

# Schools Pool Valuation and Employer/Employee Contribution Rates

Actuarial Office

# Overview

- Actuarial valuation date: **June 30, 2023**
  - Determines required employer and PEPRA employee contributions for **fiscal year 2024-25**
- All participating school employers pay the same employer contribution rate based on total results of the Schools Pool

# Key Experience Since Prior Valuation

- Money-weighted investment return based on final assets was 6.1% in fiscal year 2022-23
- Salary increases for active members averaged 9.8% in the year ending June 30, 2023
- Total pool payroll increased by 13.9% over the prior year

# Key Results (\$ in millions)

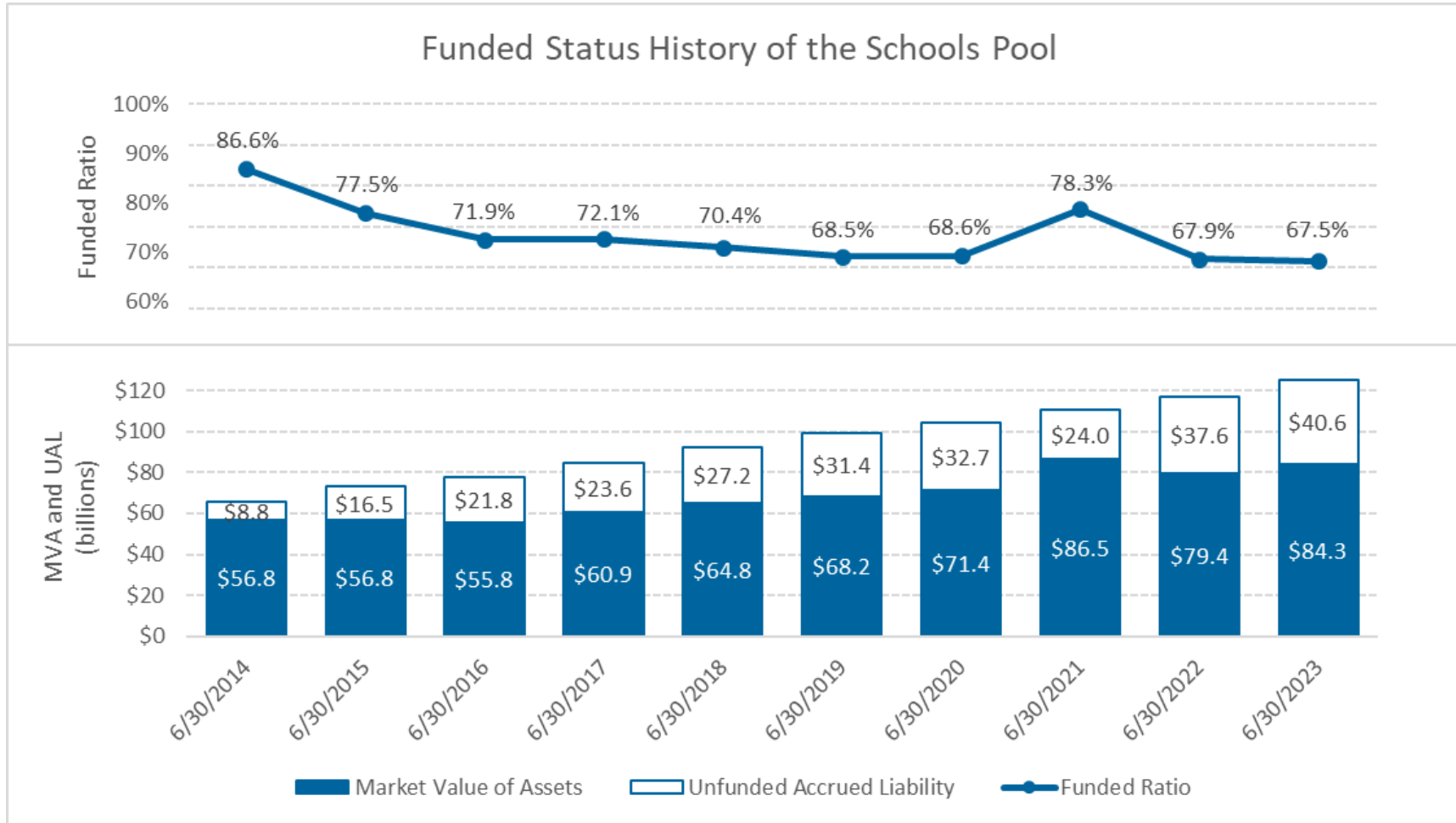
	June 30, 2022	June 30, 2023
Accrued Liability	\$ 116,982	\$ 124,924
Market Value of Assets	\$ 79,386	\$ 84,292
Unfunded Accrued Liability	\$ 37,596	\$ 40,632
Funded Ratio	67.9%	67.5%
Discount Rate	6.80%	6.80%
	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>
Employer Contribution Rate	26.68%	27.05%
PEPRA Member Contribution Rate	8.00%	8.00%

