option elected.

**Table 12**  
(Continued)

**Summary of Benefit and Contribution Provisions**

**Normal and Optional Forms of Benefits**

- Normal Form (Maximum): Life annuity with a guaranteed payment equal to member contributions with interest.
- Option 1: Reduced benefit with refund of balance of present value of annuity at retirement over payments received. If balance is less than \$5,000, benefit is paid in lump sum; otherwise, beneficiary may elect annuity and/or lump sum.
- Option 2: Joint and 100% survivorship annuity.
- Option 3: Joint and 50% survivorship annuity.
- Option 4: Benefit of equivalent actuarial value, including lump sum payment of member contributions.

**Contributions**

By Members

Regular member contribution:

<b>Class</b>	<b>Enrollment</b>	<b>Contribution Rate</b>
Members who did not elect Class T-D	Prior to July 22, 1983	5.25%
Members who did not elect Class T-D	After to July 21, 1983 but prior to July 1, 2001	6.25%
T-D	Prior to July 22, 1983	6.50%
T-D	After to July 21, 1983	7.50%
T-E		7.50%
T-F		10.30%
T-G		5.50%
T-H		4.50%

**Table 12**

(Continued)

**Summary of Benefit and Contribution Provisions**

Shared-Risk contribution:

Class T-E, Class T-F, Class T-G and Class T-H members are subject to a shared-risk employee contribution rate. Members benefit when investments of the fund are doing well and share some of the risk when investments underperform. The member contribution rate will stay within the specified range allotted for Class T-E, Class T-F, Class T-G or Class T-H members but could increase or decrease every three years starting July 1, 2015, depending on investment performance.

1. If the investment rate of return (less investment fees) is equal to or exceeds the assumed rate of return by more than 1.00% based on the prior 10-year period:

<b>Class</b>	<b>Decrease in Contribution Rate</b>	<b>Minimum Contribution Rate</b>
T-E	0.50%	5.50%
T-F	0.50%	8.30%
T-G	0.75%	2.50%
T-H	0.75%	1.50%

Provided the total member contribution rate is less than the member's basic contribution rate, if the investment rate of return (less investment fees) is less than the assumed rate of return by less than 1.00% based on the prior 10-year period:

<b>Class</b>	<b>Increase in Contribution Rate</b>
T-E	0.50%
T-F	0.50%
T-G	0.75%
T-H	0.75%

**Table 12**

(Continued)

**Summary of Benefit and Contribution Provisions**

2. If the investment rate of return (less investment fees) is less than assumed rate of return by more than 1.00% based on the prior 10-year period:

<b>Class</b>	<b>Increase in Contribution Rate</b>	<b>Maximum Contribution Rate</b>
T-E	0.50%	9.50%
T-F	0.50%	12.30%
T-G	0.75%	8.50%
T-H	0.75%	7.50%

Provided the total member contribution rate is greater than the member's basic contribution rate, if the investment rate of return (less investment fees) is equal to or exceeds the assumed rate of return by less than 1.0% based on the prior 10-year period:

<b>Class</b>	<b>Decrease in Contribution Rate</b>
T-E	0.50%
T-F	0.50%
T-G	0.75%
T-H	0.75%

If the Retirement System is fully funded at the time of the comparison, the increase in member contribution rate shall not be greater than zero. There shall be no increase in the member contribution rate if there has not been an equivalent increase in the employer contribution rate over the previous three-year period. For any fiscal year in which the employer contribution rate is lower than the final contribution rate under section 8328(h), the total member contribution rate shall be prospectively reset to the basic contribution rate provided the total member contribution rate is at or above the basic contribution rate. Shared-risk member contributions shall not be made in any fiscal year in which the Commonwealth fails to make the

**Table 12**

(Continued)

**Summary of Benefit and Contribution Provisions**

annually required contribution to the Retirement System as provided under section 8328.

Until a full 10-year look back period is available, the investment return measurement period will begin on July 1, 2011.

By Commonwealth and Employers

Balance of required contribution determined as normal contribution, accrued liability contribution, supplemental annuity contribution, experience adjustment factor, premium assistance contribution, and the DC Plan contribution, is funded by the Commonwealth and the Employers.

**Defined Contribution (DC) Plan**

Eligibility

All employees who become members on or after July 1, 2019 also become participants of the DC Plan.

Eligibility Point

A participant earns one eligibility point for each fiscal year (12-month period beginning July 1) in which school service is rendered and the participant makes a DC participant contribution to the PSERS DC Plan.

Participant and Employer Contribution Rate:

<b>Class</b>	<b>Participant</b>	<b>Employer</b>
T-G	2.75%	2.25%
T-H	3.00%	2.00%
DC	7.50%	2.00%

Vesting

Participant contribution: 100% vested

Employer contribution: 100% vested after accumulating three eligibility points

Benefit

Based on the amount of contributions in the account and any investment performance less expenses.

Death Benefit

Beneficiary will be entitled to receive a distribution of the participant's vested balance in the DC Plan account.

**Table 12**

(Continued)

**Summary of Benefit and Contribution Provisions**

**Health Insurance Premium Assistance**

Eligibility

Retired members who:

- (a) have 24½ or more years of service, or
- (b) are disability annuitants, or
- (c) have 15 or more years of service and who both terminated school service and retired after attaining superannuation age and
- (d) participate in the PSERS Health Options Program or in an employer-sponsored health insurance program.

Class DC participants who terminate employment, are eligible for Medicare, have received all or part of their individual investment account and who:

- (a) have 24½ or more eligibility points, or
- (b) have 15 or more eligibility points and who both terminated school service and retired after attaining age 67 and
- (c) participate in the PSERS Health Options Program or in an employer-sponsored health insurance program.

Amount

Participating eligible annuitants receive health insurance premium assistance payments from the Health Insurance Account equal to the lesser of \$100 per month or the actual monthly premium. All administrative expenses necessary to operate the health insurance premium assistance program are to be funded by the Health Insurance Account. The Health Insurance Account is credited with contributions of the Commonwealth and the employers.

**Exhibit I**

**Member Reconciliation as of June 30, 2025**

	<b>Active Members and Class DC Participants</b>	<b>Annuitants, Beneficiaries, and Survivor Annuitants<sup>1</sup></b>	<b>Vestee and Inactive Members</b>	<b>Total</b>
Count as of June 30, 2024	255,652	253,896	189,696	699,244
Changes due to:				
Termination – Pension	(2,359)	-	2,359	-
Termination – Class DC	(141)	-	-	(141)
Inactive	(10,183)	-	10,183	-
Refund	(2,022)	-	(6,633)	(8,655)
Retirements	(5,704)	7,268	(1,564)	-
Disability	(139)	180	(41)	-
Deaths	(266)	(7,379)	(402)	(8,047)
Rehire	6,401	(198)	(6,203)	-
Benefits expired/waived	(11)	(144)	(24)	(179)
Transfer to SERS	(2)	-	(79)	(81)
New records - Pension	20,202	1,177	6,318	27,697
New records – Class DC	251	-	-	251
Data corrections	(10)	(65)	84	9
<b>Total changes</b>	<b>6,017</b>	<b>839</b>	<b>3,998</b>	<b>10,854</b>
Count as of June 30, 2025	261,669	254,735	193,694	710,098

<sup>1</sup>Excludes 2,352 and 2,483 beneficiaries as of June 30, 2025 and June 30, 2024, respectively, who are only entitled to a pending lump sum distribution.

**Exhibit II**

**History of Annuitants, Beneficiaries, Survivor Annuitants and Active Members<sup>1</sup>**

Valuation as of June 30	Annuitants	Beneficiaries and Survivor Annuitants	Total Annuitants, Beneficiaries and Survivor Annuitants	Active Members
2016	214,019	10,809	224,828	257,080
2017	218,886	11,128	230,014	255,945
2018	221,879	11,409	233,288	256,362
2019	225,479	11,860	237,339	255,749
2020	227,542	12,072	239,614	256,246
2021	230,135	12,704	242,839	248,091
2022	233,801	13,100	246,901	247,873
2023	236,286	13,438	249,724	250,820
2024	239,943	13,953	253,896	254,818
<b>2025</b>	<b>240,517</b>	<b>14,218</b>	<b>254,735</b>	<b>260,721</b>

<sup>1</sup>Excludes inactive members, non-members, beneficiaries who are only entitled to a pending lump sum distribution, Class DC participants, and vestees.

