Summary of FY 2019 Public Retirement System Actuarial Valuations[6]

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Source: TRS Board and PER Board Actuarial Valuations and Board of Investments Data, as of June 30, 2019

System	Funded Ratio[1] (compared to FY 2018)	Covered Payroll[2] on June 30, 2019	ARC[3] Shortfall (% payroll)[4] (compared to FY 2018)	ARC Shortfall (as dollar amt increases annually)[5]	Amortization period (compared to FY 2018)
PERS-DB	74% (74%)	$1,247,343,733	0.71% (0.87%)	$8,856,140	36 (38) years
TRS	69% (68%)	$857,468,000	0% (0.4%)	$0	29 (31) years
SRS	82% (81%)	$80,461,048	0%	$0	21 (21) years
MPORS	69% (68%)	$54,282,431	0%	$0	18 (20) years
GWPORS	84% (83%)	$51,676,963	0.89% (1.15%)	$459,925	53 (72) years
FURS	80% (78%)	$50,756,445	0%	$0	9 (10) years
HPORS	65% (64%)	$15,177,612	4.34% (3.72%)	$658,708	42 (40) years
JRS	161% (161%)	$7,382,476	0%	$0	0 (0) years
TOTAL				**$9,974,774**	

Notes:

1. "Funded Ratio" means current assets compared to current liabilities. When a plan is 100% funded, it means current assets are sufficient to pay 100% of current liabilities (which include future benefit obligations). The percentages in this column are rounded.

2. "Covered Payroll" means the annual salaries of all active members on June 30.

3. "ARC" means the Annual Required Contribution rate required to amortize the unfunded liabilities over 30 years as determined by the system's actuary. Unfunded liabilities are the liabilities that cannot be paid with current assets, but that are being paid off over time. This time period is the called the "amortization period".

4. The "ARC shortfall" as a percent of payroll is the contribution rate increase (i.e., contributions above current contributions) needed to amortize the system's unfunded liabilities in 30 years. If a plan's liabilities are being paid off within 30 years or less, actuaries consider the system actuarially sound.

5. The ARC shortfall as a dollar amount is the estimated amount of money required in the first year of the biennial budget, in addition to current contributions to amortize the system's unfunded liabilities in 30 years. The actual amount will change as payroll changes.

6. Actuarial valuations are based on economic and demographic assumptions. The governing boards have the constitutional duty to adopt these assumptions, and they do so based on experience studies. Experience studies are conducted approximately every 5 years. The legislature may not alter these assumptions, but may request information based on different assumptions. The main actuarial assumptions for the FY 2019 actuarial valuations were as follows:

Main Economic Assumptions on June 30, 2019	TRS	MPERA Systems
Investment rate of return	7.50% assumption *5.69% FY 2019 actual market return, 7.00% smoothed return*	7.65% assumption *5.58% FY 2019 actual market return, 7.13% smoothed return*
Wage growth	3.25%	3.50%
Inflation	2.50%	2.75%