



# PERA

Public Employees  
Retirement Association  
of New Mexico

**INVESTED IN TOMORROW.**



**ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2021**  
**Public Employees Retirement Association**  
**Pension Trust Funds of the State of New Mexico**

# Public Employees Retirement Association *of New Mexico*

## **Annual Comprehensive Financial Report** Year ended June 30, 2021

### **Pension Trust Funds of the State of New Mexico**

Prepared by the Administrative Services and Investment  
Division Staff at NM PERA

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**INVESTED IN TOMORROW.**

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Public Employees Retirement Association



2021 ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2021



## MISSION AND VALUE STATEMENTS

### **Providing a Stable Lifetime Benefit to Members Through Leadership, Integrity and Quality Customer Service**

#### **Stewardship**

- Making sound decisions to achieve the retirement funds' objectives.
- Demonstrating the ability to meet our long-term obligations.
- Meeting financial performance measures.

#### **Leadership**

- Focusing on employees' strengths and capabilities while maintaining accountability.
- Communicating and implementing the agency's strategic plan.

#### **Integrity**

- Earning the confidence of others by being dependable, honest and trustworthy.

#### **Customer Service**

- Anticipating and meeting the needs of our customers.
- Delivering quality services with a commitment to continuous improvement.
- Communicating effectively with our customers.

## PERA BOARD CHAIR LETTER

November 24, 2021



Dear PERA Members:

On behalf of the PERA Board of Trustees, I am pleased to present the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This report provides information about the financial and actuarial status of PERA along with information regarding our membership.

As the economy recovered from the COVID-19 pandemic, PERA's defined benefit fund increased its net position for the fiscal year ending June 30, 2021, to \$18.0 billion. This was an increase of \$3.16 billion from the prior fiscal year. PERA's investments generated a non-lagged return of 25.36%, net of fees, for the year ending June 30, 2021. This investment return is well above PERA's expected return assumption of 7.25%, however, this is not the only element required to keep a pension plan funded.

Approximately 91% of PERA's benefit payments are made to members that reside in New Mexico after retirement, thereby providing an important source of economic activity in our state and our local communities. In 2021, PERA paid \$1.33 billion in benefits to PERA retirees and beneficiaries.

The PERA Board takes its fiduciary responsibility very seriously and will continue to work to preserve and protect the Fund and the benefits provided to our members. The Board is committed to the long-term sustainability of all of our plans and to providing a secure retirement for public employees throughout New Mexico.

We are honored to serve as your representatives and pledge our best efforts to continue to prudently manage the PERA Fund.

Sincerely,



Francis Page,  
PERA Acting Board Chair

## PERA Board of Trustees



Francis Page  
*Acting Chair*  
*Retiree Member*



Claudia Armijo  
*State Treasurer's Office*  
*State Member*



Lawrence Davis  
*City of Albuquerque*  
*Municipal Member*



Tim Eichenberg  
*State Treasurer*  
*Ex-Officio Member*



Paula Fisher  
*Children, Youth and Families Dept.*  
*State Member*



John Melia  
*Albuquerque Fire Department*  
*Municipal Member*



Loretta Naranjo Lopez  
*Retiree Member*



Steve Neel  
*NM Educational Retirement Board*  
*State Member*



Shirley Ragin  
*County of Bernalillo*  
*County Member*



Roberto Ramirez  
*ABCWUA*  
*Municipal Member*



Diana Rosales Ortiz  
*Office of the Attorney General*  
*State Member*



Maggie Toulouse Oliver  
*Secretary of State*  
*Ex-Officio Member*



# EXECUTIVE DIRECTOR'S LETTER



November 24, 2021

To: Board of Trustees and Members of the New Mexico Public Employees Retirement Association

The New Mexico Public Employees Retirement Association (PERA) is pleased to present this *Annual Comprehensive Financial Report* for the Fiscal Year ended June 30, 2021 (FY 21).



At PERA our primary mission is to serve our members and provide a stable, secure retirement to current and future generations of public employees.

PERA staff worked together to compile this AFCR and management is responsible for the accuracy of the data, the completeness and fairness of the report and the presentation contained in this report. To the best of our knowledge, the report is materially accurate and fairly presents the financial position and results of operations of PERA. The report includes all retirement plans administered by PERA: State, Municipal, Legislative, Judicial, Magistrate and Volunteer Firefighters and Deferred Compensation. This report is intended to provide complete and reliable information as a basis for making management decisions and complying with all federal and state laws and ensuring fiscal responsibility of PERA's assets.

PERA was established by statute in 1947. For further detail of the background of PERA, see the Notes to Financial Statements.

## Board Composition

PERA is governed by a 12-member Board of Trustees; 10 Trustees elected by the membership for staggered four-year terms. The 10 elected Trustees are made up of four trustees who represent the State Members, three trustees that represent the Municipal Members, two trustees that represent the Retirees, and one trustee that represents the County Members. In addition, there are two voting ex officio Trustees, the State Treasurer and the Secretary of State.

## Annual Comprehensive Financial Report Contents

The Annual Comprehensive Financial Report is presented in five sections: introductory, financial, investment, actuarial and statistical. The introductory includes this transmittal letter, a letter from the Board Chair, PERA's organizational chart, and member service communications.

PERA's transactions are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the fair presentation of the financial statements and supporting schedules. The financial section was prepared in accordance with generally accepted accounting principles (GAAP), the reporting requirements described by the Governmental Accounting Standards Board (GASB) as well as requirements of the New Mexico State Auditor. The financial section features a Management's Discussion and Analysis (MD&A). GASB requires a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an

## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

MD&A. This letter of transmittal is designed to complement, and not duplicate, the MD&A and should be read in conjunction with it. The MD&A can be found in the financial section immediately following the report from PERA's independent auditor.

The investment section provides a report on investment activities, policies, asset allocation, performance results and other yearly comparative portfolio information.

The actuarial section details the funding status and other actuarial information for all funds that PERA administers. The actuarial section does not include net pension liability information that is required to be presented in the financial section under GASB 67, rather the actuarial section focuses on information used for funding purposes.

The statistical section includes comparative financial and demographic information along with the Deferred Compensation information; providing the users of the Annual Report with annual information for comparative analysis.

### Economic Outlook

The COVID-19 pandemic continued to cause economic disruptions during the fiscal year. However, the economy began coming back to life in the last six months of the FY 2021. The recovery was supported by fiscal and monetary policies at the federal level. As such, during FY 21 PERA's defined benefit fund generated a time-weighted return of 25.36%, net of fees non-lagged. This healthy return in investment was well above the actuarial return target of 7.25%. However, as PERA enters the next fiscal year, we will continue to focus on building an investment portfolio that consistently meets its 7.25% long term expected return, while eliminating uncompensated risk and mitigating portfolio drawdowns.

### Summary of Financial Information

The following schedule is a summary of the Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, and Volunteer Firefighters Retirement Fund, additions and deductions for the years ended June 30, 2021 and June 30, 2020 (excluding the Deferred Compensation Plan and Social Security Administration Program).

	June 30, 2021	June 30, 2020
Additions	\$ 4,547,996,466	\$ 505,091,415
Deductions	(1,387,700,880)	(1,333,267,972)
Net Change	\$ 3,160,295,586	\$ (828,176,557)

Additions increased from FY 20 to FY 21 by \$4,042,905,051 primarily due to an increase in net investment income. Deductions increased by \$54,432,908 primarily due to an increase in benefit payments for the year.

### Funding

PERA's funding objective is to meet long-term benefit payments through contributions that are statutorily fixed as a percent of member payroll, and achieving a 7.25% annual assumed actuarial investment return. PERA's funding ratio is derived from excess additions which include investment earnings and contributions and deductions that made up of benefit payments to members and administrative expenses. On June 30, 2021 PERA's funded ratio increased in comparison to last fiscal year as we ended the fiscal year at 71.4%, a 1.1% increase. The actuarial value of the plan assets as of June 30, 2021 was \$16,460,210,558.

## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

PERA has worked on long-term sustainability of all plans and in 2020 Senate Bill 72 went into law. This legislation will increase PERA contributions for state general plans for both employees and employers by .5% each year for the next four years. This will also increase contributions for Municipal plans for both employees and employers by .5% each year for four years starting in FY 22. The bill also made changes to the COLA structure for retirees who are 75 years of age on before June 30, 2020 and disability retirees and retirees with a pension lower than \$25,000 after years of services will receive a 2.5% COLA increase. For all other retirees who are COLA -eligible, they will receive a 2% non-compounding additional payment for 2020, 2021 and 2022. After, the three-year period, future COLAs for more retirees will be based on the Fund's investment returns and funded ratio. PERA will continue to monitor the progress of Senate Bill 72 and its impact on our funding status.

Additional information regarding the financial condition of the funds administered by PERA can be found in the actuarial section of this report.

### Investment Activity

Investment income is a substantial source of revenue to PERA in which oversight of the investment program is done through the board with assistance from the investment committees and their responsibilities. In FY 2021, PERA had a net investment income of \$3.8 billion. This resulted in PERA's investment portfolio producing a total return, net of fees non-lagged, of 25.36% for the year ended June 30, 2021, which is more than the assumed actuarial investment return of 7.25% (see actuarial analysis below for further detail of change to discount rate).

PERA is a long-term investor and our portfolio is constructed to weather financial storms through diversification and constant attention to our process to make improvements as needed. Additional information regarding the investment results for the year is included in the investment section of this report.

### Actuarial Analysis

PERA's funding objective is to meet long-term benefit payments through contributions that are statutorily fixed as a percent of member payroll, and achieving the annual assumed actuarial investment return. The PERA Board adopted a change in new economic assumptions for the June 30, 2021 actuarial valuations. The rate of inflation changed to a 2.50% static rate. A rate of return assumption has been adopted for funding purposes. The rate is 7.25% continuously. The rate of payroll growth is changed to a 3.00% continuous and administrative expense changed to .50% of payroll. The actuarial reports are prepared by Cavanaugh Macdonald LLP based on data provided by PERA. They also serve as a technical advisor to staff on actuarial issues. More detailed information for all the plans can be found in the actuarial section of this report.

### GASB 67 Financial Reporting for Pension Plans

PERA implemented GASB 67 in FY 14. The Net Pension Liability (NPL) for the Public Employees Retirement Fund (multi-employer cost sharing fund) for FY 21 is \$5.2 billion, a \$2.3 billion decrease compared to FY 20 of approximately \$7.4 billion. The NPL for that fund will be allocated to the cost sharing employer participants that participate in that fund. More detailed information regarding the NPL for the PERA Fund, Judicial Fund, Magistrate Fund and Volunteer Firefighters Fund, can be found in the financial section of this report in Note 12 and in the Required Supplementary Information.

## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

### Management Responsibility for Financial Reporting

PERA maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. In addition, PERA's internal audit firm provides a continuous review of the internal controls and operations of PERA, and the internal audit firm regularly reports to the PERA Board through its Audit and Budget Committee (Committee). The objective of internal control is to provide reasonable, not absolute, assurance that the financial statements are free of material misstatements; PERA maintains internal controls to provide reasonable assurance that control objectives are met. The Committee reviews the audit results and recommendations for improvements in internal control and operational efficiency and the actions of management to implement such recommendations.

The internal control system includes the organizational plan, the segregation of duties, sound accounting practices in the performance of duties and, knowledgeable personnel. PERA believes the internal controls during FY 21 were appropriate and provide reasonable assurance regarding the proper recording of financial transactions.

### Recognition of Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its Annual Report for the year ended June 30, 2020. This is the 19th consecutive year that PERA has achieved this award.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Whether directly or indirectly, every division of PERA contributed to the content of the Annual Report report. The attainment of this Certificate of Achievement represents a significant accomplishment by PERA employees.

A Certificate of Achievement is valid for a period of one year only. We believe that this year's Annual Report continues to meet this standard and will be submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded PERA an Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. This is the 4th consecutive year that PERA has achieved this award.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

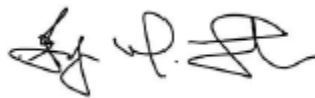
### Independent Audit

An annual audit of PERA's Financial Statements has been performed this year by the independent accounting firm of CliftonLarsonAllen, LLP. The auditors' report on the financial statements is included in the financial section of this report. CliftonLarsonAllen, LLP incorporated the audit done by Moss Adams, LLP in regard to the Deferred Compensation Plan, which PERA also administers.

### Conclusion

This report is a product of the combined efforts of the PERA staff functioning under the Board's direction. It is intended to provide complete and reliable information that will facilitate the management decision-making process, serve as a means for determining compliance with legal requirements, and allow for the evaluation of responsible stewardship of the PERA Fund.

Greg Trujillo



Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Public Employees Retirement Association  
of New Mexico**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



Public Pension Coordinating Council

***Recognition Award for Administration  
2021***

Presented to

**Public Employees Retirement Association of New Mexico**

In recognition of meeting professional standards for  
plan administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink that reads "Alan H. Winkle".

Alan H. Winkle  
Program Administrator

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION EMPLOYEES

### EXECUTIVE OFFICE

Gregory M. Trujillo - *Executive Director*  
Patricia B. Winter - *Administrative Assistant*  
Anna Williams - *Deputy Director/ Chief Financial Officer*

### INVESTMENTS BUREAU

Kristin E. Varela - *Interim Chief Investment Officer*  
LeAnne Larrañaga-Ruffy - *Portfolio Manager*  
Sara Hume - *Portfolio Manager*  
Frank Mihail - *Portfolio Manager*  
Katharine Brassington - *Portfolio Manager*  
Michael Killfoil - *Portfolio Manager*  
Jovanna Archuleta - *Financial Analyst*  
Aaron Kayser - *Financial Analyst*  
Olasunkanmi I. Olaoye - *Investment Accountant*

### DEFERRED COMPENSATION BUREAU

Karyn D. Lujan - *Deferred Compensation Administrator*

### OFFICE OF GENERAL COUNSEL

Misty M. Schoepner - *Interim General Council*  
Geraldine Garduna - *Attorney*  
Laura E. Archuleta - *Paralegal Assistant*  
Louella Pacheco - *Paralegal Assistant*

### ADMINISTRATIVE SERVICES BUREAU

Jessica Trujillo - *Human Resources Manager*  
Samantha Olivas - *Human Resources*  
Marlena S. Riggs - *Financial Manager*  
Zarina Martinez - *Financial Coordinator*  
Valerie R. Hayas - *Accountant Auditor*  
Dawn M. Prada - *Accountant Auditor*  
Heather Martinez - *Accountant Auditor*  
Aji M. Lopez - *Contribution Accounting Manager*  
Nicole Tapia - *Accountant Auditor*  
Shauna D. Rivera - *Accountant Auditor*  
Rosemary Rodriguez - *Accountant Auditor*  
Robert Romero - *Building Services*

### INFORMATION SYSTEMS BUREAU

Ronald Gallegos - *Chief Information Officer*  
Joel Sanchez - *IT Systems Administrator*  
Miranda Montoya - *IT End User Support*  
Ivy Cordova - *IT End User Support*  
Jacob Martinez - *IT Sec & Compliance*  
Leslie L. Miller - *IT End User Support*  
Devi Viratapu - *IT End User Support*  
Jessica A. Perea - *IT Business Analyst*  
Amanda Ortiz - *Business Operations Specialist*  
Jeremy Ortiz - *Records Clerk*  
Louise Martinez - *Records Clerk*  
Mariah Sedillo - *Records Clerk*  
Alison Bradley - *Records Clerk*

### MEMBER SERVICES

Melinda E. Marquez - *Bureau Chief*

### CUSTOMER SERVICE

Greg D. Holmes - *Retirement Specialist Supervisor*  
Theresa Marie Martinez - *Retirement Specialist*  
Alexander Lowe - *Retirement Specialist*  
Natalie Padilla - *Retirement Specialist*  
Rosa Romero - *Retirement Specialist*  
Chantel Larranaga - *Customer Service Specialist*

### DEATH AND DISABILITIES

Consuelo R. Montoya - *Retirement Specialist Supervisor*  
Arlene F. Coriz - *Retirement Specialist*  
Fatima Ruiz - *Retirement Specialist*  
Karen Morales-Ortiz - *Retirement Specialist*

### RETIREMENTS

Sandra Mirabal - *Retirement Specialist Supervisor*  
Marshall Romero - *Retirement Specialist*  
Holly Grant - *Retirement Specialist*  
Roberta Scott - *Retirement Specialist*  
Jessica Chavez-Lance - *Retirement Specialist*  
Camylle Barela - *Retirement Specialist*  
Dennis Trujillo - *Retirement Specialist*

### PAYROLL/REFUNDS

Jesse Godfrey - *Supervisor*  
Brenda Y. Cordova - *Business Operations Specialist*  
Sandia Nakai - *Business Operations Specialist*  
Ramona Moore - *Business Operations Specialist*  
Christine B. Carillo - *Accountant Auditor*  
Andrea Lucero - *Accountant Auditor*