**Exhibit III**

**Summary of Membership Data as of June 30, 2025**  
(\$ Amounts in Thousands)

**Total Active Members<sup>1</sup> and Class DC Participants**

Item	Male	Female	Total
Number of Members/Participants	72,515	189,154	261,669
Total Annual Salaries <sup>8</sup>	\$ 4,833,516	\$ 11,688,739	\$ 16,522,255
Average Age <sup>9</sup>	45.5	45.2	45.3
Average Service <sup>9</sup>	11.9	11.8	11.9

1. Excludes 193,694 inactive members, non-members and vestees.

**Class T-C Members<sup>2</sup>**

Item	Male	Female	Total
Number of Members	485	1,329	1,814
Total Annual Salaries <sup>8</sup>	\$ 41,384	\$ 94,467	\$ 135,851
Average Age <sup>9</sup>	55.2	56.6	56.2
Average Service <sup>9</sup>	26.6	25.4	25.7

2. Excludes 25,654 inactive members, non-members and vestees.

**Class T-D Members<sup>3</sup>**

Item	Male	Female	Total
Number of Members	32,348	86,816	119,164
Total Annual Salaries <sup>8</sup>	\$ 2,922,005	\$ 6,867,712	\$ 9,789,717
Average Age <sup>9</sup>	50.6	50.9	50.8
Average Service <sup>9</sup>	21.0	19.8	20.1

3. Excludes 72,755 inactive members, non-members and vestees.

**Class T-E Members<sup>4</sup>**

Item	Male	Female	Total
Number of Members	12,088	33,340	45,428
Total Annual Salaries <sup>8</sup>	\$ 683,795	\$ 1,821,353	\$ 2,505,148
Average Age <sup>9</sup>	44.6	43.8	44.0
Average Service <sup>9</sup>	7.8	8.3	8.2

4. Excludes 45,511 inactive members and non-members.

**Class T-F Members<sup>5</sup>**

Item	Male	Female	Total
Number of Members	3,302	8,352	11,654
Total Annual Salaries <sup>8</sup>	\$ 235,594	\$ 543,870	\$ 779,464
Average Age <sup>9</sup>	43.8	42.5	42.9
Average Service <sup>9</sup>	9.2	8.8	8.9

5. Excludes 3,843 inactive members and non-members.

**Exhibit III**

(Continued)

**Summary of Membership Data as of June 30, 2025**  
(\$ Amounts in Thousands)

**Class T-G Members<sup>6</sup>**

Item	Male	Female	Total
Number of Members	23,913	58,270	82,183
Total Annual Salaries <sup>8</sup>	\$ 932,807	\$ 2,318,094	\$ 3,250,901
Average Age <sup>9</sup>	39.1	37.7	38.1
Average Service <sup>9</sup>	1.9	2.2	2.2

6. Excludes 45,792 inactive members and non-members.

**Class T-H Members<sup>7</sup>**

Item	Male	Female	Total
Number of Members	92	386	478
Total Annual Salaries <sup>8</sup>	\$ 4,430	\$ 16,858	\$ 21,288
Average Age <sup>9</sup>	37.0	37.4	37.3
Average Service <sup>9</sup>	3.7	3.9	3.8

7. Excludes 139 inactive members and non-members.

**Class DC Participants**

Item	Male	Female	Total
Number of Participants	287	661	948
Total Annual Salaries <sup>8</sup>	\$ 13,501	\$ 26,386	\$ 39,887
Average Age <sup>9</sup>	46.6	42.4	43.7
Average Service <sup>9</sup>	2.7	3.0	2.9

8. Salaries represent an annual rate of pay for the year ended June 30, 2025 for members and Class DC participants who were in active service on June 30, 2025.

9. Average completed years of age and service.

**Normal Cost Rate by Class**

	Class	T-C	T-D	T-E	T-F	T-G	T-H	DC
1.	Total DB Normal Cost	11.94%	15.08%	9.99%	12.77%	6.27%	4.97%	n/a
2.	Member Normal Cost	6.24%	7.50%	7.50%	10.30%	5.50%	4.50%	n/a
3.	Employer DC Normal Cost	n/a	n/a	n/a	n/a	2.25%	2.00%	2.00%
4.	Total Employer Normal Cost [1. - 2. + 3.]	5.70%	7.58%	2.49%	2.47%	3.02%	2.47%	2.00%

**Exhibit III**  
(Continued)

**Summary of Membership Data as of June 30, 2025**

**Total Annuitants and Beneficiaries<sup>1</sup>**

Item	Number	Annual Annuities <sup>2</sup> (Thousands)	Average Annuities	Average Age
Annuitants				
Normal	133,906	\$ 3,970,815	\$ 29,654	74.9
Early and Withdrawal	<u>98,198</u>	<u>2,350,725</u>	23,939	69.7
Total	232,104	\$ 6,321,540	27,236	72.7
Survivors and Beneficiaries	14,218	244,307	17,183	76.5
Disabled Annuitants	<u>8,413</u>	<u>190,126</u>	22,599	67.7
Total	254,735	\$ 6,755,973	26,522	72.7

**New Annuitants and Beneficiaries**

**Who Retired Between July 1, 2024 and June 30, 2025**

Item	Number <sup>3</sup>	Annual Annuities <sup>2</sup> (Thousands)	Average Annuities	Average Age
Annuitants (Normal, Early and Withdrawal)	7,307	\$ 199,029	\$ 27,238	62.4
Survivors and Beneficiaries	1,137	22,769	20,026	74.1
Disabled Annuitants	<u>181</u>	<u>6,159</u>	34,028	54.2
Total	8,625	\$ 227,957	26,430	63.8

1. The median annual benefit payable to all annuitants and beneficiaries is \$21,191.
2. The annuities shown in the tables above represent the annual amount payable as of July 1, 2025.
3. Excludes 18 members who retired after June 30, 2024 but died prior to June 30, 2025.

**Exhibit III**

(Continued)

**Distribution of Annuitants, Beneficiaries, and Survivors by Annual Pension Amount  
As of June 30, 2025**

1. All annuitants, beneficiaries, and survivors

Annual Pension Amount	Number	Average Years of Service
Under \$10,000	85,627	12
\$10,000 - \$19,999	37,235	21
\$20,000 - \$29,999	27,532	26
\$30,000 - \$39,999	30,374	29
\$40,000 - \$49,999	31,339	31
\$50,000 - \$59,999	22,020	33
\$60,000 - \$69,999	11,388	34
\$70,000 - \$79,999	5,232	35
\$80,000 - \$89,999	1,955	36
\$90,000 - \$99,999	950	36
\$100,000 or more	1,083	37
Total	254,735	23

2. Excludes annuitants, beneficiaries, and survivors with no service on file

Annual Pension Amount	Number	Average Years of Service
Under \$10,000	85,510	12
\$10,000 - \$19,999	37,223	21
\$20,000 - \$29,999	27,530	26
\$30,000 - \$39,999	30,373	29
\$40,000 - \$49,999	31,339	31
\$50,000 - \$59,999	22,020	33
\$60,000 - \$69,999	11,386	34
\$70,000 - \$79,999	5,232	35
\$80,000 - \$89,999	1,955	36
\$90,000 - \$99,999	950	36
\$100,000 or more	1,083	37
Total	254,601	23

**Exhibit III**  
(Continued)

**Distribution of Annuitants, Beneficiaries, and Survivors by Class Membership  
As of June 30, 2025**

<b>Status</b>	<b>Class Membership</b>							<b>Total</b>
	<b>TC</b>	<b>TD</b>	<b>TE</b>	<b>TF</b>	<b>TG</b>	<b>TH</b>	<b>Missing Class</b>	
Annuitants (Normal, Early and Withdrawal)	38,062	190,279	3,022	608	133	0	0	232,104
Disabled Annuitants	1,899	6,336	136	40	2	0	0	8,413
Survivors and Beneficiaries*	N/A	N/A	N/A	N/A	N/A	N/A	14,218	14,218
<b>Total</b>	<b>39,961</b>	<b>196,615</b>	<b>3,158</b>	<b>648</b>	<b>135</b>	<b>0</b>	<b>14,218</b>	<b>254,735</b>

\* Class membership for survivors and beneficiaries is not provided on the data used for the valuation.

**Exhibit IV**

**Active Membership Data as of June 30, 2025  
Number and Average Annual Salary\***

Age	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 25</b>	10,276	88								10,364
	\$34,182	\$40,806								\$34,238
<b>25-29</b>	16,250	3,770	31							20,051
	\$45,224	\$61,558	\$52,552							\$48,307
<b>30-34</b>	10,541	9,504	3,043	24						23,112
	\$41,160	\$66,335	\$72,981	\$64,442						\$55,726
<b>35-39</b>	9,787	6,559	9,581	4,422	42					30,391
	\$37,365	\$63,966	\$77,415	\$85,324	\$67,492					\$62,752
<b>40-44</b>	9,603	5,380	4,948	13,487	5,178	35				38,631
	\$35,369	\$58,067	\$76,119	\$90,359	\$96,888	\$72,548				\$71,227
<b>45-49</b>	7,984	4,888	3,606	5,946	12,435	3,484	14			38,357
	\$33,163	\$51,147	\$67,314	\$87,245	\$98,230	\$101,446	\$66,525			\$74,357
<b>50-54</b>	6,493	4,542	3,603	4,259	6,008	10,340	2,253	36		37,534
	\$32,880	\$47,227	\$58,885	\$75,443	\$91,931	\$100,843	\$102,464	\$80,123		\$74,339
<b>55-59</b>	5,037	3,694	3,410	4,377	4,604	4,702	4,377	563	16	30,780
	\$32,259	\$44,808	\$51,158	\$63,065	\$78,010	\$93,205	\$101,806	\$94,993	\$71,775	\$67,451
<b>60-64</b>	3,634	2,638	2,469	3,319	3,626	2,389	989	609	124	19,797
	\$28,623	\$39,598	\$46,843	\$53,974	\$62,363	\$70,926	\$81,731	\$92,834	\$75,732	\$52,816
<b>Over 64</b>	3,651	2,080	1,432	1,371	1,292	991	433	242	212	11,704
	\$20,512	\$30,925	\$38,147	\$48,104	\$54,227	\$56,264	\$62,725	\$71,870	\$85,066	\$38,294
<b>Total</b>	83,256	43,143	32,123	37,205	33,185	21,941	8,066	1,450	352	260,721
	\$36,574	\$55,557	\$66,671	\$79,525	\$88,404	\$93,986	\$97,369	\$89,858	\$81,173	\$63,218

\* Does not include 948 Class DC participants.

