

**SUBCOMMITTEE RECOMMENDATION**

**Public Employees Retirement System  
2019 Preliminary Earnings Crediting Report**

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On February 11th, the General Government Subcommittee recommended acknowledging receipt of a report from the Public Employees Retirement System on 2019 preliminary earning crediting.

The PERS Board approved preliminary earnings crediting of \$9.5 billion for calendar year 2019, which increases reserves from \$71.4 billion to \$80.9 billion. The overall return was 13.3%, which exceeded the current assumed earnings rate of 7.2% by 6.1%.

A preliminary estimate of the impact of the earnings on the Unfunded Accrued Liability shows that the UAL may decrease by \$2.9 billion for a total UAL of \$18.9 billion. The funded status of the system will improve from 74.9% to 79% funded.

Employer contribution rates for the 2021-23 biennium will be based on final earnings crediting for calendar years 2018 and 2019. The system-wide average employer contribution rate is expected to decline from 18.3% to 17.6%.

The amount of earnings crediting is net of investment expenses, which total \$747.9 million and PERS administrative expenses of \$52.2 million.

The General Government Subcommittee recommends approval.