### OUTREACH

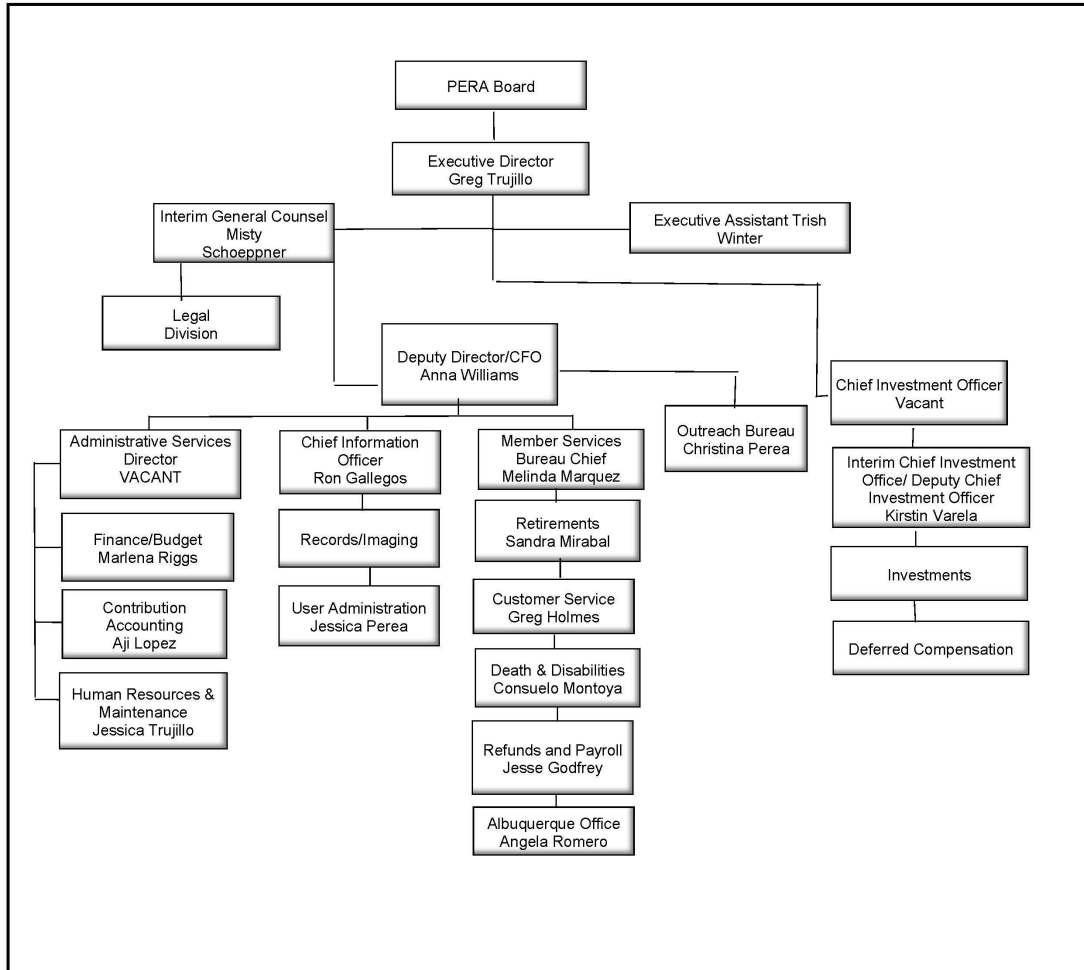
Christina I. Perea - *Public Relations Bureau Chief*  
Christina A. Gauthier - *Public Relations Coordinator*  
Jose Trujillo - *Public Relations Coordinator*

### ALBUQUERQUE OFFICE

Angela D. Romero - *Retirement Specialist Supervisor*  
Victoria G. Chavez - *Retirement Specialist*  
Melissa Trujeque - *Retirement Specialist*  
Bianca Medina - *Retirement Specialist*  
Angelique Adler - *Retirement Specialist*  
Annette Trujillo - *Retirement Specialist*



# PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ORGANIZATIONAL CHART



## **PROFESSIONAL CONSULTANTS**

### **ACTUARY**

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Cavanaugh Macdonald Consulting, LLC Consultants  
& Actuaries  
3550 Busbee Parkway, Suite 250  
Kennesaw, GA 30144  
Website: [www.CavMacConsulting.com](http://www.CavMacConsulting.com)

### **AUDITORS**

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CliftonLarsonAllen, LLP  
Business Consultants & Certified Public Accountants 500  
Marquette Ave. NW #800  
Albuquerque, NM 87105  
Website: [www.claconnect.com](http://www.claconnect.com)

REDW, LLC  
Certified Public Accountants | Business & Financial Advisors 7425  
Jefferson St. NE  
Albuquerque, NM 87109  
Website: [www.redw.com](http://www.redw.com)

### **INVESTMENT PERFORMANCE CONSULTANTS**

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Wilshire Associates Incorporated  
1299 Ocean Avenue, Suite 700  
Santa Monica, CA 90401-1085  
Website: [www.wilshire.com](http://www.wilshire.com)

### **INVESTMENT - REAL ASSETS CONSULTANTS**

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Albourne America, LLC  
55 Montgomery Street, Suite 1910  
San Francisco, CA 4111  
Website: [www.albourne.com](http://www.albourne.com)

### **INVESTMENT - PRIVATE EQUITY CONSULTANTS**

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TorreyCove Capital Partners, LLC  
101800 Barnes Canyon Road, Suite 200  
San Diego, CA 2121  
Website: [www.torreycove.com](http://www.torreycove.com)

A list of PERA's Schedule of Commissions, and other information related to investment expenses can be found in the Investment Section on pages 117.



# FINANCIAL SECTION

Public Employees Retirement Association



2020-2021 ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2021



## INDEPENDENT AUDITORS' REPORT

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
and  
Honorable Brian S. Colón  
New Mexico State Auditor

### **Report on the Financial Statements**

We have audited the financial statements of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund, Volunteer Firefighters Retirement Fund, State of New Mexico Public Employees' Deferred Compensation Plan, and Social Security Administration Program (collectively, the Funds) administered by the Public Employees Retirement Association of New Mexico (PERA), which comprise the Statement of Fiduciary Net Position as of June 30, 2021, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related Notes to the Financial Statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the State of New Mexico Public Employees' Deferred Compensation Plan, which represents 100% of the total assets, fiduciary net position held in trust for deferred compensation benefits, and increase in fiduciary net position of the accompanying statement of fiduciary net position and statement of changes in fiduciary net position of the State of New Mexico Public Employees' Deferred Compensation Plan. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the State of New Mexico Public Employees' Deferred Compensation Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of PERA as of June 30, 2021, and the respective changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, based on our audit and the report of other auditors, the individual financial statements of each Fund referred to above present fairly, in all material respects, the fiduciary net position of each of the individual Funds administered by PERA as of June 30, 2021 and the respective changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1, the financial statements of PERA are intended to present the fiduciary net position and changes in fiduciary net position of only that portion of the State of New Mexico which are attributable to the transactions of the Funds administered by PERA. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2021, and the changes in its financial position, and where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Changes in Net Pension Liability, Net Pension Liability, Employer Contributions, and Investment Returns, and related Notes, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on PERA's financial statements. The accompanying Schedules of Revenues, Appropriation, and Expenses – Budget and Actual for the Public Employees Retirement Fund Only, Administrative Expenses – All Funds and Investment Expenses for Defined Benefit Funds (supplementary information) and the Introductory, Investment, Actuarial and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory, Investment, Actuarial, and Statistical Sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021 on our consideration of PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PERA's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 24, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Public Employees Retirement Fund (PERA Fund), the Judicial Retirement Fund (Judicial Fund), the Magistrate Retirement Fund (Magistrate Fund), the Volunteer Firefighters Retirement Fund (Volunteer Firefighters Fund), and the State of New Mexico Public Employees' Deferred Compensation Plan (Deferred Comp Fund) (collectively, the “Funds”) of the Public Employees Retirement Association of New Mexico for the years ended June 30, 2021 and 2020 provides a summary of the financial positions of the Funds, including highlights and comparisons.

PERA administers 31 different types of retirement coverage for affiliated public employers in the State of New Mexico. PERA is governed by a Board of Trustees consisting of two ex-officio members and ten members elected by the Association’s membership. The Board serves as the trustee for the funds controlled by PERA and is authorized to invest the funds on behalf of PERA. The Board appoints an Executive Director to oversee daily operations of the agency.

PERA administers a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC), which provides retirement, disability and survivor benefits pursuant to the Public Employees Retirement Act. The Public Employees Retirement Act, NMSA 1978 §§10-11-1 to 10-11-142, provides most of PERA’s statutory authority. Additional statutory authority is contained in NMSA 1978 § 10-11A-1 et seq, NMSA 1978 § 10-12B-1 et seq, NMSA 1978 § 10-12C-1 et seq, and NMSA 1978 § 10-13A-1 et seq. Deferred compensation is governed by NMSA 1978 §§ 10-7A-1 to 10-7A-12 and the U.S. Internal Revenue Code § 457.

### DEFINED BENEFIT FUNDS

The Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, and the Volunteer Firefighters Retirement Fund (collectively the "defined benefit funds") are defined benefit plans which provide a benefit based on a fixed pre-established benefit for employees at retirement. Overall the retirement plans need to balance the money coming in through investment income and contributions with the benefit payments and operating expenses going out.

Basic Retirement Equation:

$$\text{Investment Income} + \text{Contribution} = \text{Benefits Paid} + \text{Expense}$$

		<b>Change in Fiduciary Net Position (Last 5 - Fiscal Years)</b>
<b>I -</b>	Investment Income	\$ 7,103,765,502
<b>C -</b>	Contributions	3,230,417,239
<b>C -</b>	Other Income	63,274,317
	Subtotal	\$ 10,397,457,058
<b>B -</b>	Benefits	6,305,800,518
<b>E -</b>	Expenses	65,593,571
		\$ 6,371,394,089
	<b>Change in Fiduciary Net Position</b>	<b>\$ 4,026,062,969</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Comparative Summary Statements

The following tables for the year ended June 30, 2021 show the summary of the net change in fiduciary net position for the defined benefit funds. These tables show the net change in contributions, investment income, benefit payments and administrative expense by fund.

#### PERA Fund

	2021	2020	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 688,736,890	\$ 665,577,359	\$ 23,159,531	3.48 %
Net Investment Income	3,799,140,688	(223,544,634)	4,022,685,322	(1,799.50)%
Other Income	1,990,689	1,645,633	345,056	20.97 %
Appropriations from State of NM	—	55,000,000	(55,000,000)	(100.00)%
Total Additions	4,489,868,267	498,678,358	3,991,189,909	800.35 %
<b>Deductions:</b>				
Benefit Payments	1,314,819,963	1,255,018,086	59,801,877	4.77 %
Refunds	40,353,832	44,903,263	(4,549,431)	(10.13)%
Administrative Expenses	12,730,398	14,318,348	(1,587,950)	(11.09)%
Total Deductions	1,367,904,193	1,314,239,697	53,664,496	4.08 %
<b>Change in Fiduciary Net Position</b>	<b>\$ 3,121,964,074</b>	<b>\$ (815,561,339)</b>	<b>\$ 3,937,525,413</b>	<b>(482.80)%</b>

#### Judicial Fund

	2021	2020	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 7,464,568	\$ 6,466,425	\$ 998,143	15.44 %
Net Investment Income	21,501,749	(1,252,476)	22,754,225	(1,816.74)%
Other Income	—	—	—	
Total Additions	28,966,317	5,213,949	23,752,368	455.55 %
<b>Deductions:</b>				
Benefit Payments	12,538,011	12,013,294	524,717	4.37 %
Refunds	1,273	7,599	(6,326)	(83.25)%
Administrative Expenses	70,966	81,903	(10,937)	(13.35)%
Total Deductions	12,610,250	12,102,796	507,454	4.19 %
<b>Change in Fiduciary Net Position</b>	<b>\$ 16,356,067</b>	<b>\$ (6,888,847)</b>	<b>\$ 23,244,914</b>	<b>(337.43)%</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)****Magistrate Fund**

	<b>2021</b>	<b>2020</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 2,999,352	\$ 1,943,040	\$ 1,056,312	54.36 %
Net Investment Income	7,462,517	(437,321)	7,899,838	(1,806.42)%
Other Income	—	—	—	— %
Total Additions	10,461,869	1,505,719	8,956,150	594.81 %
<b>Deductions:</b>				
Benefit Payments	4,293,632	4,204,111	89,521	2.13 %
Refunds	49,849	—	49,849	— %
Administrative Expenses	24,760	28,329	(3,569)	(12.60)%
Total Deductions	4,368,241	4,232,440	135,801	3.21 %
<b>Change in Fiduciary Net Position</b>	<b>\$ 6,093,628</b>	<b>\$ (2,726,721)</b>	<b>\$ 8,820,349</b>	<b>(323.48)%</b>

**Volunteer Firefighters Fund**

	<b>2021</b>	<b>2020</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
<b>Additions:</b>				
Appropriations from State of NM	\$ 750,000	\$ 750,000	\$ —	— %
Net Investment Income	17,949,889	(1,056,611)	19,006,500	(1,798.82)%
Other Income	125	—	125	100.00 %
Total Additions	18,700,014	(306,611)	19,006,625	(6,198.94)%
<b>Deductions:</b>				
Benefit Payments	2,757,992	2,625,832	132,160	5.03 %
Administrative Expenses	60,201	67,207	(7,006)	(10.42)%
Total Deductions	2,818,193	2,693,039	125,154	4.65 %
<b>Change in Fiduciary Net Position</b>	<b>\$ 15,881,821</b>	<b>\$ (2,999,650)</b>	<b>\$ 18,881,471</b>	<b>(629.46)%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### NET POSITION HELD IN TRUST FOR PENSION BENEFITS

The following tables display the fiduciary net position. This is the total assets, less the liabilities to end up with the net position held in trust for the defined benefit funds.

#### PERA Fund

	2021	2020	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 1,045,359,294	\$ 935,183,338	\$ 110,175,956	11.78 %
Receivables	1,186,101,364	1,151,571,157	34,530,207	3.00 %
Investments	17,168,139,405	14,254,269,467	2,913,869,938	20.44 %
Capital Assets, Net	10,297,207	10,922,533	(625,326)	(5.73) %
Total Assets	19,409,897,270	16,351,946,495	3,057,950,775	18.70 %
<b>Liabilities:</b>				
Accounts Payable	1,287,249,562	1,367,531,475	(80,281,913)	(5.87) %
Other Liabilities	308,699,428	292,430,814	16,268,614	5.56 %
Total Liabilities	1,595,948,990	1,659,962,289	(64,013,299)	(3.86) %
<b>Fiduciary Net Position</b>	<b>\$ 17,813,948,280</b>	<b>\$ 14,691,984,206</b>	<b>\$ 3,121,964,074</b>	<b>21.25 %</b>

#### Judicial Fund

	2021	2020	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 5,652,222	\$ 5,034,687	\$ 617,535	12.27 %
Receivables	6,781,013	6,590,029	190,984	2.90 %
Investments	97,650,991	82,699,112	14,951,879	18.08 %
Total Assets	110,084,226	94,323,828	15,760,398	16.71 %
<b>Liabilities:</b>				
Accounts Payable	7,126,247	7,780,590	(654,343)	(8.41) %
Other Liabilities	1,731,409	1,672,735	58,674	3.51 %
Total Liabilities	8,857,656	9,453,325	(595,669)	(6.30) %
<b>Fiduciary Net Position</b>	<b>\$ 101,226,570</b>	<b>\$ 84,870,503</b>	<b>\$ 16,356,067</b>	<b>19.27 %</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)****Magistrate Fund**

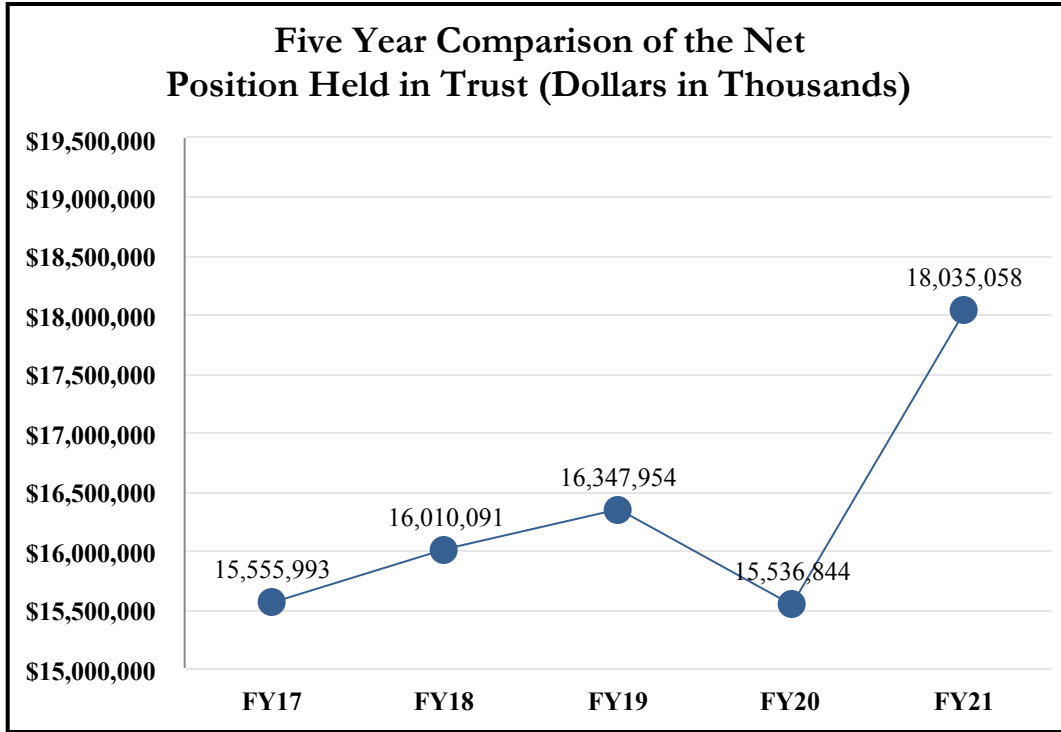
	2021	2020	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 1,972,049	\$ 1,741,406	\$ 230,643	13.24 %
Receivables	2,431,241	2,281,501	149,740	6.56 %
Investments	33,872,753	28,338,833	5,533,920	19.53 %
Total Assets	38,276,043	32,361,740	5,914,303	18.28 %
<b>Liabilities:</b>				
Accounts Payable	2,507,661	2,712,503	(204,842)	(7.55) %
Other Liabilities	604,085	578,568	25,517	4.41 %
Total Liabilities	3,111,746	3,291,071	(179,325)	(5.45) %
<b>Fiduciary Net Position</b>	<b>\$ 35,164,297</b>	<b>\$ 29,070,669</b>	<b>\$ 6,093,628</b>	<b>20.96 %</b>

**Volunteer Firefighters Fund**

	2021	2020	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 4,794,808	\$ 4,131,311	\$ 663,497	16.06 %
Receivables	5,520,260	5,270,557	249,703	4.74 %
Investments	81,914,126	67,188,739	14,725,387	21.92 %
Total Assets	92,229,194	76,590,607	15,638,587	20.42 %
<b>Liabilities:</b>				
Accounts Payable	6,041,629	6,381,031	(339,402)	(5.32) %
Other Liabilities	1,468,764	1,372,596	96,168	7.01 %
Total Liabilities	7,510,393	7,753,627	(243,234)	(3.14) %
<b>Fiduciary Net Position</b>	<b>\$ 84,718,801</b>	<b>\$ 68,836,980</b>	<b>\$ 15,881,821</b>	<b>23.07 %</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following chart represents the fiduciary net position for the Public Employees Retirement Association over the last 5 years. (This includes all the defined benefit funds and the Deferred Compensation fund.)



**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)****DEFERRED COMP FUND**

In addition to the above defined benefit funds, the comparative summary of assets, liabilities, net position and the related change in net position of the Deferred Comp fund is presented below. The assets and liabilities of this plan are administered by a plan administrator through an executed contract with PERA.