**Exhibit V**

**The Number and Average Annual Annuities of Annuitants  
on the Retired List as of June 30, 2025**

**Retired on Account of Superannuation, Early Retirement and Those  
in Receipt of Withdrawal Annuities**

Age	Years of Service									Total	
	0-4	5-9 <sup>1</sup>	10-14	15-19	20-24	25-29	30-34	35-39	40+		
Under 50		3,249	1,224	460	155	10					5,098
		\$972	\$3,146	\$8,058	\$15,157	\$22,727					\$2,607
50-54		1,859	849	466	289	157	36	9			3,665
		\$1,133	\$3,161	\$8,419	\$17,364	\$28,909	\$43,291	\$58,408			\$5,554
55-59		2,009	1,331	837	626	1,530	2,560	592	3		9,488
		\$1,326	\$3,973	\$10,078	\$18,765	\$39,763	\$54,263	\$62,368	\$57,180		\$27,928
60-64	43	2,992	3,090	2,912	2,711	3,200	4,569	2,321	127		21,965
	\$7,430	\$2,344	\$6,120	\$14,362	\$23,771	\$38,116	\$51,683	\$60,237	\$53,370		\$29,010
65-69	430	4,780	5,502	5,932	6,288	5,798	6,466	3,505	554		39,255
	\$2,008	\$3,342	\$7,420	\$15,087	\$23,822	\$34,168	\$48,464	\$58,070	\$61,868		\$26,652
70-74	1,037	4,618	6,344	6,285	6,499	7,077	11,388	7,759	897		51,904
	\$1,620	\$3,823	\$7,031	\$14,647	\$23,370	\$33,979	\$47,453	\$59,652	\$66,170		\$31,037
75-79	1,550	3,395	5,700	4,845	4,783	5,702	13,161	9,201	1,127		49,464
	\$1,298	\$3,844	\$5,773	\$12,881	\$21,549	\$31,026	\$43,132	\$56,059	\$68,680		\$31,361
80-84	1,247	1,865	3,181	2,950	2,742	3,335	7,789	4,460	687		28,256
	\$1,078	\$3,298	\$4,997	\$10,471	\$17,531	\$26,726	\$36,175	\$49,058	\$63,000		\$26,024
85-89	655	824	1,683	1,571	1,817	2,017	2,753	2,471	486		14,277
	\$968	\$2,725	\$4,170	\$8,152	\$13,559	\$21,593	\$30,595	\$38,472	\$51,554		\$20,679
Over 89	361	476	1,137	1,143	1,322	1,380	1,398	955	560		8,732
	\$760	\$2,172	\$3,542	\$6,771	\$11,385	\$17,826	\$26,054	\$34,937	\$43,288		\$16,807
Total	5,323	26,067	30,041	27,401	27,232	30,206	50,120	31,273	4,441		232,104
	\$1,339	\$2,726	\$5,859	\$12,893	\$21,154	\$31,793	\$43,904	\$54,573	\$60,923		\$27,236

1. Includes 26 annuitant records with no service information provided.

**Exhibit VI**

**The Number and Average Annual Annuities as of June 30, 2025**

**Beneficiaries and Survivor Annuitants**

Age	Years of Service								Total
	0-9 <sup>1</sup>	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 50</b>	60	76	58	51	45	58	38	3	389
	\$1,494	3,217	4,452	7,162	11,801	11,627	14,637	20,505	\$7,148
<b>50-54</b>	23	31	28	33	32	26	16	4	193
	\$1,787	4,403	6,894	11,527	11,579	13,651	18,028	19,797	\$9,555
<b>55-59</b>	33	48	59	65	85	90	56	14	450
	\$3,148	3,506	7,571	9,415	15,771	17,144	21,266	16,633	\$12,529
<b>60-64</b>	66	79	87	98	127	153	113	20	743
	\$3,100	5,142	8,705	11,551	16,595	18,877	21,674	21,528	\$13,964
<b>65-69</b>	107	179	169	168	187	276	224	52	1,362
	\$3,078	5,093	8,694	13,548	19,545	25,326	25,856	22,464	\$16,587
<b>70-74</b>	183	203	244	251	284	529	450	80	2,224
	\$3,326	5,835	10,347	15,058	20,344	27,860	32,195	29,914	\$20,456
<b>75-79</b>	217	283	255	290	315	774	705	115	2,954
	\$3,092	5,451	10,142	13,654	20,068	27,392	34,050	38,329	\$21,901
<b>80-84</b>	207	294	250	249	246	606	564	146	2,562
	\$3,017	5,225	9,050	13,508	17,475	21,836	29,211	30,445	\$18,048
<b>85-89</b>	147	224	192	184	201	366	431	136	1,881
	\$2,097	3,948	7,617	10,360	14,578	17,924	21,334	27,678	\$14,360
<b>Over 89</b>	121	166	138	162	171	265	283	154	1,460
	\$1,838	3,456	6,139	8,727	11,687	13,795	18,988	23,078	\$12,081
<b>Total<sup>2</sup></b>	1,164	1,583	1,480	1,551	1,693	3,143	2,880	724	14,218
	\$2,752	\$4,794	\$8,654	\$12,371	\$17,325	\$22,857	\$27,713	\$28,365	\$17,183

1. Includes 12 beneficiary or survivor annuitant records with no service information provided.
2. In addition, there are 2,352 beneficiaries who are only entitled to a pending lump sum distribution.

**Exhibit VII**

**The Number and Average Annual Annuities as of June 30, 2025**

**Retired on Account of Disability**

Age	Years of Service								Total
	5-9 <sup>1</sup>	10-14	15-19	20-24	25-29	30-34	35-39	40+	
<b>Under 50</b>	98 \$17,755	103 \$24,925	75 \$31,320	39 \$46,750	2 \$52,312				317 \$27,079
<b>50-54</b>	103 \$14,993	100 \$20,552	99 \$29,964	96 \$41,978	69 \$61,940	6 \$55,975			473 \$32,147
<b>55-59</b>	173 \$14,662	190 \$17,321	192 \$26,237	173 \$37,304	121 \$54,167	27 \$64,305			876 \$29,234
<b>60-64</b>	303 \$11,521	342 \$14,525	280 \$21,095	244 \$34,425	157 \$44,379	36 \$54,285	2 \$44,071		1,364 \$23,295
<b>65-69</b>	385 \$10,643	377 \$13,751	343 \$19,506	275 \$28,663	194 \$40,321	73 \$47,825	1 \$39,632		1,648 \$21,364
<b>70-74</b>	334 \$9,413	364 \$13,486	294 \$18,289	299 \$26,813	275 \$38,004	109 \$47,410	2 \$57,894		1,677 \$22,172
<b>75-79</b>	199 \$8,035	238 \$11,229	178 \$14,922	203 \$23,724	224 \$33,179	118 \$45,385	1 \$13,560	4 \$25,930	1,165 \$21,156
<b>80-84</b>	102 \$7,129	128 \$9,264	124 \$11,849	101 \$18,741	79 \$27,766	19 \$38,757			553 \$14,837
<b>85-89</b>	43 \$5,044	66 \$7,296	44 \$9,548	42 \$16,750	30 \$23,422	6 \$35,795		1 \$10,189	232 \$11,852
<b>Over 89</b>	28 \$3,864	31 \$6,555	31 \$9,329	13 \$16,979	4 \$23,894	1 \$44,132			108 \$8,898
<b>Total</b>	1,768 \$10,862	1,939 \$14,191	1,660 \$19,977	1,485 \$29,790	1,155 \$40,344	395 \$48,192	6 \$42,853	5 \$22,782	8,413 \$22,599

1. Includes 39 annuitant records with no service information provided.

**Exhibit VIII**

**Annuitant and Beneficiary Membership Data as of June 30, 2025**

**Number and Average Annual Benefit  
Excludes Partial Lump Sum Payments**

Age Last Birthday	Number	Annual Benefit (Thousands)	Average Annual Benefit
<b>Annuitants (Normal, Early and Withdrawal)</b>			
Under 60	18,251	\$ 298,623	\$ 16,362
60 - 64	21,965	637,203	29,010
65 - 69	39,255	1,046,236	26,652
70 - 74	51,904	1,610,925	31,037
75 - 79	49,464	1,551,228	31,361
Over 79	51,265	1,177,325	22,965
Total	232,104	\$ 6,321,540	\$ 27,236
<b>Survivors and Beneficiaries</b>			
Under 60	1,032	\$ 10,263	\$ 9,945
60 - 64	743	10,376	13,964
65 - 69	1,362	22,591	16,587
70 - 74	2,224	45,494	20,456
75 - 79	2,954	64,695	21,901
Over 79	5,903	90,888	15,397
Total	14,218	\$ 244,307	\$ 17,183
<b>Disabled Annuitants</b>			
Under 60	1,666	\$ 49,399	\$ 29,651
60 - 64	1,364	31,774	23,295
65 - 69	1,648	35,208	21,364
70 - 74	1,677	37,182	22,172
75 - 79	1,165	24,648	21,156
Over 79	893	11,915	13,343
Total	8,413	\$ 190,126	\$ 22,599
<b>Grand Total Average Annual Benefit</b>	254,735	\$ 6,755,973	\$ 26,522

**Exhibit IX**

**10-Year History of Membership Data**

**Active Members**

Valuation as of June 30	Number of Active Members <sup>1</sup>	Percentage Change in Membership	Total Annualized Payroll (Thousands) <sup>2</sup>	Percentage Change in Payroll
2025	261,669	2.35%	\$ 16,522,255	5.40%
2024	255,652	1.56	15,676,376	4.30
2023	251,732	1.34	15,030,750	4.27
2022	248,393	(0.01)	14,415,795	2.54
2021	248,410	(3.08)	14,059,363	0.60
2020	256,306	0.22	13,975,907	2.22
2019	255,749	(0.24)	13,671,927	2.19
2018	256,362	0.16	13,379,041	2.65
2017	255,945	(0.44)	13,033,919	1.42
2016	257,080	(1.07)	12,851,289	1.37

1. Includes Class DC participants beginning June 30, 2020. Based on discussions with PSERS staff, the 2021 count has been updated to 319 from 54.
2. The salaries shown represent an annual rate of pay for the year ending June 30<sup>th</sup> for members and Class DC participants who were in active service on June 30<sup>th</sup>. The June 30, 2021 salaries include annual rate of pay for the original 54 Class DC participants.