# Employer Contributions (\$ in millions)

	Fiscal Year 2023-24	Fiscal Year 2024-25	
<b>Employer Contribution Rate (%)</b>		<i>[estimated<sup>1</sup>]</i>	[actual]
Employer Normal Cost	9.77%	9.7%	9.58%
Unfunded Liability Rate	<u>16.91%</u>	<u>18.1%</u>	<u>17.47%</u>
Employer Contribution Rate	26.68%	27.8%	27.05%
<b>Projected Payroll in Contribution Year</b>	\$ 16,731	\$ 17,199	\$ 19,055
<b>Expected Employer Contribution (\$)</b>	\$ 4,465		\$ 5,153

<sup>1</sup> As projected in the June 30, 2022 actuarial valuation report

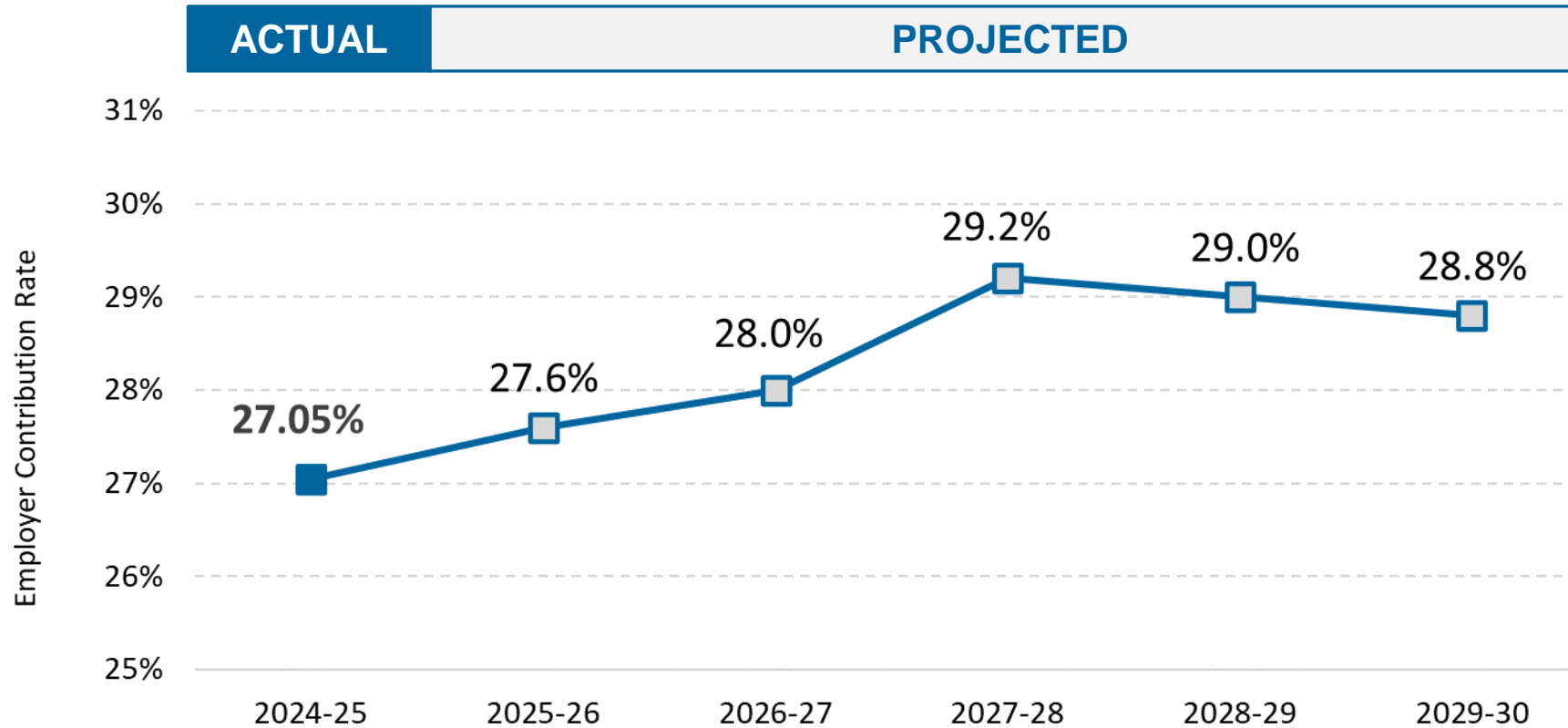
# Funded Status Recent History



# PEPRA Member Contributions

- PEPRA members in the Schools Pool are required to contribute 50% of normal cost
- Member contribution rate will remain 8.00% in fiscal year 2024-25
- PEPRA members represent 62% of Schools Pool active membership by headcount and 54% by payroll

# Projected Employer Contribution Rate



Projected rates assume 6.8% investment return in FY 2023-24 and thereafter with no changes to benefits, assumptions, or methods during the projection period. All plan experience is assumed to match the actuarial assumptions, including the expectation that normal cost will continue to gradually decline over time as new employees enter the PEPRAs benefit tier.