Statement of Fiduciary Net Position as of June 30, 2021, as compared to June 30, 2020, is as follows:

**Deferred Comp Fund**

	2021	2020	Dollar Change	Percentage Change
<b>Assets:</b>				
Receivables	\$ 11,319,340	\$ 12,360,117	\$ (1,040,777)	(8.42)%
Investments	800,939,084	649,734,530	151,204,554	23.27 %
Total Assets	812,258,424	662,094,647	150,163,777	22.68 %
Total Liabilities	11,698	12,695	(997)	(7.85)%
<b>Net Position Held in Trust</b>	<b>\$ 812,246,726</b>	<b>\$ 662,081,952</b>	<b>\$ 150,164,774</b>	<b>22.68 %</b>

Statement of Changes in Fiduciary Net Position as of June 30, 2021, as compared to June 30, 2020, is as follows:

**Deferred Comp Fund**

	2021	2020	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 42,905,382	\$ 41,704,672	\$ 1,200,710	2.88 %
Net Investment Income	164,046,966	24,310,886	139,736,080	574.79 %
Other Income	105,000	108,136	(3,136)	(2.90)%
Total Additions	207,057,348	66,123,694	140,933,654	213.14 %
<b>Deductions:</b>				
Benefit Payments	55,088,749	47,481,217	7,607,532	16.02 %
Life Insurance Premiums	12,678	17,740	(5,062)	(28.53)%
Administrative Expenses	1,791,147	1,558,231	232,916	14.95 %
Total Deductions	56,892,574	49,057,188	7,835,386	15.97 %
<b>Change in fiduciary net position</b>	<b>\$ 150,164,774</b>	<b>\$ 17,066,506</b>	<b>\$ 133,098,268</b>	<b>779.88 %</b>

**INVESTMENTS HIGHLIGHTS**

The purpose of the defined benefit investments is to provide long-term growth, while also ensuring a reliable cash flow that meets the funding requirements of the current pension obligations. The investments are allocated to a variety of asset types and strategies in order to meet the current funding needs and future growth for their long-term return and growth characteristics, while fixed income and debt-related investments are included in the allocation for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirement of current pension payments.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table shows the investment income for the defined benefit funds for the fiscal year 2021:

### Investment Income

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Interest	\$ 61,154,141	\$ 346,754	\$ 120,151	\$ 289,024	\$ 61,910,070
Dividends	112,705,643	638,140	221,320	532,278	114,097,381
Net Appreciation in Fair Value of Inv.	3,478,447,098	19,682,163	6,832,245	16,437,291	3,521,398,797
Other Investment Income	230,804,590	1,305,565	453,109	1,090,887	233,654,151
Other Investment Expenses	(85,987,601)	(482,282)	(168,267)	(409,122)	(87,047,272)
Securities Lending Income	2,016,817	11,409	3,959	9,531	2,041,716
<b>Net Investment Income</b>	<b>\$ 3,799,140,688</b>	<b>\$ 21,501,749</b>	<b>\$ 7,462,517</b>	<b>\$ 17,949,889</b>	<b>\$ 3,846,054,843</b>

The following table shows the defined benefit funds' invested assets as of June 30, 2021 compared to June 30, 2020:

### Invested Assets

Investment Category	June 30, 2021	June 30, 2020	Dollar Change	Percentage Change
Domestic Equity	\$ 2,044,096,830	\$ 2,145,189,948	\$ (101,093,118)	(4.71)%
International Equity	2,133,460,844	2,051,545,364	81,915,480	3.99 %
Core Fixed Income	2,263,888,943	2,340,092,196	(76,203,253)	(3.26)%
Global Fixed Income	775,362,403	665,794,261	109,568,142	16.46 %
Public MLP	289,470,751	180,510,962	108,959,789	60.36 %
Public REIT	493,992,955	392,462,686	101,530,269	25.87 %
TIPS	534,767,776	505,618,297	29,149,479	5.77 %
Derivatives	39,740,395	(2,032,461)	41,772,856	(2055.28)%
Absolute Return - Credit	1,023,620,077	384,941,533	638,678,544	165.92 %
Absolute Return - Equity	650,939	653,070	(2,131)	(0.33)%
Absolute Return - Real Assets	1,085,403	1,913,847	(828,444)	(43.29)%
Absolute Return - Risk Parity	1,806,177,837	1,364,876,911	441,300,926	32.33 %
Bond Plus Alpha Engine	777,969,354	485,637,550	292,331,804	100.00 %
Private Equity Partnership	2,323,970,260	1,391,459,986	932,510,274	67.02 %
Private Debt Partnership	357,895,601	589,513,211	(231,617,610)	(39.29)%
Real Estate Equity Partnership	818,876,832	574,721,347	244,155,485	42.48 %
Real Estate Debt Partnership	373,015,354	288,339,335	84,676,019	29.37 %
Real Asset Partnership	991,887,442	757,194,460	234,692,982	31.00 %
Securities Lending Collateral	312,517,006	296,084,177	16,432,829	5.55 %
Investments In State General Fund Investment Pool	19,130,273	17,979,471	1,150,802	6.40 %
<b>Total Investments</b>	<b>\$ 17,381,577,275</b>	<b>\$ 14,432,496,151</b>	<b>\$ 2,949,081,124</b>	<b>20.43 %</b>



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

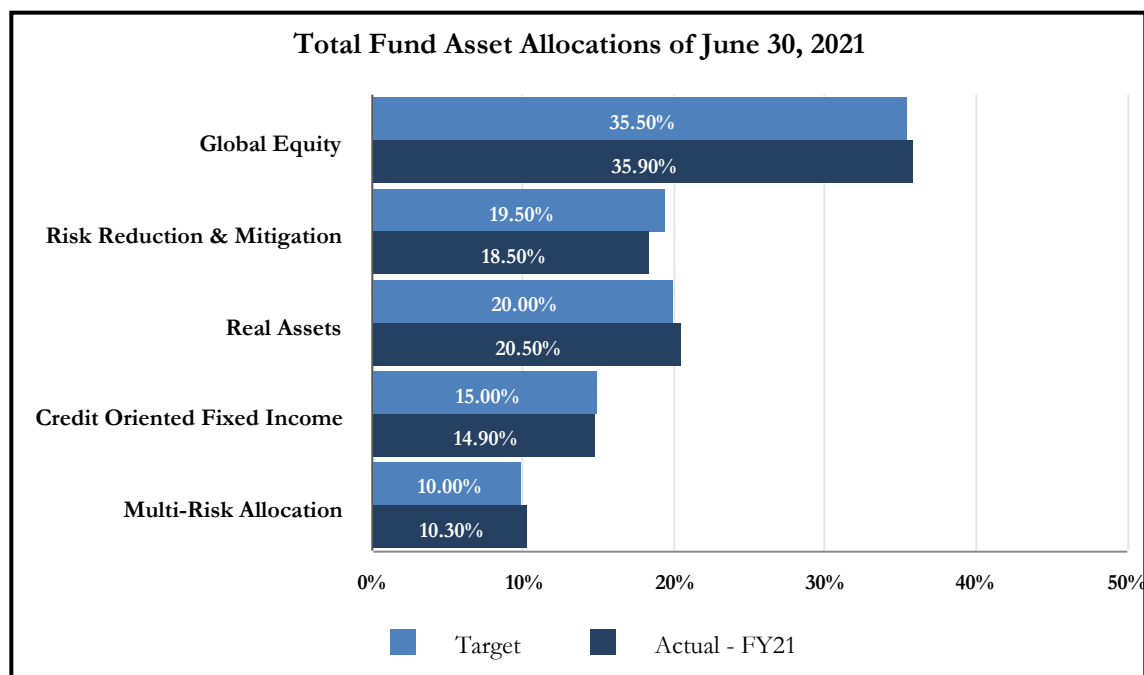
### TIME - WEIGHTED RETURNS VS BENCHMARKS

As of June 30, 2021, the investments in the defined benefit funds returned 25.36% and generated an investment gain of approximately \$3,846 million net of investment fees and expenses. For further detail, please see the actuarial section on page 142. The defined benefit funds' Fiduciary Net Position held in trust for pension benefits at the close of the fiscal year was approximately \$18.0 billion. The defined benefit fund has exceeded its policy benchmark over the last five years.

Time Period	PERA Return	Benchmark Return	Excess Return
One-year	25.36%	24.17%	1.19%
Three-year	9.74%	9.36%	0.38%
Five-year	9.46%	8.98%	0.48%

### ASSET ALLOCATION

The strategic asset allocation focuses on the role of each major asset category through various market cycles and better diversifies capital and risks across these strategies. The new target mix apportions assets to capture diversified return streams while reducing the expected volatility of the defined benefit funds', as a whole. The chart below details the asset allocation for the defined benefit funds' investment portfolio and shows defined benefit funds' investment return compared to its policy benchmark.



### STATUTORY CONTRIBUTIONS

Contributions are one piece of the retirement equation. The member and employer contributions rates are set in statute. See notes to the financial statements for the detail schedule of the contribution rates. Employer and member contributions for the fiscal year increased from \$630,367,351 in 2020 to \$699,950,810 in 2021.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Total Contributions by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Employer Contributions	\$ 379,184,992	\$ 4,426,382	\$ 1,147,653	\$ —	\$ 384,759,027
Employee Contributions	298,572,637	1,838,186	651,699	—	301,062,522
Purchased Services	10,979,261	—	—	—	10,979,261
State Contributions	—	1,200,000	1,200,000	750,000	3,150,000
<b>Total Contributions</b>	<b>\$ 688,736,890</b>	<b>\$ 7,464,568</b>	<b>\$ 2,999,352</b>	<b>\$ 750,000</b>	<b>\$ 699,950,810</b>

### BENEFITS AND EXPENSES

Benefits are another component of the retirement equation. At the end of the fiscal year 2021, PERA was paying benefits to more than 44,850 retired public employees and their beneficiaries. Benefits and expenses for the fiscal year increased from \$1,280,024,595 in 2020 to \$1,387,700,877 in 2021.

### Total Deductions by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Benefit Payments	\$ 1,314,819,963	\$ 12,538,011	\$ 4,293,632	\$ 2,757,992	\$ 1,334,409,598
Refunds	40,353,832	1,273	49,849	—	40,404,954
Administrative Expense	12,730,398	70,966	24,760	60,201	12,886,325
<b>Total Deductions</b>	<b>\$ 1,367,904,193</b>	<b>\$ 12,610,250</b>	<b>\$ 4,368,241</b>	<b>\$ 2,818,193</b>	<b>\$ 1,387,700,877</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### ACTUARIAL VALUATIONS

In FY 21 the PERA Fund reported an Unfunded Actuarial Accrued Liability (UAAL) of \$6.58 billion, approximately \$68.7 million less than the previous year. For further detail, please see actuarial section on page 140. The decrease in the UAAL was the result of an actuarial gains due to the investment experience and the first year of the changes related to SB 72 included in the valuations. The return on the actuarial value of assets was 26.47% compared to an expected return of 7.25%.

Recent Governmental Accounting Standards Board (GASB) accounting changes (GASB 67) have changed how an unfunded liability is calculated for accounting purposes and how it is reported on the financial statements of PERA's participating entities.

The table in the MD&A includes the Net Pension Liability as required under GASB 67. For further detail, please see Note 12 and required supplementary information specific to GASB 67, by fund.

#### Net Pension Liability by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund
Total Pension Liability	\$23,061,127,815	\$173,895,087	\$59,529,119	\$53,125,982
Plan Fiduciary Net Position Held in Trust for Pension Benefits	17,813,948,280	101,226,570	35,164,297	84,718,801
Net Pension Liability / (Asset)	<b>\$5,247,179,535</b>	<b>\$72,668,517</b>	<b>\$24,364,822</b>	<b>\$(31,592,819)</b>
Ratio of Plan Net Position of Total Pension Liability	<b>77.25%</b>	<b>58.21%</b>	<b>59.07%</b>	<b>159.47%</b>

*Actuarial assumptions*—The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2021. These assumptions were adopted by the Board for use in the June 30, 2021 actuarial valuation.

### REQUEST FOR INFORMATION

Any questions regarding the financial statements of PERA should be directed to the Executive Director, at (505) 476-9301; Chief Investment Officer at (505) 476-9338, or Chief Financial Officer at (505) 476-9313. All can be reached by mail at 33 Plaza La Prensa, Santa Fe, NM 87504. Further contact information is also located on PERA's website at <http://www.nmpera.org/>.

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

### STATEMENTS OF FIDUCIARY NET POSITIONAs of June 30, 2021

	Public Employee Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
<b>ASSETS</b>			
Cash and Short Term Investments	\$ 1,007,757,113	\$ 5,652,222	\$ 1,972,049
Cash and Cash Equivalents for 13th Check	37,602,181	—	—
Receivables			
Accrued Investment Income	1,160,223,416	6,507,405	2,270,420
Contributions Receivable	25,877,948	173,608	60,821
Participant Loans Receivable	—	—	—
Accounts Receivable	—	100,000	100,000
<b>Total Short Term Assets</b>	<b>1,186,101,364</b>	<b>6,781,013</b>	<b>2,431,241</b>
Investment in State Treasurer Investment Pool	17,054,254	1,455,102	310,205
Investments, at fair value			
Domestic Equity	2,019,213,007	11,325,228	3,951,350
International Equity	2,107,489,146	11,820,348	4,124,095
Core Fixed Income	2,236,329,477	12,542,979	4,376,220
Global Fixed Income	765,923,525	4,295,862	1,498,817
Public MLP	285,946,877	1,603,800	559,563
Public REIT	487,979,329	2,736,947	954,915
TIPS	528,257,777	2,962,858	1,033,735
Derivatives	39,256,615	220,180	76,820
Absolute Return - Credit	1,011,159,032	5,671,323	1,978,713
Absolute Return - Equity	643,015	3,607	1,258
Absolute Return - Real Assets	1,072,190	6,014	2,098
Absolute Return - Risk Parity	1,784,190,320	10,007,051	3,491,439
Bond Plus Alpha Engine	768,498,739	4,310,306	1,503,857
Private Equity Partnership	2,295,679,394	12,875,857	4,492,360
Private Debt Partnership	353,538,756	1,982,905	691,832
Real Estate Equity Partnership	808,908,230	4,536,952	1,582,933
Real Estate Debt Partnership	368,474,449	2,066,676	721,059
Real Asset Partnership	979,812,694	5,495,510	1,917,372
Variable Earning Investments	—	—	—
Stable Value Option & Other	—	—	—
Fixed annuity payout option	—	—	—
Self-directed option	—	—	—
	<b>16,859,426,826</b>	<b>95,919,505</b>	<b>33,268,641</b>
Securities Lending Collateral Investments	308,712,579	1,731,486	604,112
<b>Total Investments</b>	<b>17,168,139,405</b>	<b>97,650,991</b>	<b>33,872,753</b>
Capital Assets, Net	10,297,207	—	—
<b>Total Assets</b>	<b>19,409,897,270</b>	<b>110,084,226</b>	<b>38,276,043</b>
<b>LIABILITIES</b>			
Accounts Payable - Brokers	1,269,452,764	7,122,003	2,484,853
Accounts Payable - Other	17,161,003	4,244	22,808
Accrued Expenses	235,033	—	—
Compensated Absences	400,762	—	—
Securities Lending Liability	308,699,428	1,731,409	604,085
<b>Total Liabilities</b>	<b>1,595,948,990</b>	<b>8,857,656</b>	<b>3,111,746</b>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>			
	<b>\$ 17,813,948,280</b>	<b>\$ 101,226,570</b>	<b>\$ 35,164,297</b>

\*See Notes to the Financials for additional information

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

### STATEMENTS OF FIDUCIARY NET POSITION (CONTINUED) As of June 30, 2021

	Volunteer Firefighters Retirement Fund	Total Defined Benefit	Deferred Compensation Plan	SSA Program	Total
<b>ASSETS</b>					
Cash and Short Term Investments	\$ 4,794,808	\$ 1,020,176,192	\$ —	\$ —	\$ 1,020,176,192
Cash and Cash Equivalents for 13th Check	—	\$ 37,602,181	—	—	37,602,181
Receivables					
Accrued Investment Income	5,520,260	1,174,521,501	—	—	1,174,521,501
Contributions Receivable	—	26,112,377	—	—	26,112,377
Participant Loans Receivable	—	—	11,294,340	—	11,294,340
Accounts Receivable	—	200,000	25,000	—	225,000
<b>Total Short Term Assets</b>	<u>5,520,260</u>	<u>1,200,833,878</u>	<u>11,319,340</u>	<u>—</u>	<u>1,212,153,218</u>
Investment in State Treasurer Investment Pool	310,712	19,130,273	53,258	1,473	19,185,004
Investments, at fair value					
Domestic Equity	9,607,245	2,044,096,830	—	—	2,044,096,830
International Equity	10,027,255	2,133,460,844	—	—	2,133,460,844
Core Fixed Income	10,640,267	2,263,888,943	—	—	2,263,888,943
Global Fixed Income	3,644,199	775,362,403	—	—	775,362,403
Public MLP	1,360,511	289,470,751	—	—	289,470,751
Public REIT	2,321,764	493,992,955	—	—	493,992,955
TIPS	2,513,406	534,767,776	—	—	534,767,776
Derivatives	186,780	39,740,395	—	—	39,740,395
Absolute Return - Credit	4,811,009	1,023,620,077	—	—	1,023,620,077
Absolute Return - Equity	3,059	650,939	—	—	650,939
Absolute Return - Real Assets	5,101	1,085,403	—	—	1,085,403
Absolute Return - Risk Parity	8,489,027	1,806,177,837	—	—	1,806,177,837
Bond Plus Alpha Engine	3,656,452	777,969,354	—	—	777,969,354
Private Equity Partnership	10,922,649	2,323,970,260	—	—	2,323,970,260
Private Debt Partnership	1,682,108	357,895,601	—	—	357,895,601
Real Estate Equity Partnership	3,848,717	818,876,832	—	—	818,876,832
Real Estate Debt Partnership	1,753,170	373,015,354	—	—	373,015,354
Real Asset Partnership	4,661,866	991,887,442	—	—	991,887,442
Variable Earning Investments	—	—	443,408,088	—	443,408,088
Stable Value Option & Other	—	—	217,150,317	—	217,150,317
Fixed annuity payout option	—	—	131,465,317	—	131,465,317
Self-directed option	—	—	8,862,104	—	8,862,104
	<u>80,445,297</u>	<u>17,069,060,269</u>	<u>800,939,084</u>	<u>1,473</u>	<u>17,870,000,826</u>
Securities Lending Collateral Investment	1,468,829	312,517,006	—	—	312,517,006
<b>Total Investments</b>	<u>81,914,126</u>	<u>17,381,577,275</u>	<u>800,939,084</u>	<u>1,473</u>	<u>18,182,517,832</u>
Capital Assets, Net	—	10,297,207	—	—	10,297,207
<b>Total Assets</b>	<u>92,229,194</u>	<u>19,650,486,733</u>	<u>812,258,424</u>	<u>1,473</u>	<u>20,462,746,630</u>
<b>LIABILITIES</b>					
Accounts Payable - Brokers	6,041,629	1,285,101,249	—	—	1,285,101,249
Accounts Payable - Other	—	17,188,055	—	—	17,188,055
Accrued Expenses	—	235,033	2,511	1,473	239,017
Compensated Absences	—	400,762	9,187	—	409,949
Securities Lending Liability	1,468,764	312,503,686	—	—	312,503,686
<b>Total Liabilities</b>	<u>7,510,393</u>	<u>1,615,428,785</u>	<u>11,698</u>	<u>1,473</u>	<u>1,615,441,956</u>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>	<u><b>\$ 84,718,801</b></u>	<u><b>\$ 18,035,057,948</b></u>	<u><b>\$ 812,246,726</b></u>	<u><b>\$ —</b></u>	<u><b>\$ 18,847,304,674</b></u>