**Exhibit IX**  
(Continued)

**10-Year History of Membership Data**

**The Number and Annual Annuities of Annuitant and Survivor Annuitant Members**

Year Ended June 30	Number	Annual Annuities <sup>1</sup> (Millions)	Average Annual Annuities	Additions	Annual Annuities (Millions)	Deletions	Annual Annuities (Millions)	Percentage Change in Membership	Percentage Change in Annuities
2025	254,735	\$ 6,756.0	\$ 26,522	8,625	\$ 228.0	7,786	\$ 159.5	0.33%	0.82%
2024	253,896	6,700.7	26,392	10,572	294.5	6,400	125.5	1.67	2.43
2023	249,724	6,542.0	26,197	10,606	278.0	7,783	147.2	1.14	1.61
2022	246,901	6,438.6	26,078	11,493	309.9	7,431	120.4	1.67	2.01
2021	242,839	6,311.8	25,992	11,682	320.2	8,457	135.9	1.35	2.28
2020	239,614	6,170.9	25,753	9,708	256.1	7,433	115.6	0.96	1.97
2019	237,339	6,051.6	25,498	10,553	246.6	6,502	107.0	1.74	2.11
2018	233,288	5,926.7	25,405	11,806	235.3	8,532	98.6	1.42	1.90
2017	230,014	5,816.4	25,287	12,876	274.2	7,690	102.1	2.31	2.65
2016	224,828	5,666.4	25,203	12,686	267.1	7,633	93.5	2.30	2.64

1. The annual annuities added and deleted are for the annuitants and survivor annuitants who were added and deleted. Changes in annuities for continuing payees may also occur due to finalization of benefit calculations and due to the commencement of supplemental annuity payments.

**The Number and Annual Annuities of Annuitant Members**

Year Ended June 30	Number	Annual Annuities <sup>2</sup> (Millions)	Average Annual Annuities	Additions	Annual Annuities (Millions)	Deletions	Annual Annuities (Millions)	Percentage Change in Membership	Percentage Change in Annuities
2025	240,517	\$ 6,511.7	\$ 27,074	7,506	\$ 205.2	6,932	\$ 147.3	0.24%	0.69%
2024	239,943	6,466.9	26,952	9,453	272.5	5,796	116.5	1.55	2.30
2023	236,286	6,321.2	26,753	9,452	255.9	6,967	136.6	1.06	1.48
2022	233,801	6,229.2	26,643	10,442	288.9	6,776	134.6	1.59	1.88
2021	230,135	6,114.5	26,569	10,474	297.9	7,881	152.3	1.14	2.10
2020	227,542	5,988.6	26,319	8,841	239.6	6,778	123.5	0.91	1.92
2019	225,479	5,875.5	26,058	9,575	228.8	5,975	104.0	1.62	1.97
2018	221,879	5,762.3	25,970	10,911	220.2	7,918	93.0	1.37	1.80
2017	218,886	5,660.4	25,860	11,942	257.9	7,075	95.8	2.27	2.54
2016	214,019	5,520.0	25,792	11,807	249.8	7,054	88.1	2.27	2.54

2. The annual annuities added and deleted are for the annuitants who were added and deleted. Changes in annuities for continuing payees may also occur due to finalization of benefit calculations and due to the commencement of supplemental annuity payments.

**Exhibit X**

**Detailed Tabulations of the Data**

Table 1

The Number and Annual Salaries of Members in Active Service Distributed by Age as of June 30, 2025\*

Age	Male		Female		Total	
	Number	Salaries	Number	Salaries	Number	Salaries
17	27	\$ 298,688	18	\$ 172,082	45	\$ 470,770
18	59	908,466	80	1,242,105	139	2,150,571
19	193	3,737,264	267	4,591,642	460	8,328,906
20	277	5,753,451	420	7,543,332	697	13,296,783
21	358	7,903,066	505	10,031,046	863	17,934,112
22	472	12,004,409	914	26,656,871	1,386	38,661,280
23	858	30,706,545	2,128	84,390,489	2,986	115,097,034
24	1,038	39,063,012	2,750	119,843,206	3,788	158,906,218
25	1,154	46,201,788	2,889	134,976,645	4,043	181,178,433
26	1,173	47,729,592	2,874	139,286,880	4,047	187,016,472
27	1,112	49,179,566	2,879	145,682,708	3,991	194,862,274
28	1,105	49,412,439	2,910	151,014,742	4,015	200,427,181
29	1,103	51,691,511	2,852	153,420,797	3,955	205,112,308
30	1,173	58,617,354	3,058	167,350,724	4,231	225,968,078
31	1,144	60,936,412	3,141	173,254,051	4,285	234,190,463
32	1,292	69,133,248	3,301	183,836,558	4,593	252,969,806
33	1,269	71,499,431	3,486	201,766,799	4,755	273,266,230
34	1,389	79,847,925	3,859	221,701,753	5,248	301,549,678
35	1,473	88,249,161	4,124	241,909,579	5,597	330,158,740
36	1,483	91,428,636	4,186	251,107,973	5,669	342,536,609
37	1,518	98,269,294	4,323	264,247,024	5,841	362,516,318
38	1,682	113,991,856	4,748	304,056,538	6,430	418,048,394
39	1,780	125,043,269	5,074	328,784,526	6,854	453,827,795
40	1,914	140,130,668	5,332	360,993,850	7,246	501,124,518
41	1,897	141,090,209	5,498	375,791,181	7,395	516,881,390
42	1,921	143,956,210	5,737	399,331,507	7,658	543,287,717
43	2,155	166,298,057	5,930	420,692,284	8,085	586,990,341
44	2,195	171,456,427	6,052	431,847,650	8,247	603,304,077
45	2,160	170,850,883	5,947	425,096,188	8,107	595,947,071
46	2,136	171,054,322	5,742	413,827,265	7,878	584,881,587
47	2,084	169,339,773	5,494	394,503,789	7,578	563,843,562
48	2,166	174,661,880	5,434	392,559,405	7,600	567,221,285
49	2,075	171,712,858	5,119	368,520,451	7,194	540,233,309
50	2,003	163,795,310	5,231	373,404,072	7,234	537,199,382
51	2,038	167,920,415	5,111	363,260,959	7,149	531,181,374
52	2,096	171,123,782	5,182	366,378,464	7,278	537,502,246
53	2,191	182,055,998	5,437	387,459,723	7,628	569,515,721
54	2,382	194,579,659	5,863	420,267,466	8,245	614,847,125
55	1,950	160,103,361	5,451	381,471,549	7,401	541,574,910
56	1,852	146,457,544	4,810	320,425,665	6,662	466,883,209
57	1,648	126,075,366	4,414	279,399,066	6,062	405,474,432
58	1,484	107,115,101	4,058	248,326,513	5,542	355,441,614
59	1,417	96,410,826	3,696	210,350,988	5,113	306,761,814
60	1,275	83,823,179	3,582	189,914,380	4,857	273,737,559
61	1,202	77,121,905	3,383	173,414,820	4,585	250,536,725

**Table 1**  
(Continued)

**The Number and Annual Salaries of Members in Active Service Distributed  
by Age as of June 30, 2025\***

Age	Male		Female		Total	
	Number	Salaries	Number	Salaries	Number	Salaries
62	1,002	\$ 60,518,734	2,856	\$ 142,916,784	3,858	\$ 203,435,518
63	865	49,509,912	2,462	117,440,473	3,327	166,950,385
64	877	45,294,445	2,293	105,645,085	3,170	150,939,530
65	683	34,445,896	1,613	71,162,222	2,296	105,608,118
66	550	26,402,290	1,220	52,647,624	1,770	79,049,914
67	481	21,688,995	965	37,241,431	1,446	58,930,426
68	402	15,269,121	785	28,469,435	1,187	43,738,556
69	326	12,603,692	588	20,502,309	914	33,106,001
70	320	11,975,507	472	15,440,292	792	27,415,799
71	263	8,874,569	425	13,036,885	688	21,911,454
72	193	6,808,301	322	10,200,138	515	17,008,439
73	195	6,146,633	272	9,029,963	467	15,176,596
74	129	4,610,536	205	5,430,476	334	10,041,012
75	125	4,069,279	177	5,427,801	302	9,497,080
76	97	2,917,782	155	3,847,902	252	6,765,684
77	82	2,265,191	106	2,961,042	188	5,226,233
78	83	2,614,279	84	1,797,037	167	4,411,316
79	36	957,486	52	1,364,282	88	2,321,768
80	42	1,357,544	47	1,400,609	89	2,758,153
81	33	862,248	27	654,352	60	1,516,600
82	25	796,146	23	475,186	48	1,271,332
83	15	610,848	22	463,963	37	1,074,811
84	7	127,435	14	226,389	21	353,824
85	14	292,930	14	305,425	28	598,355
86	6	141,175	2	86,928	8	228,103
87	4	113,689	3	73,887	7	187,576
<b>Total</b>	<b>72,228</b>	<b>\$ 4,820,014,779</b>	<b>188,493</b>	<b>\$ 11,662,353,225</b>	<b>260,721</b>	<b>\$ 16,482,368,004</b>

\*Does not include 948 Class DC participants.

