

SUBCOMMITTEE RECOMMENDATION

Public Employees Retirement System 2023 Preliminary Earnings Crediting

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| To: | Ways and Means Full Committee |
| From: | General Government Subcommittee |
| Carrier: | Representative Smith |

On February 12, the General Government Subcommittee recommended acknowledging receipt of a report from the Public Employees Retirement System on the 2023 preliminary earnings crediting report.

The PERS Board approved preliminary crediting of \$5.3 billion for calendar year 2023, which increases reserves from \$91.7 billion to \$97 billion. This represents a gain of 5.75%.

The preliminary earnings and other PERS Board changes are expected to increase the Unfunded Actuarial Liability from \$21.8 billion to \$22.8 billion, or by \$1 billion, and that the funded status of the system will decrease from 78.8% to 78%.

Employer contribution rates for the 2023-25 biennium and will remain unchanged. For the 2025-27 biennium, advisory employer contribution rates will be based on 2022 actual earnings crediting and final adopted rates will be based on 2023 actual earnings. Overall, 2025-27 employer contribution rates are expected to increase.

The General Government Subcommittee recommends approval.