\*See Notes to the Financials for additional information

## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

### STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2021

	Public Employee Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 379,184,992	\$ 4,426,382	\$ 1,147,653
Member	298,572,637	1,838,186	651,699
Appropriations from State of NM			
Legislative Fund	—	1,200,000	1,200,000
Fire Protection Fund	—	—	—
Service Credits Purchased	10,979,261	—	—
<b>Total Contributions</b>	<b>688,736,890</b>	<b>7,464,568</b>	<b>2,999,352</b>
Investment Income			
Interest	61,154,141	346,754	120,151
Dividends	112,705,643	638,140	221,320
Net Appreciation (Depreciation) in Fair Value of Investments	3,478,447,098	19,682,163	6,832,245
Other Investment Income	230,804,590	1,305,565	453,109
Securities Lending Income	2,016,817	11,409	3,959
	<u>3,885,128,289</u>	<u>21,984,031</u>	<u>7,630,784</u>
Securities Lending Expenses	(296,968)	(1,666)	(581)
Other Investment Expenses	(85,690,633)	(480,616)	(167,686)
<b>Net Investment Income</b>	<b>3,799,140,688</b>	<b>21,501,749</b>	<b>7,462,517</b>
<b>OTHER</b>			
Other Income	1,990,689	—	—
Special fund appropriation	—	—	—
Reversion - FY 2021	—	—	—
<b>Total Other Income</b>	<b>1,990,689</b>	<b>—</b>	<b>—</b>
<b>Total Additions</b>	<b>4,489,868,267</b>	<b>28,966,317</b>	<b>10,461,869</b>
<b>DEDUCTIONS</b>			
Benefit Payments	1,314,819,963	12,538,011	4,293,632
Refunds to Terminated Employees	40,353,832	1,273	49,849
Administrative Expenses	12,730,398	70,966	24,760
Life Insurance Premiums	—	—	—
<b>Total Deductions</b>	<b>1,367,904,193</b>	<b>12,610,250</b>	<b>4,368,241</b>
Change in Fiduciary Net Position	3,121,964,074	16,356,067	6,093,628
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>			
<b>Beginning of Year</b>	<b>14,691,984,206</b>	<b>84,870,503</b>	<b>29,070,669</b>
<b>End of Year</b>	<b>\$ 17,813,948,280</b>	<b>\$ 101,226,570</b>	<b>\$ 35,164,297</b>

\*See Notes to the Financials for additional information

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO (CONTINUED)**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2021**

	Volunteer Firefighters Retirement Fund	Total Defined Benefit	Deferred Compensation Plan	SSA Program	Total
<b>ADDITIONS</b>					
Contributions					
Employer	\$ —	\$ 384,759,027	\$ —	\$ —	\$ 384,759,027
Member	—	301,062,522	42,905,382	—	343,967,904
Appropriations from State of NM -					
Judicial/Magistrate Fund	—	2,400,000	—	—	2,400,000
Fire Protection Fund	750,000	750,000	—	—	750,000
Service Credits Purchased	—	10,979,261	—	—	10,979,261
<b>Total Contributions</b>	<b>750,000</b>	<b>699,950,810</b>	<b>42,905,382</b>	<b>—</b>	<b>742,856,192</b>
Investment Income					
Interest	289,024	61,910,070	17,948,586	—	79,858,656
Dividends	532,278	114,097,381	—	—	114,097,381
Net Appreciation (Depreciation) in Fair Value of Investments	16,437,291	3,521,398,797	145,257,733	—	3,666,656,530
Other Investment Income	1,090,887	233,654,151	840,647	—	234,494,798
Securities Lending Income	9,531	2,041,716	—	—	2,041,716
	18,359,011	3,933,102,115	164,046,966	—	4,097,149,081
Securities Lending Expenses	(1,413)	(300,628)	—	—	(300,628)
Other Investment Expenses	(407,709)	(86,746,644)	—	—	(86,746,644)
<b>Net Investment Income</b>	<b>17,949,889</b>	<b>3,846,054,843</b>	<b>164,046,966</b>	<b>—</b>	<b>4,010,101,809</b>
<b>OTHER</b>					
Other Income	125	1,990,814	105,000	—	2,095,939
Special fund appropriation	—	—	—	52,800	52,800
Reversions - FY 2021	—	—	—	(7,753)	(7,753)
<b>Total Other Income</b>	<b>125</b>	<b>1,990,814</b>	<b>105,000</b>	<b>45,047</b>	<b>2,140,986</b>
<b>Total Additions</b>	<b>18,700,014</b>	<b>4,547,996,467</b>	<b>207,057,348</b>	<b>45,047</b>	<b>4,755,098,987</b>
<b>DEDUCTIONS</b>					
Benefit Payments	2,757,992	1,334,409,598	55,088,749	—	1,389,498,347
Refunds to Terminated Employees	—	40,404,954	—	—	40,404,954
Administrative Expenses	60,201	12,886,325	1,791,147	45,047	14,722,519
Life Insurance Premiums	—	—	12,678	—	12,678
<b>Total Deductions</b>	<b>2,818,193</b>	<b>1,387,700,877</b>	<b>56,892,574</b>	<b>45,047</b>	<b>1,444,638,498</b>
Change in Fiduciary Net Position	15,881,821	3,160,295,590	150,164,774	—	3,310,460,364
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>					
<b>Beginning of Year</b>	<b>68,836,980</b>	<b>14,874,762,358</b>	<b>662,081,952</b>	<b>—</b>	<b>15,536,844,310</b>
<b>End of Year</b>	<b>\$ 84,718,801</b>	<b>\$ 18,035,057,948</b>	<b>\$ 812,246,726</b>	<b>\$ —</b>	<b>\$ 18,847,304,674</b>

\*See Notes to the Financials for additional information

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. GENERAL DESCRIPTION OF THE ASSOCIATION AND RETIREMENT FUNDS

#### A. General

The Public Employee Retirement Association (“PERA”) was created by legislation enacted in 1947.

PERA is the administrator of four retirement funds, including the Public Employees Retirement Fund (PERA Fund), the Judicial Retirement Fund (Judicial Fund), the Magistrate Retirement Fund (Magistrate Fund), and the Volunteer Firefighters Retirement Fund (Volunteer Firefighters Fund), offering an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. The laws governing the administration of these funds are set forth in Chapter 10 of the New Mexico Statutes Annotated 1978 (“NMSA 1978”) and applicable Replacement Pamphlets. PERA also has limited administrative responsibilities with respect to the State of New Mexico Deferred Compensation Fund (Deferred Comp Fund), as more fully discussed in Note 1(C). PERA also administers the Social Security Administrative Program (SSA Program) for the State of New Mexico. Collectively, the four retirement funds and the Deferred Comp Fund are known as the “Funds”.

PERA is directed by the Public Employees Retirement Board (the “Board”) which consists of twelve members. Ten of the twelve Board members are elected by PERA active and retired members under state, municipal and county coverage plans. Two of the twelve Board members, the Secretary of State and the State Treasurer, are ex-officio members.

#### B. Reporting Entity

PERA is an agency of the State of New Mexico. The funds administered by PERA are considered part of the State of New Mexico financial reporting entity and are pension trust funds of the State of New Mexico. The State of New Mexico Deferred Compensation Plan is also presented in the financial statements. See further detail and information on the Deferred Compensation Fund in Note 16 and publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza La Prensa, Santa Fe, NM 87507, or calling (505) 476-9386.

PERA applied the criteria established by GAAP to determine whether other state agencies, boards or commissions which benefit the members of PERA should be included within its financial reporting entity. The criteria include, but are not limited to, whether PERA exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service, and special financing relationships. Based on these criteria, management of PERA has determined that no other such entities should be included in its financial reporting entity. PERA does not have any component units.

The State of New Mexico, Department of Finance and Administration (DFA) codes for the funds are as follows:

Public Employees Retirement Fund SHARE fund #60600

Judicial Retirement Fund SHARE fund #60300

Magistrate Retirement Fund SHARE fund #60400

Volunteer Firefighters Retirement Fund SHARE fund #60700

Deferred Compensation Fund SHARE fund #75500



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Social Security Administrative Program SHARE fund #35180

PERA does receive General Fund Appropriations from the State of New Mexico to fund the SSA Program. Otherwise, PERA is self-funded through investment income and therefore is a non-reverting fund except for the SSA Program. PERA received a general appropriation for fiscal year 2021 to administer the SSA Program for the state. Based on the general appropriation PERA has reverted \$7,753 back to the General Fund.

### C. Description of the Funds

**PERA Fund** is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correctional Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA Fund. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10- 11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

#### **Senate Bill 72**

- Increases employer and employee contributions each year by .5 percent for State General plan employees for fiscal year 2021, 2022, 2023 and 2024, excludes State Police and Adult Correctional Officer Plan 1 and active members with wages under \$25,000.
- Increases employer and employee contributions each year by .5 percent for Municipal and County employees starting in fiscal 2023, 2024, 2025 and 2026 and excludes active members with wages under \$25,000.
- For three fiscal years replaced the current compounding annual 2% cost-of-living adjustment (COLA) with a 2% non compounding additional payment (13th check) and beginning July 1 2023, changing to a profit sharing COLA tied to investment performance and PERA's total funded ratio.

### **TIER I**

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available. A blended pension benefit is equal to the sum of the pension

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

attributable to the service credit the member has accrued under each coverage plan with different pension factors, for service credit earned after July 1, 2013.

### Cost-of-Living Adjustment (COLA)

- Reduces the COLA from 2% to .5% floor begin in 2023 and 3% maximum until 100% funded.
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$25,000 and recipients age 75 years on or before June 30, 2020

## TIER II

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%. The computation of final average salary increased as the average of salary for 60 consecutive months.

## CHANGES FOR RETIREES

### Cost-of-Living Adjustment (COLA)

- Reduces the COLA from 2% to .5% floor begin in 2023 and 3% maximum until 100% funded.
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$25,000 and recipients age 75 years on or before June 30, 2020.

## CHANGES FOR RE-EMPLOYED RETIREES

### Cost-of-Living Adjustment (COLA)

- Suspends the COLA for grandfathered return-to-work retirees during reemployment with PERA-affiliated employers or retirees employed by entities covered by the Educational Retirement Act.

***State Legislative Fund*** is a defined benefit pension plan that is a division accounted for under the PERA Fund. Eligibility for membership in the State Legislative Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, Section 43 and 43.5, NMSA 1978). State Legislators and lieutenant governors must elect to be a member no later than 180 days after first taking office to be covered under the State Legislative Fund.

Member contributions are \$500 for each year of service credit prior to 2012 session and \$600 for each year of service credit beginning with the 2012 legislative session. Legislative service credit is earned each calendar year during which the member fulfills the obligations of the position of legislator for more than six months of the calendar year, including the legislative session. Legislators are not required to make a member contribution until

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

after the legislative session has ended and after PERA verifies service credit. PERA invoices legislative members to cover member contributions for each legislative session after the session ends, which is normally July or August.

State funding for the State Legislative Fund is defined in Sections 10-11-43 and 10-11-43.5, NMSA 1978. The state is required to contribute sufficient amounts to finance the membership of members under state legislator coverage plan 2 on an actuarial reserve basis. The total actuarial determined amount for the State Legislative Fund for the fiscal year ended June 30, 2018 was determined by the actuary to be \$0. Actual funding/contributions historically have exceeded actuarial determined contributions. Regarding the source of funding, Section 7-1-6.43 of the Tax Administration Act states “A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars (\$200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year.” During the State of New Mexico (53rd Legislature) in 2017, HB-002 was passed that reduced the State’s distribution to the Legislative Fund from \$75,000 a month to \$0 a month.

Age and service requirements for retirement are age 65 or older with 5 or more years of service credit or any age with 10 or more years of service credit. Legislative members who meet retirement eligibility requirements receive annual pensions equal in any calendar year to 11% of the per diem rate in effect, pursuant to Section 2-1-8, NMSA 1978, on the first day of the calendar year that the legislator or lieutenant governor retires multiplied by 60 and further multiplied by credited service as a legislator or lieutenant governor. The per diem rate starting January 1, 2018 is \$165.

### Senate Bill 307

- Effective 2019 the annual contribution amount under Legislative Retirement Plan 2 the amount increases to \$1,000.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table (Tier I and Tier II) illustrate the various coverage options under the PERA Fund and the contribution rates effective during the year.

PERA Fund Contribution Rates and Pension Factors in Effect During FY 21						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
<b>STATE PLAN</b>						
State Plan 3	7.42%	9.42%	17.74%	3.0%	2.5%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
"Municipal Plan 1 (plan open to new employers)"	7.0%	8.50%	7.65%	2.0%	2.0%	90%
"Municipal Plan 2 (plan open to new employers)"	9.15%	10.65%	9.80%	2.5%	2.0%	90%
"Municipal Plan 3 (plan closed to new employers 6/95)"	13.15%	14.65%	9.80%	3.0%	2.5%	90%
"Municipal Plan 4 (plan closed to new employers 6/00)"	15.65%	17.15%	12.30%	3.0%	2.5%	90%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
Municipal Police Plan 1	7.00%	8.50%	10.65%	2.0%	2.0%	90%
Municipal Police Plan 2	7.00%	8.50%	15.65%	2.5%	2.0%	90%
Municipal Police Plan 3	7.00%	8.50%	19.15%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.15%	3.0%	2.5%	90%
Municipal Police Plan 5	16.30%	17.80%	19.15%	3.5%	3.0%	90%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.00%	9.50%	11.65%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.00%	9.50%	18.15%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.00%	9.50%	21.90%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.80%	14.30%	21.90%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.20%	17.70%	21.90%	3.5%	3.0%	90%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.5%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	17.24%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.37%	3.0%	3.0%	90%

**Judicial Fund** is a single employer defined benefit pension plan. Eligibility for membership in the Judicial Retirement Fund is set forth in the Public Employees Retirement Act (10-12B-4 NMSA 1978). Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Judicial Retirement plan.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For individuals that became a member of this plan prior to July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 2005, is determined as 75% of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For individuals that become a member after July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 55 to anyone having served at least 16 years.

For those individuals who became a member of this plan subsequent to July 1, 2005, the annual pension amount is determined as 75% of salary received during the last year in office prior to retirement multiplied by 5% of the number of years in service, not exceeding fifteen years, plus five years or one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of three and seventy-five hundredths percent times the sum of the number of years of service; provided that a pension calculated shall not exceed 75% of one-twelfth of the salary received during the last year in office.

The retirement age and service credit requirements for normal retirement for judicial members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 33 Substitute in the 2014 Legislative Session. Under the new requirements, judicial members are eligible to retire at age 65 with eight or more years of service or at age 60 with 15 or more years of service credit.

Effective July 1, 2014, judicial membership is mandatory, all judicial pension factors were reduced, employee and employer contributions increased 3% and the computation of final average salary increased as the average of salary for the 60 consecutive months. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. Members contribute at a rate of 10.5% of their salaries and the member's court contributes at a rate of 15% of the member's salary. Additionally, the district court contributes \$38 for each civil case docket fee paid in the district court, \$25 from each civil docket fee paid in metropolitan court and \$10 for each jury fee paid in metropolitan court. Contribution rates are established by state statute.

Certain changes took place under House Bill 33 and amends the Judicial Retirement Act (JRA) as follows:

### **Mandatory Membership**

- Eliminates the ability for judges to exempt themselves from membership as an elected official.
- Requires those judges who have previously retired from another state system or the educational retirement system (“working retiree”) to make nonrefundable “working retiree contributions” during their terms of office as judges; working retirees will not be eligible to accrue a retirement benefit under the JRA.
- Judges who have previously retired from another state system or the educational retirement system will have their COLA suspended effective July 1, 2014 for the duration of their terms as magistrate.

### **Cost-of-Living Adjustment (COLA)**

Establishes an independent COLA for judges and justices under the JRA, as follows:

- Suspends the COLA for all retired judges and justices for two years (July 1, 2014 and July 1, 2015).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the next succeeding year (based on the JRA Fund's prior year actuarial valuation).
- Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Judicial Fund is at or greater than the 100% funded ratio threshold and projected to continue to be at or above 100% for the next successive year.
- Suspends the COLA for judges and magistrates if the Funds' funded ratios fall below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years.

### Increased Employee Contributions

- Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%);
- Effective July 1, 2014, increases employer contributions 3% (from 12% to 15%);
- Requires "non-member" contributions during employment for judges and justices that have filed an exemption from membership; non-members will receive a refund of contributions, with interest, upon termination of employment.

### New Benefit Structure

- Raises age and service for normal retirement for judges who initially became members:
  - Prior to July 1, 2005:
    - 60 years with 15 years of service credit; or
    - 65 years (from 64) with 5 years of service credit
    - (Early retirement and 18 years w/ actuarial discount)
  - July 1, 2005 through June 30, 2014:
    - 55 years with 16 years of service credit; or
    - 65 years (from 64) with 5 years of service credit
  - On or after July 1, 2014:
    - 60 years with 15 years of service credit; or
    - 65 years with 8 years of service credit
- Lowers the pension multiplier to 3.5% (from 3.75%) and prorates future service credit for active members for a "blended" pension benefit for active JRA members.
- Increases the pension maximum to 85%, (from 75%).
- Increases the vesting period for judges who first take office after July 1, 2014 to 8 years (from 5).
- Changes form of benefit payments for those judges retiring on or after July 1, 2014. Currently, a judge's surviving spouse or designated beneficiary receives 75% of the judge's retirement pension until death. HB 33 provides for Normal and Optional forms of payments, similar to all other PERA member coverage plans. The normal form of payment is for life (Option A). Optional contingent survivor beneficiary forms of payment (Options B, C and D) are available on an actuarial equivalent basis. Total pension payments can never be less than the judge's accumulated contributions.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### **Senate Bill 122**

Effect in 2021 until fiscal year 2026 the Judicial Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.