Table 2

The Number and Annual Salaries of Members in Active Service Distributed by  
Years of Credited Service as of June 30, 2025\*

Service	Male		Female		Total	
	Number	Salaries	Number	Salaries	Number	Salaries
0	5,785	\$ 84,535,211	8,338	\$ 154,966,657	14,123	\$ 239,501,868
1	7,599	243,709,410	17,024	580,567,699	24,623	824,277,109
2	5,102	212,482,796	13,058	521,834,799	18,160	734,317,595
3	4,046	193,417,135	11,157	504,951,742	15,203	698,368,877
4	2,937	151,573,953	8,210	396,969,342	11,147	548,543,295
5	2,038	110,571,555	6,769	335,386,939	8,807	445,958,494
6	2,256	132,579,260	7,231	376,755,234	9,487	509,334,494
7	2,112	126,750,297	6,655	361,038,865	8,767	487,789,162
8	1,960	125,308,550	6,167	349,563,097	8,127	474,871,647
9	1,829	121,615,705	6,126	357,315,507	7,955	478,931,212
10	1,734	118,676,314	5,616	342,007,375	7,350	460,683,689
11	1,650	117,152,684	5,300	334,994,947	6,950	452,147,631
12	1,634	121,357,580	4,853	316,050,171	6,487	437,407,751
13	1,404	104,369,993	4,310	287,694,756	5,714	392,064,749
14	1,354	104,712,464	4,268	294,669,565	5,622	399,382,029
15	1,517	124,221,419	4,985	356,820,272	6,502	481,041,691
16	1,712	143,559,634	5,475	413,338,432	7,187	556,898,066
17	1,881	162,098,420	5,886	454,167,117	7,767	616,265,537
18	1,953	173,391,423	6,055	479,511,227	8,008	652,902,650
19	1,930	176,586,345	5,811	475,021,880	7,741	651,608,225
20	2,043	190,714,190	5,790	484,638,728	7,833	675,352,918
21	2,064	196,414,013	5,378	460,026,184	7,442	656,440,197
22	1,697	165,710,969	4,497	383,091,989	6,194	548,802,958
23	1,643	161,805,543	4,338	374,683,431	5,981	536,488,974
24	1,576	155,502,858	4,159	361,094,415	5,735	516,597,273
25	1,522	151,334,787	3,986	348,964,614	5,508	500,299,401
26	1,805	183,804,251	3,452	307,749,073	5,257	491,553,324
27	1,446	148,269,035	2,877	260,811,722	4,323	409,080,757
28	1,391	144,790,451	2,445	223,885,782	3,836	368,676,233
29	1,080	111,909,249	1,937	180,623,704	3,017	292,532,953
30	866	91,390,277	1,615	151,218,681	2,481	242,608,958
31	646	66,827,924	1,344	127,574,303	1,990	194,402,227
32	703	73,096,267	1,047	98,673,090	1,750	171,769,357
33	382	39,501,594	679	62,904,368	1,061	102,405,962
34	274	28,044,726	510	46,148,968	784	74,193,694
35	192	19,515,072	345	31,029,115	537	50,544,187
36	145	13,964,156	212	17,549,116	357	31,513,272
37	92	8,989,808	154	13,399,305	246	22,389,113
38	68	6,144,558	126	9,865,845	194	16,010,403
39	44	3,813,546	72	6,023,462	116	9,837,008
40	27	2,437,183	55	4,648,410	82	7,085,593
41	17	1,556,842	25	1,660,373	42	3,217,215
42	15	1,466,675	27	2,049,270	42	3,515,945
43	12	925,629	19	1,319,153	31	2,244,782

**Table 2**  
(Continued)

**The Number and Annual Salaries of Members in Active Service Distributed by  
Years of Credited Service as of June 30, 2025\***

Service	Male		Female		Total	
	Number	Salaries	Number	Salaries	Number	Salaries
44	15	\$ 898,377	17	\$ 1,384,978	32	\$ 2,283,355
45	7	644,512	16	1,295,323	23	1,939,835
46	12	782,208	12	1,074,361	24	1,856,569
47	5	558,069	12	844,454	17	1,402,523
48	1	107,116	8	570,999	9	678,115
49	1	55,690	8	697,271	9	752,961
50	1	61,841	10	731,059	11	792,900
51	1	80,375	5	629,164	6	709,539
52	1	122,151	8	785,949	9	908,100
53			5	480,702	5	480,702
54			4	251,455	4	251,455
55			2	143,209	2	143,209
56			1	91,101	1	91,101
58			1	69,458	1	69,458
59	1	104,689	1	45,018	2	149,707
<b>Total</b>	<b>72,228</b>	<b>\$ 4,820,014,779</b>	<b>188,493</b>	<b>\$ 11,662,353,225</b>	<b>260,721</b>	<b>\$ 16,482,368,004</b>

\*Does not include 948 Class DC participants.

Table 3

The Number and Annual Annuities of Annuitants on the Retired List  
as of June 30, 2025

Retired on Account of Superannuation, Early Retirement and  
Those in Receipt of Withdrawal Annuities

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
32	1	\$ 3,650		\$ -	1	\$ 3,650
33	4	7,012	3	3,340	7	10,352
34	14	15,525	6	3,948	20	19,473
35	23	24,291	13	14,118	36	38,409
36	17	17,847	36	47,639	53	65,486
37	38	58,354	80	104,962	118	163,316
38	59	87,733	101	152,027	160	239,760
39	98	170,336	159	240,490	257	410,826
40	106	201,526	168	258,086	274	459,612
41	87	193,481	198	359,667	285	553,148
42	131	208,536	278	537,226	409	745,762
43	149	347,035	251	580,835	400	927,870
44	154	392,868	269	664,053	423	1,056,921
45	167	412,477	322	965,243	489	1,377,720
46	188	604,321	337	960,503	525	1,564,824
47	186	628,387	323	1,000,840	509	1,629,227
48	194	721,099	374	1,296,716	568	2,017,815
49	167	784,648	397	1,221,220	564	2,005,868
50	220	1,241,408	410	1,599,062	630	2,840,470
51	162	1,058,768	475	2,112,285	637	3,171,053
52	226	1,426,974	481	2,332,132	707	3,759,106
53	229	1,412,377	551	2,778,744	780	4,191,121
54	252	2,459,507	659	3,933,071	911	6,392,578
55	359	7,705,540	975	18,206,385	1,334	25,911,925
56	493	13,713,664	1,151	27,100,032	1,644	40,813,696
57	541	17,506,188	1,291	33,782,975	1,832	51,289,163
58	644	22,256,573	1,545	43,861,032	2,189	66,117,605
59	772	28,881,219	1,717	51,964,722	2,489	80,845,941
60	825	30,557,719	2,207	66,425,568	3,032	96,983,287
61	943	36,709,220	2,361	69,539,582	3,304	106,248,802
62	1,140	39,255,257	3,336	88,631,779	4,476	127,887,036
63	1,277	43,758,064	4,003	102,009,717	5,280	145,767,781
64	1,416	48,120,779	4,457	112,195,261	5,873	160,316,040
65	1,501	49,346,539	4,905	117,977,591	6,406	167,324,130

**Table 3**  
(Continued)

**The Number and Annual Annuities of Annuitants on the Retired List  
as of June 30, 2025**

**Retired on Account of Superannuation, Early Retirement and  
Those in Receipt of Withdrawal Annuities**

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
66	1,763	\$ 54,383,591	5,480	\$ 133,884,364	7,243	\$ 188,267,955
67	1,927	60,417,271	6,203	154,967,714	8,130	215,384,985
68	2,084	67,504,166	6,603	166,952,312	8,687	234,456,478
69	2,122	66,046,639	6,667	174,755,599	8,789	240,802,238
70	2,332	72,863,499	7,032	190,021,557	9,364	262,885,056
71	2,341	75,699,346	7,412	214,835,676	9,753	290,535,022
72	2,705	93,858,268	7,804	237,976,614	10,509	331,834,882
73	2,918	103,808,640	8,276	257,223,916	11,194	361,032,556
74	3,033	111,134,164	8,051	253,503,617	11,084	364,637,781
75	3,070	113,805,024	7,570	232,034,966	10,640	345,839,990
76	3,211	119,426,437	7,223	220,101,140	10,434	339,527,577
77	3,461	123,202,326	6,926	202,144,159	10,387	325,346,485
78	3,835	132,249,747	7,258	203,890,516	11,093	336,140,263
79	2,519	85,083,332	4,391	119,290,561	6,910	204,373,893
80	2,290	72,157,527	4,249	110,833,048	6,539	182,990,575
81	2,193	67,840,134	3,940	94,810,491	6,133	162,650,625
82	2,328	72,769,357	4,045	94,324,344	6,373	167,093,701
83	1,763	52,651,054	3,216	70,938,831	4,979	123,589,885
84	1,415	40,753,956	2,817	58,250,616	4,232	99,004,572
85	1,164	31,611,019	2,476	49,556,311	3,640	81,167,330
86	984	26,817,957	2,210	40,718,922	3,194	67,536,879
87	841	21,187,763	1,964	35,722,279	2,805	56,910,042
88	738	19,899,749	1,719	29,725,913	2,457	49,625,662
89	654	16,037,834	1,527	23,963,171	2,181	40,001,005
90	550	13,574,115	1,264	19,516,196	1,814	33,090,311
91	430	10,355,538	1,038	15,365,852	1,468	25,721,390
92	321	8,475,955	865	12,753,201	1,186	21,229,156
93	279	7,022,495	842	12,626,500	1,121	19,648,995
94	208	4,999,670	674	10,014,575	882	15,014,245

**Table 3**  
(Continued)

**The Number and Annual Annuities of Annuitants on the Retired List  
as of June 30, 2025**

**Retired on Account of Superannuation, Early Retirement and  
Those in Receipt of Withdrawal Annuities**

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
95	136	\$ 3,168,649	497	\$ 6,441,664	633	\$ 9,610,313
96	81	1,810,749	401	5,508,748	482	7,319,497
97	71	1,595,466	328	4,116,483	399	5,711,949
98	44	989,469	211	2,466,304	255	3,455,773
99	33	638,975	135	1,755,527	168	2,394,502
100	15	221,690	102	1,129,396	117	1,351,086
101	11	200,680	62	643,996	73	844,676
102	5	90,588	55	593,859	60	684,447
103	2	23,694	27	185,482	29	209,176
104	1	6,150	18	186,421	19	192,571
105	1	17,604	11	122,741	12	140,345
106	1	15,202	6	92,241	7	107,443
107			2	11,770	2	11,770
108	1	92		-	1	92
109			2	7,438	2	7,438
110			1	2,644	1	2,644
114			1	6,825	1	6,825
<b>Total</b>	<b>66,664</b>	<b>\$ 2,104,704,503</b>	<b>165,440</b>	<b>\$ 4,216,835,351</b>	<b>232,104</b>	<b>\$ 6,321,539,854</b>

**Table 3**  
(Continued)

**The Number and Annual Annuities of Annuitants on the Retired List  
as of June 30, 2025**

**Retired on Account of Superannuation, Early Retirement and  
Those in Receipt of Withdrawal Annuities**

OPTION	MALE		FEMALE	
	Count	Annual Annuity	Count	Annual Annuity
Maximum	27,476	\$ 841,301,678	85,474	\$ 2,169,844,826
1	11,193	278,301,637	39,824	811,785,982
2	18,608	582,083,537	24,351	665,841,838
3	7,722	323,903,454	14,359	510,844,950
4	<u>1,665</u>	<u>79,114,197</u>	<u>1,432</u>	<u>58,517,755</u>
Total	66,664	\$ 2,104,704,503	165,440	\$ 4,216,835,351

**DEFINITION OF OPTIONS**

Option 1 A life annuity to the member with a guaranteed payment to the beneficiary equal to the present value of the total maximum single life annuity less any amounts paid to the member prior to death.

Option 2 A joint and one hundred percent (100%) survivor annuity payable during the lifetime of the member with the full amount of such annuity payable thereafter to the designated survivor annuitant, if living at the member's death.

Option 3 A joint and fifty percent (50%) survivor annuity payable during the lifetime of the member with one-half of such annuity payable thereafter to the designated survivor annuitant, if living at the member's death.

Option 4 A life annuity to the member with a special death benefit other than the normal option 1, 2, or 3 death benefit.

Note: The Option 4 totals above only reflect annuity elections that differ from the Maximum annuity or Options 1, 2 or 3. The Option 4 totals do not reflect Option 4 elections to withdraw accumulated deductions.

Table 4

The Number and Annual Annuities of Beneficiaries and Survivor Annuitants  
as of June 30, 2025

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
8	2	\$ 7,094		\$ -	2	\$ 7,094
12	1	571			1	571
13			1	702	1	702
15	1	1,534			1	1,534
17	2	11,693			2	11,693
19			1	1,534	1	1,534
20	1	3,730			1	3,730
21			1	21,875	1	21,875
23	1	11,049	1	11,840	2	22,889
24	4	22,836	1	16,383	5	39,219
25	2	3,939	7	65,888	9	69,827
26	3	9,461	5	43,260	8	52,721
27	2	12,542	2	13,822	4	26,364
28	3	5,145	1	11,629	4	16,774
29	1	9,869	7	33,115	8	42,984
30	2	3,832	3	13,061	5	16,893
31	5	26,276	2	14,045	7	40,321
32	3	7,226	3	17,646	6	24,872
33	4	21,307	6	54,184	10	75,491
34	4	20,174	7	47,026	11	67,200
35	6	42,596	6	21,665	12	64,261
36	6	19,400	7	24,450	13	43,850
37	7	55,649	8	73,179	15	128,828
38	9	74,032	4	15,358	13	89,390
39	5	25,704	6	10,399	11	36,103
40	8	37,739	12	119,099	20	156,838
41	8	45,386	11	133,165	19	178,551
42	9	56,247	5	28,749	14	84,996
43	6	65,593	9	68,240	15	133,833
44	12	95,481	10	81,773	22	177,254
45	8	31,001	8	61,556	16	92,557
46	16	81,292	20	127,607	36	208,899
47	18	142,479	16	168,158	34	310,637
48	9	32,621	18	137,665	27	170,286
49	13	146,993	20	213,116	33	360,109

**Table 4**  
(Continued)

**The Number and Annual Annuities of Beneficiaries and Survivor Annuitants  
as of June 30, 2025**

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
50	12	\$ 147,395	21	\$ 266,233	33	\$ 413,628
51	12	60,495	21	210,299	33	270,794
52	14	72,324	26	225,077	40	297,401
53	10	52,193	32	343,967	42	396,160
54	11	163,933	34	302,153	45	466,086
55	22	287,506	60	851,772	82	1,139,278
56	24	187,713	46	590,275	70	777,988
57	20	188,630	74	952,239	94	1,140,869
58	29	323,454	78	836,700	107	1,160,154
59	23	345,176	74	1,074,593	97	1,419,769
60	25	299,372	87	1,185,812	112	1,485,184
61	39	722,478	105	1,531,120	144	2,253,598
62	39	350,226	103	1,495,733	142	1,845,959
63	38	547,669	103	1,520,133	141	2,067,802
64	49	605,841	155	2,117,231	204	2,723,072
65	66	959,970	141	2,397,418	207	3,357,388
66	72	932,235	167	2,790,226	239	3,722,461
67	72	1,006,786	200	3,126,461	272	4,133,247
68	91	1,217,760	210	3,842,746	301	5,060,506
69	105	1,506,987	238	4,810,663	343	6,317,650
70	119	2,392,446	237	4,291,779	356	6,684,225
71	132	2,117,064	285	5,790,547	417	7,907,611
72	145	3,061,411	286	6,095,403	431	9,156,814
73	176	3,550,905	339	6,951,078	515	10,501,983
74	177	3,660,145	328	7,583,386	505	11,243,531
75	158	3,648,376	371	8,896,383	529	12,544,759
76	184	4,092,392	395	8,869,970	579	12,962,362
77	174	3,720,115	453	9,331,654	627	13,051,769
78	226	4,647,245	524	11,166,536	750	15,813,781
79	118	2,777,521	351	7,545,237	469	10,322,758
80	139	2,583,626	342	6,698,137	481	9,281,763
81	121	2,532,052	388	7,246,924	509	9,778,976
82	168	3,211,749	431	7,750,349	599	10,962,098
83	112	1,941,564	367	5,869,956	479	7,811,520

**Table 4**  
(Continued)

**The Number and Annual Annuities of Beneficiaries and Survivor Annuitants  
as of June 30, 2025**

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
84	111	\$ 2,296,762	383	\$ 6,106,906	494	\$ 8,403,668
85	96	1,524,990	318	4,978,310	414	6,503,300
86	76	1,134,861	313	4,603,635	389	5,738,496
87	77	1,254,625	307	4,089,446	384	5,344,071
88	70	942,550	315	4,563,682	385	5,506,232
89	61	821,562	248	3,097,372	309	3,918,934
90	40	518,867	215	2,916,599	255	3,435,466
91	35	365,349	189	2,426,578	224	2,791,927
92	23	287,311	178	2,212,314	201	2,499,625
93	30	291,450	149	1,913,183	179	2,204,633
94	30	323,459	130	1,513,155	160	1,836,614
95	18	238,066	114	1,399,708	132	1,637,774
96	13	175,406	80	840,066	93	1,015,472
97	10	96,912	55	537,999	65	634,911
98	14	142,493	48	530,300	62	672,793
99	4	48,086	27	335,132	31	383,218
100	3	29,964	17	188,447	20	218,411
101	6	48,671	10	54,682	16	103,353
102	4	31,235	12	137,369	16	168,604
103			3	17,346	3	17,346
105			1	3,047	1	3,047
106	1	14,961			1	14,961
107			1	672	1	672
<b>Total</b>	<b>3,825</b>	<b>\$ 65,632,825</b>	<b>10,393</b>	<b>\$ 178,674,327</b>	<b>14,218</b>	<b>\$ 244,307,152</b>