**Magistrate Fund** is a single employer defined benefit pension plan as the State of New Mexico assumes sole responsibility for the fund and discloses its liability annually in the statewide Annual Comprehensive Financial Report. Eligibility for membership in the Magistrate Fund is set forth in the Public Employees Retirement Act (10-12C-4 NMSA 1978). All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Magistrate Retirement plan.

Every magistrate becomes a member in the Magistrate Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Benefits are available at age 64 or older to any member having served as a magistrate for a minimum of 5 years. Retirement is available at age 60 to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The annual pension amount is determined by multiplying 75% of the salary received during the last year in office prior to retirement by 5% of the number of years of service, not exceeding 15 years, plus 5 years.

The retirement age and service credit requirements for normal retirement for magistrate members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 216 Substitute in the 2014 Legislative Session. Under the new requirements, magistrates are eligible to retire at age 65 with eight or more years of service, at age 60 with 15 or more years of service credit or at any age with 24 years of service credit.

Effective July 1, 2014, membership is mandatory, all magistrate pension factors were reduced, employee contributions increased 3% and the computation of final average salary increased as the average of salary for the 60 consecutive months. Employer contribution rates increased by 4 percent effective July 1, 2015. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Member contributions are based on 10.5% of salaries and the State of New Mexico, through the administrative office of the courts, contributes at a rate of 11% of the member's salary. Beginning July 1, 2015, the employer contribution will increase to 15% of a member's salary. Additionally, the magistrate or metropolitan courts contribute \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid in magistrate court. Contribution rates are established by state statute.

Certain changes took place under House Bill 216 and amends the Magistrate Retirement Act (MRA) as follows:

### **Cost-of-Living Adjustment (COLA)**

Establishes an independent COLA for magistrates under the MRA, as follows:

- Suspends the COLA for all retired magistrates for two years (July 1, 2014 and July 1, 2015).
- Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the next succeeding year (based on the MRA Fund's prior year actuarial valuation).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Magistrate Fund is at or greater than the 80% funded ratio threshold and projected to continue to be at or above 80% for the next successive year.
- Suspends the COLA for magistrates if the Funds' funded ratios fall below 80%. COLA suspensions shall only be implemented for two consecutive fiscal years.

### Increased Employee Contributions

- Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%);
- Effective July 1, 2014, increases employer contributions 4% (from 11% to 15%);
- Requires “non-member” contributions during employment for magistrates that have filed an exemption from membership; non-members will receive a refund of contributions, with interest, upon termination of employment.

### New Benefit Structure

- Raises age and service for normal retirement for magistrates who initially became members:
  - Before July 1, 2014:
    - Any age and 24 years of service credit;
    - 60 years with 15 years of service credit; or
    - 65 years (from 64) with 5 years of service credit
  - On or after July 1, 2014:
    - Any age and 24 years of service credit;
    - 60 years with 15 years of service credit; or
    - 65 years with 8 years of service credit
- Lowers the pension multiplier to 3.5% (from 5.0%) and prorates future service credit for active members for a “blended” pension benefit for active MRA members.
- Increases the pension maximum to 85%, (from 75%).
- Increases the vesting period for magistrates who first take office after July 1, 2014 to 8 years (from 5).
- Changes form of benefit payments for those magistrates retiring on or after July 1, 2014. Currently, a magistrate's surviving spouse or designated beneficiary receives 75% of the magistrate's retirement pension until death. HB 216 provides for Normal and Optional forms of payments, similar to all other PERA member coverage plans. The normal form of payment is for life (Option A). Optional contingent survivor beneficiary forms of payment (Options B, C and D) are available on an actuarial equivalent basis. Total pension payments can never be less than the magistrate's accumulated contributions.

### Senate Bill 122

Effect in 2021 until fiscal year 2026 the Judicial Retirement Fund will receive \$100,000 each month from the Oil and Gas Proceeds and pass-through entity withholding tax.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***Volunteer Firefighters Fund*** is a single employer defined benefit pension plan. Eligibility for membership in the Volunteer Firefighters Fund is set forth in the Public Employees Retirement Act (NMSA 1978 10-11A-2). Any volunteer non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements is eligible for membership in the Volunteer Firefighters Fund. Benefits are available at age 55 or older to any member having served as a volunteer fire fighter for a minimum of 10 years. Benefits are \$100 per month (\$125 per month as of July 1, 2013) with at least 10 but less than 25 years of service or \$200 per month (\$250 per month as of July 1, 2013) with 25 or more years of service. Benefits for post-retirement surviving spouse annuities are also available. Members of the Volunteer Firefighters Fund do not make contributions to the plan. State statute required that the State Treasurer transfer \$750,000 during the 2021 fiscal year from the Fire Protection Fund to the Volunteer Firefighters Fund for purposes of contributing to the plan.

**D. Membership of the Plans**

At June 30, 2021, the number of participating government employers were as follows:

<b>Public Employees Retirement Fund</b>	
State Agencies	121
Cities	46
Towns	19
Villages	39
Counties	47
Housing Authorities	14
Other Local Public Bodies	28
<b>Total PERA</b>	<b>314</b>
<b>Judicial Retirement Fund*</b>	16
<b>Magistrate Retirement Fund*</b>	11
<b>Volunteer Firefighters Retirement Fund*</b>	363

\*Plans have multiple employers for reporting purposes, but are defined as single employer plans.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2021, membership in the plans was as follows:

	PERA* Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Totals
Retirees and beneficiaries receiving benefits	41,891	193	108	1,537	43,729
Terminated plan members not yet receiving benefits	20,955	27	19	367	21,368
Active plan members	48,818	123	62	8,014	57,017

\*Note PERA Retirement Fund includes the Legislative Fund

Note counts are based on the 2020 Valuation Report since they support the 2020 GASB 67 amounts

### E. Cost of Living Adjustment (COLA)

The Cost-of-Living Adjustments (COLA) are made to eligible retirees and beneficiaries. Retirees of the PERA, Legislative, Magistrate and Judicial fund receive a COLA yearly after retirement of two full-calendar years (January 1<sup>st</sup> through December 31<sup>st</sup>), subject to certain conditions. The 2% COLA will be effective July 1 of the following year after the two full calendar years and will be compounded for each fiscal year thereafter. The COLA for disabled retired members making less than \$20,000 and members that make less than \$20,000 and have 25 years of service credit will be 2.5%. COLA recipients receive a notification letter each July advising them of the increase in their pension payments. The total annual COLA payments for FY 21 were \$271,053,589 an average of \$22,587,799 per month.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Method of Accounting and Measurement Focus.** The financial statements of the Funds presented herein have been prepared on the accrual basis of accounting under which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned. Employee contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Contributions from employees and employers for service due through June 30 are accrued (based on pay period end date, which drives pay period reporting to PERA). These contributions are considered to be fully collectible and, accordingly, no allowance for uncollectible receivables is reflected in the financial statements. Benefits and refunds are recognized when due and payable in accordance with provisions set forth in NMSA 1978. The Funds are accounted for on the flow of economic resources measurement focus.

**Cash and Cash Equivalents.** Cash and Cash Equivalents include demand deposit accounts and all short-term instruments with maturities at purchase of 90 days or less. Cash and short-term investments are stated at fair value.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Receivables due to PERA.** Per Article IV, Section 32 of the New Mexico Constitution, no obligation or liability will be exchanged, transferred, remitted, released, postponed or in any way diminished by the legislature, nor shall any such obligation or liability be extinguished except by the payment thereof into the proper treasury or by proper proceeding in court. Per 2.80.800.8 NMAC, the Board directs the Executive Director to make all reasonable efforts to collect any pension or refund overpayment made for any reason.

**General Fund Appropriation**

	<b><u>SSA Program</u></b>
General Fund Appropriation	\$ 52,800
Reversion	(7,753)
Total	<u>\$ 45,047</u>

**Investments.** The PERA Board of Trustees has the sole authority to make changes to PERA's investment policies. The Board-approved strategic asset allocation (SAA) is as follows:

**Strategic Asset Allocation**

<u>Asset Class</u>	<u>Target</u>
Global Equity	35.50%
Risk Reduction & Mitigation	19.50%
Credit Oriented Fixed Income	15.00%
Real Assets to include Real Estate Equity	20.00%
Multi-Risk Allocation	10.00%

Detail of the asset classes are below:

- Global Equity
  - Public equity securities (domestic & international equities)
  - Private equity partnerships – buyouts and venture capital
  - Hedged Equity and Event-Driven Equity strategies (absolute return)
- Risk Reduction & Mitigation
  - Core and Global Core Fixed Income
  - Cash
  - Market Neutral/Risk Premia strategies (absolute returns - credit)
- Credit Oriented Fixed Income
  - Emerging Market Debt – USD and Local Currency
  - Distressed, Special Situation, and Event-Driven Debt, Private Debt Partnerships
  - Mezzanine Debt
  - High Yield/Bank Loans
- Real Assets
  - Global public real estate securities (REIT's)
  - Private real estate – core, value add, and opportunistic (RE equity)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Inflation protected bonds
  - Commodities/Timber/Farmland
  - Master Limited Partnership
  - Real asset limited partnerships
  - Infrastructure
- Multi-Risk Allocation
    - Absolute Risk Parity

The allocation of the subclasses are as follows:

- 1) Global Equity: Global Equity includes asset subclasses of Global Public Stock (17.79%), Global Low Volatility Equity (6.88%), Hedged Equity (.13%) and Private Equity (11.71%) for a total allocation to Global Equity of 36.51%.
- 2) Risk Reduction & Mitigation: Risk Reduction & Mitigation includes asset subclasses of Core Domestic Fixed Income (10.05%), Cash (0.48%), Bond Plus (4.57%), TAA Overlay (0.72%) and Global Core Fixed Income (2.33%), for a total allocation to Risk Reduction of 18.14%
- 3) Credit Oriented Fixed Income: The Credit Oriented Fixed Income Asset Class consists of the subclasses: Liquid Credit (2.73%), Emerging Market Debt (2.18%), Illiquid Credit (2.50%), Alternative Liquid Credit (7.29%), for a total allocation to Credit Oriented Fixed Income of 14.69%.
- 4) Real Assets: Real Assets includes Liquid Real Estate (1.99%), Illiquid Real Estate (5.98%), Liquid Real Assets (7.13%), Market Neutral Hedge Fund (1.00%) and Illiquid Real Assets (5.52%) for a total allocation to Real Assets of 21.94%.
- 5) Multi-Risk Allocation includes Absolute Risk Parity (10.04%)

All investment securities are reported at fair value. Fair value is defined as, according to the Governmental Accounting Standards Board (GASB) Statement No. 72, “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future and changes could materially affect the amounts reported. The determination of fair values includes, among other things, published market prices, prices obtained from pricing services, and prices quoted by independent brokers at current exchange rates.

Stocks traded on national or international exchanges are reported at current quoted fair values.

Bonds are primarily reported at fair values obtained from independent pricing services.

Fair value of real estate and real asset partnerships are reported at values provided by general partners based on the most recent financial information available. The valuation assumptions are based upon both market and property specific inputs which involve expert judgment.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Fair value of private equity partnerships and absolute return strategy investments are reported as determined by the general partners based on the most recent financial information available. The valuation assumptions are based on the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, securities lending income, rental income, and investment expenses, which include investment management and custodial fees, securities lending expense, and all other significant investment related costs.

In an effort to maximize the benefits of investment diversification and investment earnings, the Judicial, Magistrate, and Volunteer Firefighters Funds participate with the Public Employee Retirement Fund in an investment pool. Each fund's equity percentage, or allocation, in the pool is based on the Daily Balance Method, also known as daily weighted average. Using the Daily Balance Method, each participant account's percentage of ownership in the investment pool is calculated on a daily basis. A daily earnings figure is calculated by taking the total monthly earnings in the pool, divided by the number of days in the period. This daily earnings figure is then applied to each participant's ownership percentage, day-by-day. A participant's monthly earnings allocation is the summation of the daily calculation. With the Daily Balance Method, earnings are distributed by a unit distribution. Ownership percentages (rounded to the nearest hundredth of a percent) in the investment pool at June 30, 2021, are as follows:

PERA Fund	98.77%
Judicial Fund	0.57%
Magistrate Fund	0.20%
Volunteer Firefighters Fund	0.46%
<b>Total</b>	<b><u>100.00%</u></b>

**Capital Assets.** Capital assets costing \$5,000 or more (12-1-10 NMSA 1978) that are used in PERA's operations are capitalized. Intangible assets such as internally generated computer software used to maintain a membership data base also are capitalized. These are recorded at historical cost less accumulated depreciation or amortization. The building is depreciated over 50 years. All remaining capital assets are depreciated over five to ten years, depending on the nature of the asset, using the straight-line method of depreciation. See Note 6 for a more detailed summary of PERA's capital assets.

**Accrued Compensated Absences.** Accumulated vacation, compensation time and sick leave balances that meet the criteria to be paid to employees upon termination are recorded as a liability and expense of the Public Employees Retirement Fund measured at June 30, 2021.

**Interfund Receivables and Payables.** During the course of operations, transactions occur between the Funds for goods provided and services rendered. These receivables and payables are expected to be repaid in the subsequent fiscal year and are not eliminated in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Deferred Compensation Plan.** At June 30, 2021, PERA had \$53,258 in an operating account maintained for the sole purpose of paying administrative expenses associated with the Deferred Compensation Fund. This cash account is maintained by the State Treasurer. Accrued expenses and other liabilities associated with administrative operations are included in the financial statements of the Public Employees Retirement Fund.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from plan net position during the reported period.

Actual results could differ from those estimates. The Funds utilize various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net position.

**Federal Income Tax Status.** The four retirement funds (PERA (inclusive of Legislative), Judicial, Magistrate and Volunteer Fire Fighter) are qualified plans under Section 401(a) of the Internal Revenue Code and are exempt from federal income taxes under Section 501(a). The Deferred Compensation (IRC 457) Fund is an eligible deferred compensation plan as defined by Section 457 to the Internal Revenue Code. Accordingly, any compensation deferred under the Plan and any income attributable to the amounts so deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is paid or, otherwise, made available to the participant or their beneficiary.

### NOTE 3. DEPOSIT AND INVESTMENT RISK

**Securities Lending Collateral.** Securities held as a result of the reinvestment of cash collateral in the securities lending program are excluded from the investment disclosures below. Risk disclosures associated with the securities lending program can be found in NOTE 5a. SECURITIES LENDING.

**Objective & Risk.** The Primary Objective of the PERA Investment Policy states that “The Board will manage the Fund in a manner that reflects the Fund’s unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence.”

The Primary Objective also states the following principles related to risk that the Board has adopted:

- Risk is an unavoidable component of investing and shall be taken into account in assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment to the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In evaluating risk, the PERA Investment Policy states, “In determining a prudent level of risk for the targeted returns, PERA shall consider the total Fund risk, expected volatility, liquidity, and general sensitivity of the overall asset allocation by monitoring the major assets classes utilized by the Fund.”

The following areas of risk are disclosed in accordance with GASB Statement 40 on Deposit and Investment Risk.

### A. DEPOSITS

For cash management, the Board may utilize the services of the State Treasurer for overnight investment of short-term assets and/or a separate or commingled short-term investment fund (“STIF”) approved by the Board or administered by the Custody Bank, providing the STIF account only invests in those securities authorized by PERA’s investment policy and investment guidelines. Investment managers also invest all cash in PERA’s approved STIF funds.

PERA’s investments in short-term investment pools are measured at amortized cost which approximates fair value of the underlying investments the same as the value of the pool shares. All investments in the short-term investment pool are either SEC registered or are exempt from SEC registration under exemption 3a3 or 4(2) of SEC regulations.

Investment balances reported in the Statements of Fiduciary Net Position include an interest in the State General Fund Investment Pool maintained by the State Treasurer’s Office. All deposit accounts maintained at the State Treasurer’s Office participate in an overnight repurchase agreement program administered by the State Treasurer.

The Plan’s interest in the State General Fund Investment Pool are pooled with other state funds on deposit in the State Treasurer’s name at commercial banking and other financial institutions. Information regarding the adequacy of collateralization of deposits is not known to individual agencies and is the responsibility of the State Treasurer. To obtain information about pledged collateral, investment risk, and insurance coverage information for the Department’s State Treasurer deposits, a copy of separately issued financial statements can be obtained from the State Treasurer’s Office by writing to the State Treasurer Office at PO Box 5135, Santa Fe, NM 87502.

#### Investments in State Treasurer Investment Pool

PERA Fund	\$ 17,054,254
Judicial Fund	1,455,102
Magistrate Fund	310,205
Volunteer Firefighters Fund	310,712
Deferred Comp Fund	53,258
SSA Program	1,473
<b>Total</b>	<b>\$ 19,185,004</b>

In addition to the Plan’s interest in the State General Fund Investment Pool, the Plan also invests in the Short-Term Investment Fund (STIF), held by the investment custodian, the Bank of New York Mellon (BNYM). STIF investments are reported as cash and short term investments in the Statement of Fiduciary Net Position. STIF investments are used to facilitate more efficient trade procedures with the Plan’s external investment managers. STIF investments held by BNYM are invested in the Government Short Term Investment Fund (GSTIF) whose

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

objective is to obtain a reasonable rate of return while investing principally or entirely in securities or other obligations issued by or guaranteed by the United States Government or its agencies and repurchase agreements collateralized by securities or other obligations issued by or guaranteed by the United States Government or its agencies. In addition, BNY Mellon has been instructed to make deposits to BNY Mellon Cash Reserve, which is a bank deposit product designed to accommodate investment of residual cash balances, when uninvested cash cannot be invested in the GSTIF, such as when cash balances occur after the GSTIF sweep deadline. The Plan's investment in STIF accounts, US Treasury and swap collateral which totaled \$1,020,176,192 and uninvested cash totaled \$37,602,181 for total Cash and Short-term Investment of \$1,057,778,373 as of June 30, 2021.