Table 5

The Number and Annual Annuities of Annuitants on the Retired List  
as of June 30, 2025

Retired on Account of Disability

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
33		\$ -	1	\$ 10,525	1	\$ 10,525
34	1	17,988	1	13,149	2	31,137
35	1	5,746	1	5,541	2	11,287
36			2	42,824	2	42,824
37			3	61,498	3	61,498
38			5	134,960	5	134,960
39	2	46,044	7	150,433	9	196,477
40	4	107,790	7	157,658	11	265,448
41	2	29,986	11	219,102	13	249,088
42	7	102,886	10	230,988	17	333,874
43	7	184,450	13	381,654	20	566,104
44	7	159,600	13	345,194	20	504,794
45	9	217,198	21	644,517	30	861,715
46	7	158,947	20	492,292	27	651,239
47	13	497,737	31	870,075	44	1,367,812
48	12	395,321	44	1,247,683	56	1,643,004
49	16	442,622	39	1,209,680	55	1,652,302
50	14	485,325	49	1,359,392	63	1,844,717
51	20	607,744	57	1,656,442	77	2,264,186
52	32	1,288,510	55	1,665,020	87	2,953,530
53	26	923,688	83	2,532,636	109	3,456,324
54	37	1,415,777	100	3,270,928	137	4,686,705
55	41	1,550,604	108	3,238,915	149	4,789,519
56	52	1,639,772	126	3,572,566	178	5,212,338
57	48	1,583,092	127	3,576,944	175	5,160,036
58	51	1,582,528	127	3,422,275	178	5,004,803
59	53	1,462,376	143	3,980,008	196	5,442,384
60	71	1,995,056	180	4,668,563	251	6,663,619
61	76	1,970,393	192	4,413,598	268	6,383,991
62	79	1,939,723	209	4,735,921	288	6,675,644
63	77	1,799,740	188	3,801,806	265	5,601,546
64	74	1,934,586	218	4,515,022	292	6,449,608
65	87	2,181,820	217	4,828,152	304	7,009,972
66	107	2,532,905	242	4,914,967	349	7,447,872
67	101	2,199,423	222	4,772,979	323	6,972,402
68	101	2,088,809	232	4,835,415	333	6,924,224
69	103	2,152,000	236	4,701,263	339	6,853,263
70	103	2,302,874	260	5,316,000	363	7,618,874
71	97	2,098,925	258	5,596,714	355	7,695,639

**Table 5**  
(Continued)

**The Number and Annual Annuities of Annuitants on the Retired List  
as of June 30, 2025**

**Retired on Account of Disability**

Age	Male		Female		Total	
	Number	Annuities	Number	Annuities	Number	Annuities
72	86	\$ 1,791,204	232	\$ 5,017,710	318	\$ 6,808,914
73	94	2,351,850	232	5,476,849	326	7,828,699
74	82	1,842,390	233	5,387,099	315	7,229,489
75	85	2,020,357	186	4,123,074	271	6,143,431
76	70	1,810,559	185	4,076,697	255	5,887,256
77	68	1,817,590	187	3,748,177	255	5,565,767
78	59	1,213,020	179	3,428,580	238	4,641,600
79	31	544,260	115	1,865,972	146	2,410,232
80	29	656,026	97	1,431,168	126	2,087,194
81	36	705,079	93	1,319,975	129	2,025,054
82	25	409,369	90	1,405,955	115	1,815,324
83	18	278,521	79	923,351	97	1,201,872
84	18	273,239	68	802,398	86	1,075,637
85	10	124,459	48	530,718	58	655,177
86	15	202,244	34	428,071	49	630,315
87	11	142,734	47	466,774	58	609,508
88	11	139,374	29	448,546	40	587,920
89	7	90,319	20	176,440	27	266,759
90	3	37,772	22	211,001	25	248,773
91	5	50,481	16	130,493	21	180,974
92	3	35,988	12	152,381	15	188,369
93	1	9,416	11	98,941	12	108,357
94			11	65,912	11	65,912
95			8	43,309	8	43,309
96			4	31,619	4	31,619
97			6	43,725	6	43,725
98	1	25,919	4	18,339	5	44,258
105			1	5,731	1	5,731
<b>Total</b>	<b>2,306</b>	<b>\$ 56,674,155</b>	<b>6,107</b>	<b>\$ 133,452,304</b>	<b>8,413</b>	<b>\$ 190,126,459</b>

## Exhibit XI: Risk Information

### Actuarial Standard of Practice No. 51 Disclosures

Funding future retirement benefits prior to when those benefits become due involves assumptions regarding future economic and demographic experience. These assumptions are applied to calculate actuarial liabilities, current contribution requirements, and the funded status of the plan. However, to the extent future experience deviates from the assumptions used, variations will occur in these calculated values. These variations create risk to the plan. Understanding the risks to the funding of the plan is important. Actuarial Standard of Practice No. 51 (ASOP 51) requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

It is important to note that not all risk is negative, but all risk should be understood and accepted based on knowledge, judgement, and educated decisions. Future measurements may deviate in ways that produce positive or negative financial impacts to the Retirement System.

In the actuary's professional judgment, the following risks may reasonably be anticipated to significantly affect the Retirement System's future financial condition:

- Investment risk – potential that the investment return will differ from the 7.00% expected in the actuarial valuation
- Salary increases – potential that salary increases will differ from those assumed in the actuarial valuation
- Longevity risk – potential that participants' lifespans will differ from those projected on the valuation mortality assumptions
- Declining workforce – potential that future employer contribution rates will differ from those expected
- Contribution risk – potential that contributions will differ from the recommended contributions in the actuarial valuation.

The following information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the plan. This list is not all-inclusive; it is an attempt to identify the most significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the Retirement System employers to make contributions to the Retirement System when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk. Gallagher welcomes the opportunity to assist in such matters as part of a separate project or projects utilizing the appropriate staff and resources for those objectives.

## Exhibit XI: Risk Information (continued)

### Assessment of Risks

#### Investment Risk

Retirement System costs are very sensitive to the market return. Any lower than assumed return on assets will increase costs.

- The lower return will cause the assets to be lower than expected. This decrease in assets will increase the Retirement System cost.
- The Retirement System uses an actuarial value of assets that smooths gains and losses on market returns over a 10-year period to help control some of the volatility in costs due to investment risk.
- Historical actual returns are shown on page 10. This historical experience illustrates how returns can vary over time.
- Act 128-2020 requires annual Retirement System stress testing through 20-year projections, sensitivity analysis and simulations. Gallagher has performed the stress test since 2022. Previously, the Retirement System's investment advisor performed the annual testing. For more information, please visit the Retirement System's website: <https://www.pa.gov/agencies/psers.html>.

The Retirement System invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. However, Actuarial Standard of Practice No. 4 ("ASOP 4") requires the actuary to disclose a Low-Default-Risk Obligation Measure ("LDROM") of System liabilities and provide commentary to help intended users of this report understand the significance of the measure with respect to funded status, contributions, and member benefit security.

The LDROM is to be based on "discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future." The LDROM shown here represents what the Retirement System's liability would be if it invested its assets solely in a portfolio of high-quality bonds whose cash flows approximately match future benefit payments. Consequently, the difference between the LDROM and the Actuarial Accrued Liability can be thought of as representing the expected taxpayer savings / (cost) from investing in the Retirement System's diversified portfolio compared to investing only in high-quality bonds. It may also be thought of as the cost of reducing investment risk.

As of June 30, 2025, the LDROM is \$140.9 billion (excluding Health Insurance Premium Assistance) and is based on a 5.68% interest rate. The interest rate used for the LDROM was determined by calculating a single equivalent discount rate using projected benefit payments and the Gallagher Standard Yield Curve as of June 30, 2025. Note the interest rate used for the LDROM is based on bond yields applicable at the time of the measurement and will therefore vary for different measurement dates. All other assumptions are the same as those used for funding as shown in this report.

Actuaries play a role in helping determine funding methods and policies that can achieve affordable and appropriate contributions and risk management. The funded status based on Actuarial Accrued Liability and the Actuarially Determined Contribution rates are determined using the expected return on assets, which reflects the actual investment portfolio. Since the assets are not invested in an all-bond portfolio, the LDROM does not indicate the Retirement System's funded status or progress, nor does it provide information on necessary Retirement System contributions.

With respect to security of member benefits, if the Retirement System was to be funded on an LDROM basis, member benefits accrued as of the measurement date may be considered more secure as investment risk might be significantly reduced. However, the fact that the System's assets are invested in a diversified portfolio does not mean members' benefits are not secure. Security of member benefits relies on a combination of the assets in the Retirement System, the investment returns generated on those assets, and the promise of future contributions from the participating employers. Reducing investment risk by investing solely in bonds may significantly increase Actuarially Determined Contributions and thereby increase contribution risk by decreasing the ability of employers to make necessary contributions to fund the benefits. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil the Retirement System's sustainability and benefit security.