### B. INVESTMENT RISK

**Custodial Credit Risk.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, PERA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds, external investment pools, and securities underlying reverse repurchase agreements are not exposed to custodial credit risk.

PERA's securities are held by a third-party custodian, independent of any counterparty; therefore, management believes there is minimal risk that PERA will not be able to recover the value of its investments or collateral securities held by a counterparty.

The Custodian holds assets directly, through its agents, its sub-custodians, or designated clearing systems. The Custodian is accountable for registration of those designated assets in good delivery form, collection of income generated by those assets, and any corporate action notification. The Custodian is responsible for delivery and receipt of securities of the aforementioned transactions. The Custodian is responsible for the ongoing pricing and valuation of all assets; investment managers must reconcile their values to those of the Custodian. The Custodian is to cooperate with, and provide assistance to, PERA and its investment managers in the reconciliation process. The Custodian is required to provide online records and reports, performance reporting, accounting reports and other services included in the agreement. The Board may opt to designate other duties to the Custodian as stipulated in the agreement.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

A summary of PERA's investments at June 30, 2021, and its exposure to custodial credit risk are as follows:

<b>Asset Type</b>	<b>Held in the Name of the Fund by the Fund's Custodian Bank</b>	<b>Custody Arrangements Contracted by Fund Manager</b>	<b>Total</b>
US Government Bonds	\$ 323,872,681	\$ —	\$ 323,872,681
Non-US Government Bonds	312,829,281	—	312,829,281
Municipal Bonds	15,765,033	—	15,765,033
Corporate Bonds	927,836,643	—	927,836,643
Mortgage Backed Securities	772,917,483	—	772,917,483
Asset Backed Securities	170,561,796	—	170,561,796
Commercial Mortgage Backed Securities	113,520,628	—	113,520,628
CMO/REMIC	10,449,623	—	10,449,623
TIPS	534,767,776	—	534,767,776
Fixed Income Derivatives	10,422,666	—	10,422,666
Commingled Debt Funds	—	391,498,179	391,498,179
Absolute Return - Credit	—	1,023,620,077	1,023,620,077
Absolute Return Risk Parity	—	1,806,177,837	1,806,177,837
Limited Partnerships - Debt	—	730,910,953	730,910,953
Bond Plus Alpha Engine	—	777,969,353	777,969,353
<b>Total Fixed Income</b>	<b>\$ 3,192,943,610</b>	<b>\$ 4,730,176,399</b>	<b>\$ 7,923,120,009</b>
Common Stock	3,785,529,796	—	3,785,529,796
Preferred Stock	14,615,610	—	14,615,610
MLP	289,470,751	—	289,470,751
REIT	493,992,955	—	493,992,955
Currency Futures	(1,391,400)	—	(1,391,400)
Equity Derivatives	30,709,129	—	30,709,129
Commingled Equity Funds	—	377,412,269	377,412,269
Absolute Return - Equity & Real Assets	—	1,736,343	1,736,343
Limited Partnerships - Equity & Real Assets	—	4,134,734,534	4,134,734,534
<b>Total Equities</b>	<b>4,612,926,841</b>	<b>4,513,883,146</b>	<b>9,126,809,987</b>
Subtotal Equities and Fixed Income	\$ 7,805,870,451	\$ 9,244,059,545	\$ 17,049,929,996
Securities Lending Collateral Investments	—	312,517,006	312,517,006
<b>Total Investments as Presented Above</b>			<b>17,362,447,002</b>
Investments Directed by Participants (Deferred Comp Fund)			800,885,826
Investments In State General Fund Investment Pool			19,185,004
<b>Total Investments per the Statement of Fiduciary Net Position</b>			<b>\$ 18,182,517,832</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. PERA is required to disclose credit ratings of its investments in order to assess credit risk. Each fixed income manager is required to abide by investment guidelines detailed within their contract with PERA to include credit quality minimums.

A summary of PERA's investments at June 30, 2021, and its exposure to credit risk are as follows:

S & P Ratings	Fair Value	% of Fixed Income Portfolio
US GOVERNMENT BONDS	\$ 323,872,681	10.14 %
AA+	323,872,681	10.14 %
NON-US GOVERNMENT BONDS	\$ 312,829,281	9.80 %
AAA	17,367,595	0.54 %
AA+	5,094,203	0.16 %
AA	6,406,827	0.20 %
AA-	6,582,835	0.21 %
A+	10,955,185	0.34 %
A-	1,481,682	0.05 %
A	2,145,241	0.07 %
BBB+	4,528,153	0.14 %
BBB-	4,263,113	0.13 %
BBB	11,536,854	0.36 %
BB+	1,185,745	0.04 %
BB-	2,385,205	0.07 %
BB	460,000	0.01 %
B+	1,646,339	0.05 %
B-	3,900,126	0.12 %
B	3,744,169	0.12 %
CCC+	2,911,517	0.09 %
NR	226,234,492	7.10 %
MUNICIPAL BONDS	\$ 15,765,033	0.51 %
AAA	1,560,203	0.05 %
AA+	1,825,304	0.06 %
AA	3,628,938	0.11 %
AA-	3,777,005	0.12 %
A+	2,803,447	0.09 %
A	799,317	0.03 %
BBB-	517,370	0.02 %
NR	853,449	0.03 %

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings	Fair Value	% of Fixed Income Portfolio
CORPORATE BONDS	\$ 927,836,643	29.06 %
AAA	17,490,853	0.55 %
AA+	6,893,956	0.22 %
AA	4,673,990	0.15 %
AA-	20,678,265	0.65 %
A+	42,647,078	1.34 %
A	53,666,144	1.68 %
A-	138,093,419	4.32 %
BBB+	166,180,649	5.20 %
BBB	147,011,443	4.60 %
BBB-	107,598,683	3.37 %
BB+	27,122,552	0.85 %
BB	33,837,836	1.06 %
BB-	43,175,833	1.35 %
B+	27,609,348	0.86 %
B	27,683,138	0.87 %
B-	12,107,575	0.38 %
CCC+	6,513,752	0.20 %
CCC	3,791,855	0.12 %
NR	41,060,274	1.29 %

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings	Fair Value	% of Fixed Income Portfolio
<b>ASSET BACKED SECURITIES</b>	\$ 170,561,796	5.34 %
AAA	41,144,680	1.29 %
AA+	632,569	0.02 %
AA	20,706,835	0.65 %
AA-	2,153,564	0.07 %
A+	11,846,320	0.37 %
A	15,846,653	0.50 %
A-	5,486,607	0.17 %
BBB+	4,395,900	0.14 %
BBB	996,640	0.03 %
BB+	1,327,152	0.04 %
BB	780,042	0.02 %
BB-	455,907	0.01 %
B+	3,474,687	0.11 %
B	2,278,087	0.07 %
B-	1,888,647	0.06 %
CC	961,458	0.03 %
D	1,795,546	0.06 %
NR	54,390,502	1.70 %
<b>CMO/REMIC</b>	\$ 10,449,623	0.33 %
AA+	7,752,869	0.24 %
A+	274,825	0.01 %
B+	844,353	0.03 %
CCC	419,266	0.01 %
NR	1,158,310	0.04 %
<b>COMMERCIAL MORTGAGE BACKED</b>	\$ 113,520,628	3.56 %
AAA	29,236,531	0.92 %
AA+	10,443,317	0.33 %
NR	73,840,780	2.31 %

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings		Fair Value	% of Fixed Income Portfolio
MORTGAGE BACKED SECURITIES	\$	772,917,483	24.21 %
AAA		9,346,118	0.29 %
AA+		425,635,781	13.33 %
AA		264,698	0.010 %
A		3,056,996	0.10 %
A-		4,577,507	0.14 %
BBB+		9,941,636	0.31 %
BBB		28,323,727	0.89 %
BBB-		3,991,244	0.13 %
BB+		1,000,349	0.03 %
BB		5,711,323	0.18 %
B+		3,632,508	0.11 %
B		9,886,447	0.31 %
NR		267,549,149	8.38 %
TIPS	\$	534,767,776	16.75 %
NR		534,767,776	16.75 %
DERIVATIVES	\$	10,422,666	0.33 %
NR	\$	10,422,666	0.33 %
		<b>\$ 3,192,943,610</b>	<b>100.00 %</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***Concentration of Credit Risk.*** Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments in any one issuer that represent 5% or more of all total investments including component unit investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. PERA's policy over concentration of credit risks are contained in each investment managers' Investment Guidelines.

At June 30, 2021, PERA had no investments with a concentration of greater than 5% of total investments.

***Interest Rate Risk.*** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. PERA's interest rate risk is controlled by the duration guidelines provided in the Investment Guidelines for each fixed income manager which are attached to each investment manager's contract, or Professional Services Agreement (PSA), with PERA. Duration is loosely defined as the dollar weighted average time to recover all principal in a fixed-income investment. For example, a "duration" of four years suggests a 1% increase in corresponding interest rates could cause a 4% decline in the fair value of the portfolio. PERA's fixed income managers are typically limited to a duration of plus or minus two years or 20% of the duration of the applicable portfolio benchmark. Such limitations are contained in the Plan's investment guidelines for fixed income managers.

A summary of PERA's investments and its respective maturities at June 30, 2021 and its exposure to interest rate risk are as follows:

<b>Bond Category</b>	<b>Weighted Average Maturity in Years</b>	<b>Fair Value</b>	<b>Percent of Fixed Income Portfolio</b>
U.S. Government Bonds	9.48	\$ 323,872,681	10.14 %
Non-U.S. Government Bonds	9.74	312,829,281	9.80 %
Municipal Bonds	23.54	15,765,033	0.49 %
Corporate Bonds	10.40	927,836,643	29.06 %
Asset Backed	4.09	170,561,796	5.34 %
CMO/REMIC	7.53	10,449,623	0.33 %
Commercial Mortgage Backed	26.41	113,520,628	3.56 %
TIPS	8.60	534,767,776	16.75 %
Mortgage Backed	14.01	772,917,483	24.21 %
Derivatives (Swaps)	3.88	10,422,666	0.32 %
Subtotal Fixed Income Investments		<u>3,192,943,610</u>	<u>100.00 %</u>
Short-term investments subject to interest rate risk (STIF)	0.08	<u>911,278,011</u>	
<b>Total Investments Subject to Interest Rate Risk</b>		<b><u>\$ 4,104,221,621</u></b>	

Note: Commingled fixed income products are not included in this report

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Foreign Currency Risk.** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. PERA has risk exposure through direct investments in international equities, international fixed income and international private equity investments.

PERA's exposure to non-U.S. investments across the fund is less than 25%. Since the fund is broadly diversified among many countries, the effect of a decline in the fair value of a single local (non-U.S.) currency or of several local currencies versus the U.S. dollar mitigates the impact of such decline on PERA's total assets.

The following table presents a summary of the PERA's investments exposed to foreign currency risk by currency and the respective values at June 30, 2021:

**Fair Value (Included In Investments)**

<b>Currency</b>	<b>Deposits</b>	<b>Equity</b>	<b>Fixed Income</b>	<b>Limited Partnership</b>	<b>Total</b>
UAE Dirham	\$ 62,924	\$ 4,067,750	\$ —	\$ —	4,130,674
Australian Dollar	236,251	82,162,337	12,272,579	—	94,671,167
Brazilian Real	111,816	8,394,112	—	—	8,505,928
Botswanan Pula	841	10,223	—	—	11,064
Canadian Dollar	487,736	128,271,084	11,279,127	—	140,037,947
Swiss Franc	165,008	211,627,144	2,202,795	—	213,994,947
Chilean Peso	143,870	682,874	190,070	—	1,016,814
Chinese Yuan Renminbi	269,995	28,167,367	28,237,169	—	56,674,531
Colombian Peso	125,852	206,702	333,397	—	665,951
Czech Koruna	1,334,058	—	(1,016,389)	—	317,669
Danish Krone	242,794	56,344,942	17,596,249	—	74,183,985
Egyptian Pound	29,477	206,067	—	—	235,544
Euro	15,405,812	411,140,409	153,184,374	448,337,563	1,028,068,158
British Pound	2,336,378	156,131,589	33,935,679	65,313,322	257,716,968
Ghanaian Cedi	6,515	152,971	—	—	152,971
Hong Kong Dollar	516,969	109,114,958	—	—	109,631,927
Croatian Kuna	—	3,070	—	—	3,070
Hungarian Forint	59,005	359,354	282,102	—	700,461
Indonesian Rupiah	245,863	1,803,317	1,675,002	—	3,724,182
Israeli New Sheqel	140,715	18,135,048	519,883	—	18,795,646
Indian Rupee	699,659	59,001,451	728	—	59,701,838
Japanese Yen	3,052,572	394,432,385	64,392,390	—	461,877,347
Kenyan Shilling	—	5,226	—	—	5,226
South Korean Won	1,343,061	30,086,065	4,546,782	—	35,975,908
Kuwaiti Dinar	197,271	3,386,653	—	—	3,583,924
Mexican Peso	404,019	3,718,061	1,094,175	—	5,216,255
Malaysian Ringgit	218,163	8,740,041	1,198,929	—	10,157,133
Norwegian Krone	118,521	6,063,655	243,753	—	6,425,929

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Fair Value (Included In Investments)

Currency	Deposits	Equity	Fixed Income	Limited Partnership	Total
New Zealand Dollar \$	931,528 \$	7,262,627 \$	614,766 \$	— \$	8,808,921
Peruvian Sol	27,733	—	185,127	—	212,860
Philippine Peso	80,662	3,200,866	—	—	3,281,528
Polish Zloty	127,884	1,220,405	531,140	—	1,879,429
Qatari Rial	23,245	3,939,978	—	—	3,963,223
Romanian New Leu	—	—	249,987	—	249,987
Russian Ruble	178,049	1,459,513	723,382	—	2,360,944
Saudi Arabia Riyal	1,082,284	18,556,845	—	—	19,639,129
Swedish Krona	17,090	56,385,135	1,256,835	—	57,659,060
Singapore Dollar	332,730	20,470,390	555,899	—	21,359,019
Thai Baht	9,642.00	8,622,987	1,323,172	—	9,955,801
Tunisian Dinar	—	3,293	—	—	3,293
Turkish Lira	50,931	754,423	—	—	805,354
New Taiwan Dollar	379,867	81,242,842	—	—	81,622,709
Vietnamese Dong	—	10	—	—	10
South African Rand	185,704	7,086,870	782,749	— \$	8,055,323
	<u>\$ 31,382,494</u>	<u>\$ 1,932,621,039</u>	<u>\$ 338,391,851</u>	<u>\$ 513,650,885</u>	<u>\$ 2,816,046,269</u>

#### NOTE 4. DERIVATIVES

Derivatives are generally defined as contracts whose value depend on, or derive from, the value of an underlying asset, reference rate or financial index. The Board's investment policies allow for certain portfolio managers to utilize derivatives subject to a manager's investment management guidelines.

The notional or contractual amounts of derivatives indicate the extent of PERA's involvement in the various types and uses of derivative financial instruments, they do not measure PERA's exposure to credit or market risks and do not necessarily represent amounts exchanged by the parties. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative. Investments in limited partnerships and commingled funds include derivative instruments that are not reported in the following disclosure.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2021, classified by type, and the changes in fair value over the fiscal year of such derivative instruments are as follows:



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FUTURES CONTRACTS**

As of June 30, 2021

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Currency Futures	\$ (520,302)	\$ (1,391,400)	\$ 173,290,573	\$ 162,089,831
Equity Index Futures	1,260,972	(314,618)	219,376,900	218,818,903
Bond Index Futures	(105,128)	1,605,361	702,412,546	706,817,207
Commodity Futures	(3,172,417)	200,133	16,256,108	16,456,241
Other	493,861	493,861	1,200,421	1,648,177

**OPTIONS**

As of June 30, 2021

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Equity Options	\$ 1,702	\$ —	—	\$ —
Fixed Income Options	72,990	13,091	—	13,091

**SWAP CONTRACTS**

As of June 30, 2021

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Return Swaps (Equity)	\$ 25,022,871	\$ 31,023,747	—	\$ —
Return Swaps (Fixed Income)	8,002,221	—	—	—
Cleared Credit Default Swaps	9,872,817	8,334,721	—	—
Cleared Inflation Swaps	(494,330)	(629,092)	—	—
Interest Rate Swaps	(123,312)	—	—	(4,670,000)
Credit Default Swaps	7,357	5,421	—	10,748,380
Cleared Interest Rate Swaps	1,453,553	399,171	—	(6,078,380)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 5. FAIR VALUE MEASUREMENT

PERA's investments measured and reported at fair value are classified according to the following hierarchy, in accordance with GASB Statement 72 – Fair Value Measurement and Application:

Level 1 – Investments reflect fair value where prices are observable, unadjusted, and quoted in an active market.

Level 2 – Investments reflect fair value where prices are observable using inputs from other than quoted prices.

Level 3 – Investments reflect fair value based upon unobservable inputs.

It is important for the user of these financial statements to understand the link between PERA's investments as of June 30, 2021 and the current investment policy's strategic asset allocation. See detail in Note 2 on page 49.

The Public Employees Retirement Association utilizes its custody bank, The Bank of New York Mellon (BNYM), to assist with leveling of its investment assets per GASB 72's fair value hierarchy. Currency futures and equity securities and debt securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets.

Swap collateral, reserve deposits, equity securities (preferred stock) and debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. BNYM's fair value hierarchy level matrix is based on discussions with pricing vendors, broker dealers, investment managers, industry groups and independent accounting firms.