## Exhibit XI: Risk Information (continued)

Member benefits will remain secure if reasonable and appropriate contributions with managed risk are calculated and paid.

### Salary increases

Retirement System costs are sensitive to salary increases since benefits at retirement are pay related.

- Salaries greater than expected would lead to higher liabilities, larger unfunded liabilities and larger employer contributions.
- Salaries less than expected would lead to lower liabilities but may increase employer contribution rates due to lower employer payroll.

### Longevity Risk

Retirement System costs will be increased as participants are expected to live longer. This is because:

- Benefits are paid over a longer lifetime when life expectancy is expected to increase. The longer duration of payments leads to higher liabilities.
- Health care has been improving, which increases the life expectancy of participants. As health care improves, Retirement System costs will increase.
- The mortality assumption for the Retirement System does assume future improvement in mortality. Any improvement in future mortality greater than that reflected in the current mortality assumption would lead to increased Retirement System costs.

### Declining workforce

Employer contributions are based on a percentage of members' and DC plan participants' salaries. If the required dollar amount of contributions remains level or increases, a declining active workforce will result in higher contribution rates in order to meet required contribution levels.

### Contribution Risk

The Retirement System contribution is a budgeted amount. There is a risk associated with the employer's contribution when the budgeted amount and recommended amount differ. This is because:

- When the budgeted contribution is lower than the recommended contribution, the Retirement System may not be sustainable in the long term.
- Any underpayment of the contribution will increase future contribution amounts to help pay off the additional Unfunded Actuarial Accrued Liability associated with any lower than recommended contribution amounts.
- Historical comparison of actuarially determined contributions to actual contributions are shown in Table 9. PSERS employers have taken action to mitigate this risk by contributing the actuarially determined contribution for pensions since the fiscal year ending June 30, 2017.

Act 120-2010 mandated that the outstanding balance of the unfunded accrued liability as of June 30, 2010, including changes in the unfunded accrued liability due to the funding reforms of Act 120-2010, be amortized over a 24-year period, as a level percent of pay, beginning July 1, 2011. Future valuation gains and losses, and changes in the unfunded accrued liability resulting from changes in actuarial assumptions and methods, are amortized over a 24-year period, as a level percent of pay. As provided by Act 5-2017, future increases in the unfunded accrued liability due to benefit enhancement legislation will be amortized over 10-year periods, as a level percent of pay.

**Exhibit XI: Risk Information** (continued)

The employer contribution rate developed in this report exceeds the normal cost, plus interest on the unfunded actuarial accrued liability. Assuming employer contributions meet or exceed the Actuarially Determined Contribution rate developed in this report, the current unfunded actuarial accrued liability is expected to be fully amortized by fiscal year ending June 30, 2050. Based on analysis prepared for the Governmental Accounting Standards Board Statement No. 67 Disclosures for Fiscal Year Ending June 30, 2025, we expect Retirement System assets and future funding policy contributions to sufficiently cover projected future benefit payments of current members for all future years.

**Other Risk Considerations**

Other possible risks (but this is not an exhaustive list) to be considered that may impact the Retirement System funding:

- The valuation assumes 75% of Class T-C and Class T-D and 50% of Class TE, Class T-F, Class T-G and Class T-H members are assumed to elect an Option 4 refund of member contributions and a reduced annuity at benefit commencement. Actual experience from this assumption could affect the liquidity of the Retirement System if more retirees elect a lump sum than are expected in the valuation.
- Investment risk is mitigated to some extent by the shared-risk provisions of the Retirement System and its potential impact on the member contribution rates for Class T-E, Class T-F, Class T-G and Class T-H members. Poor asset returns over a period of time could trigger increased member contributions for these classes of members. As of the June 30, 2023 valuation, the shared-risk provisions reverted member contributions back to the basic rates effective July 1, 2024 through June 30, 2027. The next Class T-E, Class T-F, Class T-G and Class T-H shared-risk valuation is to be performed for the 10-year period ending June 30, 2026.
- Members who retire after 25 years of service and are at least age 55 (age 57 for Class T-G members) may commence their benefits prior to their superannuation date with subsidized early retirement factors. If more retirees retire and commence their benefits under this early retirement provision than are assumed based on the assumptions outlined in Table 11, the Retirement System may pay out subsidized benefits for a longer period of time thus increasing liabilities and costs.

**Plan Maturity Measures**

There are certain measures that may aid in understanding the significant risks to the Retirement System.

<b>Ratio of Retired Liability to Total Liability (Pension Only)</b>	<b>June 30, 2021 (\$000)</b>	<b>June 30, 2022 (\$000)</b>	<b>June 30, 2023 (\$000)</b>	<b>June 30, 2024 (\$000)</b>	<b>June 30, 2025 (\$000)</b>
1. Retirees and Beneficiaries	\$ 61,168,172	\$ 61,869,159	\$ 62,344,050	\$ 63,319,486	\$ 63,265,217
2. Total Accrued Liability	\$ 112,650,825	\$ 114,476,801	\$ 116,243,212	\$ 119,163,518	\$ 122,228,634
3. Ratio [(1) / (2)]	54.3%	54.0%	53.6%	53.1%	51.8%

A high percentage of liability concentrated in retirees indicates a mature plan. An increasing percentage may indicate a need for less risky and / or more liquid asset allocation which may lead to increased investment risk, a need to lower the long-term return on asset assumption, and increased costs.

**Exhibit XI: Risk Information** (continued)

<b>Ratio of Cash Flow to Assets (Pension Only)</b>	<b>June 30, 2021 (\$000)</b>	<b>June 30, 2022 (\$000)</b>	<b>June 30, 2023 (\$000)</b>	<b>June 30, 2024 (\$000)</b>	<b>June 30, 2025 (\$000)</b>
1. Total Contributions	\$ 5,839,890	\$ 6,131,963	\$ 6,423,598	\$ 6,460,585	\$ 6,659,315
2. Benefit Payments	\$ 7,134,332	\$ 7,254,372	\$ 7,580,983	\$ 7,728,745	\$ 7,785,781
3. Cash Flow [(1) – (2)]	\$ (1,294,442)	\$ (1,122,409)	\$ (1,157,385)	\$ (1,268,160)	\$ (1,126,466)
4. Market Value of Assets	\$ 71,967,352	\$ 70,528,242	\$ 72,112,330	\$ 76,492,994	\$ 82,631,210
5. Ratio [(3) / (4)]	(1.8%)	(1.6%)	(1.6%)	(1.7%)	(1.4%)

When this cash flow ratio is negative more cash is being paid out than deposited in the Retirement System. Negative cash flow means the fund needs to rely on investment returns to cover benefit payments and at the same time may need to invest in more liquid assets to cover the benefit payments. More liquid assets may not garner the same returns as less liquid assets and therefore increase the investment risk. However, the low magnitude of the ratio implies there may already be enough liquid assets to cover the benefit payments, less investment return is needed to cover the shortfall, or only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. This maturity measure should be monitored for continual negative trend with greater magnitude.

<b>Contribution Volatility (Pension Only)</b>	<b>June 30, 2021 (\$000)</b>	<b>June 30, 2022 (\$000)</b>	<b>June 30, 2023 (\$000)</b>	<b>June 30, 2024 (\$000)</b>	<b>June 30, 2025 (\$000)</b>
1. Market Value of Assets	\$ 71,967,352	\$ 70,528,242	\$ 72,112,330	\$ 76,492,994	\$ 82,631,210
2. Payroll	\$ 14,057,526	\$ 14,397,002	\$ 14,995,870	\$ 15,643,059	\$ 16,482,368
3. Asset Volatility Ratio (AVR) [(1) / (2)]	5.1	4.9	4.8	4.9	5.0
4. Accrued Liability	\$ 112,650,825	\$ 114,476,801	\$ 116,243,212	\$ 119,163,518	\$ 122,228,634
5. Liability Volatility Ratio (LVR) [(4) / (2)]	8.0	8.0	7.8	7.6	7.4

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 10 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 5. Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, if an assumption change increases the liability of two plans by the same percent, the plan with a liability-to-payroll ratio of 10 may experience twice the contribution volatility than a plan with a liability-to-payroll ratio of 5.

## Exhibit XII

### Glossary

<b>Accrued Liability</b>	The difference between (a) the present value of future plan benefits, and (b) the present value of future normal cost. It is the portion of the present value of future plan benefits attributable to service accrued as of the valuation date. Sometimes referred to as “actuarial accrued liability.”
<b>Accrued Service</b>	The service credited under the plan that was rendered before the date of the actuarial valuation.
<b>Actuarial Assumptions</b>	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
<b>Actuarial Cost Method</b>	A mathematical budgeting procedure for allocating the dollar amount of the “present value of future plan benefits” between the present value of future normal cost and the accrued liability. Sometimes referred to as the “actuarial funding method.”
<b>Actuarial Equivalent</b>	A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.
<b>Actuarial Value of Assets</b>	The value of current plan assets recognized for valuation purposes. Based on a smoothed market value that recognizes investment gains and losses over a period of ten years.
<b>Amortization</b>	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.
<b>Experience Gain (Loss)</b>	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
<b>Normal Cost</b>	The annual cost assumed, under the actuarial funding method, for current and subsequent plan years. Sometimes referred to as “current service cost.”
<b>Present Value</b>	The amount of funds presently required to provide a payment or series of payments in the future. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
<b>Unfunded Accrued Liability</b>	The difference between the actuarial accrued liability and actuarial value of assets.