Term loans within Corporate Bonds are classified by BNYM as Level 3 of the fair value hierarchy due to the fact that the pricing coverage for bank loans is not 100% and therefore a conservative approach is taken in leveling these assets.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Investments measured at Fair Value of the defined benefit funds as of June 30, 2021 are as follows:

<b>Investments by Fair Value Level</b>	<b>June 30, 2021</b>	<b>Observable Unadjusted Quoted Prices in an Active Market (Level 1)</b>	<b>Observable Inputs Other Than Quoted Prices (Level 2)</b>	<b>Unobservable Inputs Used to Determine Fair Value (Level 3)</b>
<b>Short-term Investments</b>				
Short-term Securities	\$ 70,805,294	\$ 216,858,633	\$ (146,053,339)	\$ —
Securities Lending Collateral Investments	312,517,006	—	312,517,006	—
Currency Derivatives	(1,391,400)	(1,391,400)	—	—
Total Short-term Investments	381,930,900	215,467,233	166,463,667	—
<b>Equity Securities</b>				
Domestic Equity	2,035,412,684	2,034,377,435	1,035,249	—
International Equity	1,764,732,721	1,764,732,593	—	128
Equity Derivatives	30,709,129	(314,618)	31,023,747	—
Public MLP	289,470,751	289,470,751	—	—
Public REIT	493,992,955	493,992,955	—	—
Total Equity Securities	4,614,318,240	4,582,259,116	32,058,996	128
<b>Debt Securities</b>				
Core Fixed Income	2,263,888,943	314,667,478	1,949,196,461	25,004
Global Fixed Income	383,864,225	—	383,864,225	—
TIPS	534,767,776	534,767,776	—	—
Fixed Income Derivatives	10,422,666	2,299,355	8,123,311	—
Total Debt Securities	3,192,943,610	851,734,609	2,341,183,997	25,004
<b>Total Investments by Fair Value Level</b>				
	<b>\$ 8,189,192,750</b>	<b>\$ 5,649,460,958</b>	<b>\$ 2,539,706,660</b>	<b>\$ 25,132</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Investments measured at the net asset value (NAV) are those whose underlying positions are not evident and thus the fair value of the investment is priced at a price per share in a fund or by another pricing methodology. Investments that are priced at NAV include commingled funds, hedge funds, and private partnerships. Investments measured at the NAV at June 30, 2021 are as follows:

<b>Investments Measured at the Net Asset Value (NAV)</b>	
Commingled Domestic Equity	\$ 8,684,146
Commingled International Equity	368,728,123
Commingled Emerging Market Debt Fund	391,498,178
Absolute Return (Hedge) Funds	2,831,534,256
Bond Plus Alpha Engine	777,969,354
Private Equity Partnerships	2,323,970,260
Private Debt Partnerships	357,895,601
Real Estate Equity Partnerships	818,876,832
Real Estate Debt Partnerships	373,015,354
Real Asset Partnerships	991,887,442
Total Investments Measured at the NAV	<u>\$ 9,244,059,546</u>
<b>Total Investments</b>	<b><u>\$ 17,433,252,296</u></b>

Total fair value of investments reported as leveled or at the NAV does not include uninvested cash, accrued income, or broker receivables and payables. Reconciliation to the Statement of Fiduciary Net Position is as follows:

Total Investments reported at fair value	\$ 17,433,252,296
Commingled Cash Equivalent Funds	911,278,010
Uninvested cash	38,092,931
Investment in State Treasurer Investment Pool	19,185,004
Deferred Comp Fund Investments leveled in Note 15	800,885,826
Less Cash & Short-term investments	<u>(1,020,176,235)</u>
<b>Total Investments per Statement of Fiduciary Net Position</b>	<b><u>\$ 18,182,517,832</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Valuation and liquidity information for investments measured at the net asset value (NAV) per share, or equivalent, is presented below:

<b>Investment Type</b>	<b>NAV at 06/30/21</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Commingled Domestic Equity (1)	\$ 8,684,146	\$ —	Monthly	15 Days
Portable Alpha Hedge Funds:				
Credit Oriented (2a)		—	Redeeming	n/a
Event-Driven (2c)	—	—	Redeeming	n/a
Market Neutral (2e)	—	—	Redeeming	n/a
Multi-Strategy (2f)		—	Redeeming	n/a
Commingled International Equity (3)	368,728,123	—	Monthly	30 Days
Commingled Emerging Market Debt Fund (4)	391,498,178	—	Daily	10 - 12 Days
Absolute Return (Hedge) Funds:				
Credit Oriented (2a)	1,023,620,077	—	Monthly, Annually	30 - 90 Days
Equity Long-Short (2b)	650,939	—	Redeeming	n/a
Event-Driven (2c)	—	—	Redeeming	n/a
Global Macro (2d)	—	—	Redeeming	n/a
Market Neutral (2e)	1,085,403	—	Redeeming	n/a
Multi-Strategy (2f)	—	—	Redeeming	n/a
Multi-Risk (2g)	1,806,177,837	—		
Bond Plus Alpha Engine (7)	777,969,354	—	Not Eligible	n/a
Private Equity Partnerships (5)	2,323,970,260	1,113,409,968	Not Eligible	n/a
Private Debt Partnerships (6)	730,910,955	128,469,665	Not Eligible	n/a
Real Estate Equity Partnerships (5)	818,876,832	718,969,528	Not Eligible	n/a
Real Asset Partnerships (5)	991,887,442	602,529,055	Not Eligible	n/a
<b>Total Investments Measured at the NAV</b>	<b>\$ 9,244,059,546</b>	<b>\$ 2,563,378,216</b>		

(1) *Commingled Domestic Equity* - Consisting of a domestic equity limited partnership, this fund is valued based on the percentage of PERA's investment to total value of the fund applied to the total fair value of the underlying investments.

(2) *Portable Alpha and Absolute Return Hedge Funds* - The Portable Alpha Hedge Funds span the strategies, overlap the funds within the Absolute Return category, and are in the process of being redeemed. Of the 14 funds included in Absolute Return, eight are separately invested in the Portable Alpha portfolio.

(a) *Credit Oriented* - Consisting of seven funds, hedged credit seeks to generate income comparable to the high yield bond market but with less volatility and less downside performance during periods of market stress. Of the seven funds, two are also invested within Portable Alpha. Five are limited partnerships that report fair value based on the fair value of the underlying investments whereas two report fair value based on NAV per share.

(b) *Equity Long-Short* - Consisting of three funds, this strategy invests both long and short in US and global equity securities with a goal of adding growth and minimizing market exposure.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As limited partnerships, these investments report fair value based on the fair value of the underlying investments.

- (c) *Event-Driven* - The goal of the four funds making up this group is to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. All four are limited partnerships, one of which is also invested separately in Portable Alpha. These investments are valued based on the fair value of the underlying investments.
  - (d) *Global Macro* - Consisting of two funds, this strategy invests, often long and short, in several different asset classes in markets around the globe to take advantage of structural macroeconomic imbalances and market trends. Both funds fall within the Absolute Return portfolio; all are included in the Portable Alpha portfolio. One fund is a limited partnership, reporting valuation based on the fair value of the underlying investments while the other fund is valued at NAV per share.
  - (e) *Market Neutral* - The single fund within this group executes an arbitrage strategy focused on relative value trades in fixed income and currency instruments of developed market countries. PERA is invested in this fund in both the Portable Alpha and Absolute Return portfolios. The fund is a limited partnership and is valued based on the fair value of the underlying investments of the partnership.
  - (f) *Multi-Strategy* - The five funds within this strategy opportunistically pursue multiple hedge fund investment strategies, looking to allocate capital to the most attractive strategies for a given market environment. Four of the five funds are invested separately in Portable Alpha. Four of the funds are limited partnerships and report fair value based on that of the underlying investments while the remaining fund is valued at NAV per share.
  - (g) *Multi-Risk* - consists of liquid, passive risk parity.
- (3) *Commingled International Equity* - The two funds comprising this category are commingled funds, one is an emerging markets equity fund and the other fund is an international equity fund within a separately-managed global equity account. Both funds are valued at net asset value based on the fair value of the underlying investments.
- (4) *Commingled Emerging Market Debt Fund* - The aim of the emerging markets debt fund is to invest in dollar-denominated and local currency-denominated sovereign and corporate debt. The goal of the strategy is to earn more yield relative to developed market debt while limiting country and currency risk. The fund is a commingled global fixed income limited partnership that is valued, based on the fair value of the underlying investments.
- (5) *Private Equity Partnerships, Real Estate Equity Partnerships, and Real Assets Partnership* - PERA's Private Equity portfolio consists of 43 partnerships, investing primarily in buyout funds, with some exposure to secondary and venture capital funds. Also included in this category are 19 private real estate equity partnerships, investing in the US and 30 private real asset partnerships, invested in energy, infrastructure and agriculture funds, primarily in the US. The fair values of these partnerships have been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are illiquid in nature and distributions are received as underlying investments within the funds are liquidated, either as cash or in-kind distributions of stock of the underlying investments, typically over a 5 – 10-year timeframe.
- (6) *Private Debt Partnerships and Real Estate Debt Partnerships* - Private debt partnerships consist of 15 private debt funds, which are opportunistic in nature and are invested in the US, and 5 private real estate debt funds, one invested globally and the remaining funds invested in the US. The Fair values of these partnerships has been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are illiquid in nature and cash distributions are received as underlying investments within the funds are liquidated, typically over a 5 – 10-year timeframe.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(7) *Bond Plus Alpha Engine* - a risk adjusted return stream that is above the index under which the account operates.

As of Fiscal Year 2021, PERA has adjusted its alternative investment reporting process from a lagged valuation, adjusted for current cash flows only, to a non-lagged valuation, adjusted to reflect actual end-of-year valuations as reported by general partners. Adjusting alternative investment alternative for end-of-year valuations will be the PERA accounting practice going forward. All assets and investment returns presented before the Fiscal Year 2021 reporting period reflect historical lagged reporting. Current year investment returns, and statement of financial assets, is inclusive of non-lagged actual valuation reporting. Post-close accounting and performance adjustments were applied to capture material changes in market value driven by the difference between lagged and non-lagged investment valuations. Referenced adjustments have been captured in all pertinent schedules within the financials section of this report. Investment section schedules reflect non-lagged historical investment returns, not inclusive of private market valuation adjustments.

### NOTE 5a. SECURITIES LENDING

PERA's Investment Policy Statement, Section VI (A) permits the use of the Fund's investment holdings to enter into securities lending transactions - that is, lending securities to broker-dealers and other entities (borrowers) in exchange for acceptable collateral generating incremental earnings via the creation of a spread or collection of a fee. PERA participates in a securities lending program managed by BNY Mellon (BNYM). The agreement between PERA and BNYM details approved borrowers, approved investments, fee charged by BNYM, and acceptable collateral. All cash collateralized loans can be terminated, which shall be effected according to the standard settlement time for trades in the particular loaned security, by either PERA, BNYM, or the borrower. PERA does not have the ability to pledge or sell noncash collateral securities unless the borrower defaults.

In the event the borrower fails to return loaned securities or securities equivalent to the loaned securities, and the noncash collateral held in respect of the loaned securities (including the proceeds realized upon the sale of such noncash collateral) is insufficient to satisfy the obligation of the loan, the bank shall be responsible for, and shall contribute the amount of, such noncash collateral as necessary to satisfy the obligations.

The securities lending agent is restricted to a maximum loan value of \$600,000,000 inclusive of all loaned securities. The types of securities loaned as of June 30, 2021 included U.S. and non-U.S. equities, U.S. and Non-U.S. corporate bonds, non-U.S. government bonds and U.S. government securities. At June 30, 2021, the fair value of securities on loan was \$585,988,288; of which \$288,046,539 were cash collateralized loans.

The fee is negotiated for each separate transaction and split 85%/15% between PERA and BNYM. The collateral requirement is an amount equal to 102% of the then-current fair value if securities lent are and collateral are denominated in like currency and 105% if in unlike currency providing a margin for market fluctuations. Approved collateral accepted against loaned securities are held by PERA's custodial agent and marked to market daily. If the collateralization level falls below the above requirements, BNYM reaches out to the borrower to securing collateral. Cash, U.S. and non-U.S. equities, U.S. corporate bonds, non-U.S. fixed, and U.S. government securities are received as collateral for these loans. Cash collateral is invested or reinvested on behalf of PERA by BNYM in a cash collateral account consisting of one or more of the approved investments; a comprehensive investment guideline is set forth in the securities lending agreement to include approved instruments, credit quality, and concentration and

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

maturity requirements. As of June 30, 2021, cash collateral was reinvested in repos, floating rate notes, commercial paper, certificates of deposit and time deposits. The interest rate sensitivity of the investments made with cash collateral generally track the maturities of their securities loans. The fair value of investments made with cash collateral is reported as an asset; the fair value of collateral received is recorded as a liability as PERA must return the cash collateral to the borrower upon the expiration of the loan. The fair value of the securities lending collateral investments was \$312,560,435 and securities lending obligations were \$312,517,007 at June 30, 2021 as reported on the Statement of Fiduciary Net Position. Total cash and noncash collateral was \$625,991,353 at June 30, 2021, 107% of the fair value of the securities on loan.

At June 30, 2021, there had been no losses resulting from borrower defaults and PERA had no credit risk exposure to borrowers because the amounts PERA owed to borrowers did not exceed the amounts the borrowers owed to PERA. Net earnings from the securities lending program totaled \$1,741,088 for the fiscal year. An executive summary report of the securities lending activity for the fiscal year is available upon request from PERA's Records Department.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. A summary of the securities lending collateral assets at June 30, 2021, and its exposure to credit risk are as follows:

S & P Ratings	Fair Value	% of Collateral Investments
<b>CERTIFICATE OF DEPOSIT</b>	<b>\$ 31,257,210</b>	<b>10.00 %</b>
A-	31,257,210	10.00 %
<b>COMMERCIAL PAPER</b>	<b>31,540,097</b>	<b>10.09 %</b>
A-	31,540,097	10.09 %
<b>FLOATING RATE NOTES</b>	<b>126,668,062</b>	<b>40.53 %</b>
AA	53,156,927	17.01 %
A	70,511,135	22.56 %
NR	3,000,000	0.96 %
<b>MONEY FUNDS</b>	<b>—</b>	<b>— %</b>
NR	—	— %
<b>REPO</b>	<b>61,411,637</b>	<b>19.65 %</b>
NR	61,411,638	19.65 %
<b>TIME DEPOSITS</b>	<b>61,640,000</b>	<b>19.73 %</b>
A	1,200,000	0.39 %
A-	60,440,000	19.34 %
<b>FAIR VALUE OF SECURITIES LENDING COLLATERAL</b>	<b>\$ 312,517,006</b>	<b>100 %</b>

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. See further explanation of Interest Rate Risk in Note 3.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

A summary of the securities lending collateral investments and respective maturities at June 30, 2021 and their exposure to interest rate risk are as follows:

<b>Investment Category</b>	<b>Weighted Average Maturity</b>	<b>Fair Value</b>	<b>% of Collateral Investments</b>
Certificate of Deposit	Less than 1 year	\$ 31,257,210	10.00 %
Commercial Paper	Less than 1 year	31,540,097	10.09 %
Floating Rate Notes	Less than 1 year	126,668,062	40.53 %
Repo	Less than 1 year	61,411,637	19.65 %
Time Deposits	Less than 1 year	61,640,000	19.73 %
<b>Fair Value of Securities Lending Collateral</b>		<b>\$ 312,517,006</b>	<b>100 %</b>

**NOTE 6. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2021, is as follows:

	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
Capital assets at cost:				
Land	\$ 1,548,990	\$ —	\$ —	\$ 1,548,990
Building	12,646,204	—	—	12,646,204
Property and equipment	36,016	32,621	—	68,637
Computer equipment and software	16,232,611	20,115	—	16,252,726
Automobile	57,433	—	—	57,433
	<b>\$ 30,521,254</b>	<b>\$ 52,736</b>	<b>—</b>	<b>\$ 30,573,990</b>
Accumulated depreciation:				
Building	\$ (4,250,528)	\$ (421,540)	\$ —	\$ (4,672,068)
Property and equipment	(34,572)	(4,893)	—	(39,465)
Computer equipment and software	(15,256,188)	(251,629)	—	(15,507,817)
Automobile	(57,433)	—	—	(57,433)
	<b>\$ (19,598,721)</b>	<b>\$ (678,062)</b>	<b>\$ —</b>	<b>\$ (20,276,783)</b>
<b>Total</b>	<b>\$ 10,922,533</b>	<b>\$ (625,326)</b>	<b>\$ —</b>	<b>\$ 10,297,207</b>

The following are included in the above schedule.

- Depreciation and amortization expense, reported as part of administrative expenses, for the year was \$(678,062).
- PERA added \$52,736 in capital assets in FY 21, consisting of computer software and equipment.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 7. CHANGES IN COMPENSATED ABSENCES

The changes in short-term liabilities for PERA are as follows:

During the year ended June 30, 2021, the following changes occurred in the compensated absences liabilities:

	Balance July 1, 2020	Increase	Decrease	Balance June 30, 2021
Compensated Absences	\$ (396,708)	(306,950)	302,896	\$ (400,762)

The portion of compensated absences due after one year is not material, and therefore not separately presented. Substantially, all of the compensated absences balances have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay at year-end plus applicable taxes.

### NOTE 8. CONTINGENCIES

PERA has been named as a defendant in various administrative appeals and lawsuits arising in the normal course of business primarily related to disability and retirement benefits. Management of PERA intends to vigorously defend the actions, and it is their opinion as well as the opinion of legal counsel that the resolution of these matters will not have a material effect on these financial statements.

PERA is exposed to various risks of loss for which PERA carries insurance (Auto; Employee Fidelity Bond; General Liability; Civil Rights and Foreign Jurisdiction; Money and Securities; Property; and Worker's Compensation) with the State of New Mexico Risk Insurance Program. The Plan's insurance coverages are designed to satisfy the requirements of the State tort claims. Also, any claims are processed through the Risk Management Division of the State of New Mexico.

### NOTE 9. RETIREMENT PLANS - PERA EMPLOYEES

***Plan Description.*** PERA's full-time employees participate in the public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). PERA is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, 33 Plaza La Prensa, Santa Fe, NM 87507. The report is also available on PERA's website at [www.nmpera.org](http://www.nmpera.org)

***Funding Policy.*** For fiscal year 2021, plan members are required to contribute 7.42% (less than \$20,000 in salary) or 9.42% (greater than \$20,000 in salary) of their salary. For fiscal year 2021, PERA employers were required to contribute 17.24% of the gross covered salary. The contribution requirements of plan members and PERA are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERA's contributions to the PERA retirement plan for PERA employees for the years ending June 30, 2021, 2020, and 2019 were \$971,763, \$939,065, and \$869,907, respectively, equal to the amount of the required contributions from the employer for each year. In addition, the employees contributed an additional \$515,796, \$485,874, and \$456,715, respectively, equal to the amount of the required contributions from employees for each year.

### **GASB 68 – Financial Reporting and Disclosure for Multiple-Employer Cost Sharing Pension Plans by Employers**

According to the Department of Finance and Administration (DFA), compliant with the requirements of GASB No. 68, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2015. PERA, as part of the primary government (fiduciary fund) of the State of New Mexico, is a contributing employer to the cost-sharing multiple employer PERA fund. Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Annual Comprehensive Financial Report of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the Annual Report, and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico 87501.

### **NOTE 10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - PERA EMPLOYEES**

***Plan Description.*** PERA contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf, unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employee's effective date, and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 6300 Jefferson St. NE Suite 150, Albuquerque, NM 87109.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or a former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer as of July 1, 2012 to contribute 2.00% of each participating employee's annual salary; each participating employee is required to contribute 1.00% of their salary. Employers joining the program after 1/1/1998 are also required to make a surplus- amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

PERA's contributions to the RHCA for the years ending June 30, 2021, 2020, and 2019 were \$110,058, \$112,773, and \$102,399, for employer contributions and \$55,029, \$56,387, and \$51,200 in employee contributions, respectively, which equal the required contributions for each year.

### **GASB 75 – Post-employment Benefits – State Retiree Health Care Plan**

Compliant with the requirements of Government Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2018.

PERA, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit post-employment health care plan that provides comprehensive group health insurance for persons who have retired from GASB 75 – Post-employment Benefits – State Retiree Health Care Plan certain public service positions in New Mexico. The other post-employment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Annual Comprehensive Financial Report of the State Of New Mexico.

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Annual Comprehensive Financial Report for the year ended June 30, 2021 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico 87501.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****NOTE 11. INVESTMENT PLACEMENT AGENTS**

PERA fully complies with the statutory disclosure requirement of NMSA 1978, Section 10-11-133.1, which mandates the disclosure of the identity and fees paid, if any, to any third-party marketer or placement agent involved in PERA's investment in private funds. PERA has no direct relationships with third-party marketers or placement agents. PERA's investment consultants do not receive any form of compensation other than client advisory fees and do not accept compensation from investment management organizations or their marketers. The consultants only recommend an investment management firm to PERA once they have extensively performed due diligence with the firm's portfolio management professionals.

**NOTE 12. NET PENSION LIABILITY OF PLAN MEMBERSHIP**

The components of the net pension liability of the plan's membership at June 30, 2021, by fund, were as follows:

**Net Pension Liability by Fund**

	<b>PERA Fund</b>	<b>Judicial Fund</b>	<b>Magistrate Fund</b>	<b>Volunteer Firefighters Fund</b>
Total Pension Liability	\$ 23,061,127,815	\$ 173,895,087	\$ 59,529,119	\$ 53,125,982
Plan Net Position	17,813,948,280	101,226,570	35,164,297	84,718,801
Net Pension Liability / (Asset)	\$ 5,247,179,535	\$ 72,668,517	\$ 24,364,822	\$ (31,592,819)
Ratio of Plan Net Position of Total Pension Liability	77.25 %	58.21 %	59.07 %	159.47 %

*Actuarial Methods and Assumptions*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2021. These assumptions were adopted by the Board for use in the June 30, 2020 actuarial valuation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Summary of Actuarial Methods and Assumptions, by fund

	<b>PERA Fund</b>	<b>Judicial Fund</b>	<b>Magistrate Fund</b>	<b>Volunteer Firefighters Fund</b>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Pay	Level % of Pay, Open	Level % of Pay, Open	Level Dollar, Open
Amortization period	Solved for based on statutory rates	30 Years	30 Years	25 Years
Investment rate of return, net of investment expense	7.25% annual rate	7.25% SEIR rate	7.25% SEIR rate	7.25% annual rate
Projected Benefit Payment	100 years	89 years	86 years	100 years
Payroll Growth	3.00%	3.00%	3.00%	N/A
Projected Salary Increases	3.25% -13.50%	4.00%	3.25%	N/A
Includes Inflation At	2.50%	2.50%	2.50%	2.50%
Mortality Assumption	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table

### Annual Money-Weighted Rate of Return, Net of Investment Expense

The annual money-weighted rate of return, net of investment expense for FY 2021 was 25.36.

### Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	35.50%	5.90 %
Risk Reduction & Mitigation	19.50%	1.00 %
Credit Oriented Fixed Income	15.00%	4.20 %
Real Assets to Include Real Estate Equity	20.00%	6.00 %
Multi-Risk Allocation	10.00%	6.40 %

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*Discount Rate for the PERA, Volunteer Firefighter and Magistrate Funds.* Previously, a select and ultimate rate of return assumption had been adopted for funding purposes but new economic assumptions were adopted for the June 30, 2021 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the net pension liability to changes in the discount rate:***

The following presents the net pension liability of PERA, Volunteer Firefighter, Magistrate and Judicial funds, calculated using the discount rate of 7.25 %, as well as what PERA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 %) or 1-percentage-point higher (8.25 %) than the current rate (\$ thousands):

**PERA Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability</b>	8,069,507,883	5,247,179,535	2,909,421,667

**Volunteer Firefighters Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability / (Asset)</b>	(25,606,284)	(31,592,819)	(36,586,776)

**Magistrate Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability</b>	30,288,006	24,364,822	19,338,387

**Judicial Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25 %</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability</b>	89,432,975	72,668,517	58,313,826

June 30, 2020 is the actuarial valuation date upon which the total pension liability is based (paragraph 31(c)). Standard update procedures were used to roll forward the liabilities to the June 30, 2021 Measurement Data.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 13. CASH RECONCILIATION

#### General Fund Investment Pool Not Reconciled

In a communication by DFA via a memo, dated August 20, 2021, issued by the State's Controller, Donna Montoya Trujillo, the following was stated "The comprehensive cash reconciliation model which compares aggregated agency claims to the State General Fund Investment Pool the associated resources held by the State Treasurer's Office has been completed for fiscal year 2020. This process has been previously reviewed and analyzed annually, by the IPAs performing audits of the General Fund, the Department of Finance and Administration and the State of New Mexico's Annual Comprehensive Financial Report. The reviews have deemed the process to be sound and the Department fully compliant with the requirements of the monthly process."

For FY 2021 the following assertions are provided,

1. As of June 30, 2021, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
2. All claims as recorded in SHARE shall be honored at face value.

### NOTE 14. FUND RESERVES

Reserves. New Mexico Statutes Annotated 1978, Subsections 10-11-123, 10-12B-3, and 10-12C-3 set forth required reserves to be maintained for benefits for the Public Employees Retirement Fund, The Judicial Retirement Fund, and the Magistrate Retirement Fund, respectively. State statutes do not specifically require separate accounting for the Volunteer Firefighters Retirement Fund. The reserves to be maintained are as follows:

**Retirement Reserve Fund** represents the accumulated balance available to pay pension benefits to retired members and eligible survivors of deceased members of retirees and to pay residual refunds due to eligible beneficiaries and survivors as provided for in the statute.

**Members Contribution Reserve** represents the accumulated contributions deducted from members' compensation, less refunds and transfers of contributions as provided for in the statute. Annually on June 30, the members' accounts are credited with interest on member contributions and previously earned interest at a rate determined by the Board. The rate for 2021 fiscal year was 2.00%.

**Employers Accumulation Reserve** represents the accumulated contributions made by affiliated public employers. Each year following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of benefits to be paid over the balance in the Retirement Reserve Fund is transferred to the Retirement Reserve Fund from the Employers Accumulation Fund.

**Income Reserve** represents the accumulation of interest, dividends, rents, and other income of PERA, less administrative expense paid out of this fund. At least annually, the balance in this fund is transferred to the



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Retirement Reserve Fund in a manner determined by the Board. The distribution rate of interest as determined by the Board for fiscal year 2021 was 2.00% of member account balances to the Member Contribution Fund. The remaining balance of the Income Fund was distributed to the Retirement Reserve Fund.

**Net Position balance as of June 30, 2021 are as follows:**

	<b>PERA Fund</b>	<b>Judicial Fund</b>	<b>Magistrate Fund</b>	<b>Volunteer Firefighters Fund</b>	<b>Total</b>
Members Contribution Reserve	\$ 2,851,406,581	\$ 12,643,172	\$ 5,566,695	\$ —	\$ 2,869,616,448
Employers Accumulation Reserve	4,423,360,474	75,447,704	29,891,835	7,500,000	4,536,200,013
Retirement Reserve Fund	10,539,181,225	13,135,694	(294,233)	77,218,803	10,629,241,489
<b>Total</b>	<b>\$ 17,813,948,280</b>	<b>\$ 101,226,570</b>	<b>\$ 35,164,297</b>	<b>\$ 84,718,803</b>	<b>\$ 18,035,057,950</b>

**NOTE 15. Deferred Comp Plan****GENERAL**

The State of New Mexico also offers employees a deferred compensation plan under NMSA 1978, Sections 10-7A-1 through 10-7A-12, the “Deferred Compensation Act,” in conformity with Internal Revenue Code Section 457. The plan provides eligible employees a voluntary, supplemental, tax-deferred retirement program as an additional method to save a portion of their income for future years.

PERA is the trustee of the Deferred Compensation Plan (the “Plan”); however, the Plan is administered by a third party administrator (the “Administrator”) acting under contract with PERA. The Administrator has authority to perform recordkeeping, enrollment education services and other administrative duties for the Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Plan, and has certain discretionary authority to decide all matters under the Plan. As Plan trustee, PERA’s primary responsibility is to select investment options that provide a prudent rate of return and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

The Plan was amended in October 2004 to allow participants to take loans from their account balances. The maximum term permitted on a loan is five years or 15 years if the loan is for the purchase of a principal residence. The minimum loan amount permitted is \$1,000 and the maximum amount of any loan under the Plan is the lesser of 50% of the participant’s vested account balance or \$50,000. The total balance of loans outstanding to participants was \$11,294,340 at June 30, 2021. Interest rates range between 4.25% and 9.25% for all loans outstanding. These rates are based on the rate approved by the Plan at the time of the loan.

Participants of this plan are required to take distributions at the age of 70½ years old if not already done so. Participants of this plan also may take distributions under certain circumstances such as the participant’s death, separation-from-service, retirement, severe financial emergency, or if a participant’s account balance does not

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

exceed \$5,000 and no amount was deferred during a 2-year period and there was no prior distribution. Participants may select various payout options, including lump sum payments or periodic payments.

### INVESTMENT INCOME FOR DEFERRED COMP

Investments in the fixed annuity payout option are valued based upon the fixed earnings rates as reported by the investment carriers or manager, which approximate fair value. Investments in the Stable Value Option are valued based upon the daily net asset value reported daily by Galliard Capital Management, which approximates fair value. The investment valuation includes contributions received, plus investment income earned to date less applicable charges and amounts withdrawn.

Variable earnings investments in publicly-traded mutual funds are presented at fair value based upon published quotations. All purchases and sales of investments are recorded on a trade-date basis.

Assets held in fixed and variable annuity payout investments are for discontinued annuity payout options in the Plan. The Plan held \$956,471 at June 30, 2021, which represents assets transferred to a product provider for investment in fixed and variable group annuity contracts. Periodic payments are made to retired participants of the Plan as provided by these purchased annuity contracts. The contract valuation of these assets is based upon an actuarial valuation of the present value of future retirement benefits to be paid under the contracts, which approximates fair value. Annuity payout investments are no longer available as options in the Plan.

### INVESTMENTS AND DEPOSITS

The State of New Mexico Public Employees' Deferred Compensation Plan categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The assets in the Plan are valued through industry standard practices for the respective type of security at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based on the transparency of inputs to the valuation of the assets as of the measurement date. The three levels are defined as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**Mutual Funds:** Shares in mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission.

**Self-directed Investments:** Investments in self-directed brokerage accounts consist primarily of shares of mutual funds, exchange traded funds, common and preferred stock, and cash that are valued on the basis of readily determinable market prices. Self-directed brokerage account investments are actively traded on open markets.

**Lifecycle Funds:** Units in target-date lifecycle funds are valued at their carrying value based on the NAV of the observable market prices of the underlying assets within that account less liabilities (NAV practical expedient). This asset class is generally comprised of a combination of fixed income and equity investment options. These

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value. Lifecycle funds may be redeemed on a daily basis and have no redemption restrictions.

The following table disclosed the fair value hierarchy of the Plan's assets by level at June 30, 2021:

**Fair Value Measurements Using:**

	<b>June 30, 2021</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Investments at Fair Value:				
Mutual Funds	\$ 443,408,088	\$ 443,408,088	\$ —	\$ —
Self-directed Investments	8,862,104	8,862,104	—	—
Total Investments at Fair Value	452,270,192	452,270,192	\$ —	\$ —
<b>Investments Measured at NAV Practical Expedient</b>				
Lifecycle Funds	217,150,317			
<b>Investment at Contract Value</b>				
Stable Value Option	131,465,317			
<b>Investment at Amortized Cost</b>				
Investment in State Treasurer Investment Pool	53,258			
<b>Total Investments***</b>	<b>\$ 800,939,084</b>			

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<b>Investments:</b>	<b>2021</b>
Vanguard Institutional Index Fund	\$ 131,482,404
Fidelity® Contrafund	70,730,137
T. Rowe Price Institutional Mid Cap Equity Growth Fund	39,144,439
Dodge & Cox Stock Fund	37,943,932
Vanguard Total Bond Market Index Fund	36,572,744
Oakmark Equity and Income Fund	21,709,711
Vanguard Total International Stock Fund	19,403,823
Principal MidCap Blend Fund	17,577,120
DFA U.S. Small Cap Portfolio	15,994,937
Fidelity® Diversified International Fund	13,086,699
American Funds EuroPacific Growth Fund	11,702,489
Fidelity® Low-Priced Stock Fund	10,747,520
Vanguard Inflation Protected Securities Fund	9,768,159
Aberdeen Emerging Markets Fund	3,218,031
Wellington CIF II Emerging Market Debt	2,113,843
Invesco Global Real Estate	1,724,838
Principal Diversified Real Asset Fund	487,262
	<hr/>
	443,408,088
	<hr/>
Lifecycle Funds	
Life Cycle 2025 Portfolio	59,684,872
Conservative Portfolio	47,960,337
Life Cycle 2035 Portfolio	43,027,974
Life Cycle 2045 Portfolio	25,903,046
Life Cycle 2055 Portfolio	16,235,657
Life Cycle 2030 Portfolio	9,397,637
Life Cycle 2040 Portfolio	7,527,257
Life Cycle 2050 Portfolio	7,058,484
Life Cycle 2060 Portfolio	355,053
	<hr/>
	217,150,317
	<hr/>
<b>Shares</b>	
Institutional Shares	131,465,317
	<hr/>
<b>Self-directed brokerage accounts</b>	
Common and Preferred stock	4,234,609
Cash	1,501,978
Exchange-traded fund	1,905,988
Mutual Fund	1,219,529
	<hr/>
	8,862,104
	<hr/>
<b>Total investments at fair value***</b>	<b>\$ 800,885,826</b>

\*\*\* Total investments do not include amount held at State Treasurer's Office of \$53,528

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Plan's investments are held in the Plan's name in actively traded securities through Voya Financial Services, Charles Schwab, and Galliard Capital Management, Inc.(Galliard).

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investments in fixed income securities are limited to certain bond mutual funds, which are actively traded and valued daily at a published net asset value, and certain fixed income securities that are selected and monitored by individual members through the Plan's self-directed brokerage option.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. The Plan has a formal investment policy that allows the Plan to select investment options that offer the best prospects to meet each member's financial goals. The investment policy allows for different tiers of investments that provide options for members to choose from. These are member-directed accounts, thus there are no limitations on concentration, credit and interest rate risk aside from the Plan's evaluation of the appropriate investment options to offer. The policy and investment offerings are reviewed and evaluated to ensure appropriate funds are available to the member.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Plan's investment with a single investment or issuer. The Plan's investments are managed by several fund managers. The concentrations of investments are determined by the members' elections to invest in the available investment options as selected by the Plan. The investments that exceed 5% are indicated in the previous table.

Currently, the 457B plan credit rating and maturities has not been provided by Voya on the bond mutual funds.

### Stable Value Option

At June 30, 2021, the Plan holds Stable Value Option investments totaling \$217,150,317 through Galliard that are reported at contract value. The crediting interest rate, which resets periodically, is based on a formula agreed upon with Galliard. The crediting rate was 2.07% as of June 30, 2021. These funds have certain risks associated with them including default of the issuer, liquidity of the fund to meet cash flow needs, and interest risks of invested funds. In addition, certain events limit the ability of the Plan to transact at contract value. Such events are described in the agreement between Galliard and the Plan.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - PERA FUND**  
**For the Years Ended June 30**

	2014	2015	2016	2017
<b>Total pension liability</b>				
Service Cost	\$ 418,995,891	\$ 389,052,473	\$ 390,220,766	\$ 405,560,569
Interest	1,286,996,350	1,335,949,923	1,393,557,454	1,452,723,072
Benefit changes	—	—	—	—
Difference between expected and actual experience	—	59,112,343	330,750,820	(584,186,354)
Changes of assumptions	(91,856,820)	—	424,791,570	(62,778,144)
Benefit payments	(905,329,141)	(966,236,566)	(1,024,399,237)	(1,084,818,276)
Refunds of contributions	(47,376,975)	(46,010,197)	(44,937,505)	(44,396,305)
<b>Net change in total pension liability</b>	<b>661,429,305</b>	<b>771,867,976</b>	<b>1,469,983,868</b>	<b>82,104,562</b>
<b>Total pension liability - beginning</b>	<b>17,082,757,593</b>	<b>17,744,186,898</b>	<b>18,516,054,874</b>	<b>19,986,038,742</b>
<b>Total pension liability - ending (a)</b>	<b>17,744,186,898</b>	<b>18,516,054,874</b>	<b>19,986,038,742</b>	<b>20,068,143,304</b>
<b>Plan net position</b>				
Contributions - employer	370,766,329	317,163,961	324,751,997	332,473,332
Contributions - member	174,037,205	258,919,779	265,529,178	272,829,112
Net investment income	2,118,284,928	251,488,279	47,444,548	1,500,758,585
Benefit payments	(905,329,141)	(966,236,566)	(1,024,399,237)	(1,084,818,276)
Administrative expense	(10,336,324)	(9,885,765)	(10,753,722)	(11,505,774)
Refunds of contributions	(47,376,975)	(46,010,197)	(44,937,505)	(44,396,305)
Other	17,005,791	25,296,313	12,317,520	471,465
<b>Net change in plan net position</b>	<b>1,717,051,813</b>	<b>(169,264,196)</b>	<b>(430,047,221)</b>	<b>965,812,139</b>
Plan net position - beginning	12,707,740,926	14,424,792,739	14,255,528,543	13,826,658,367
Prior period adjustment	—	—	1,177,045	6,447,403
Plan net position - beginning, Restated	12,707,740,926	14,424,792,739	14,256,705,588	13,833,105,770
<b>Plan net position - ending (b)</b>	<b>14,424,792,739</b>	<b>14,255,528,543</b>	<b>13,826,658,367</b>	<b>14,798,917,909</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 3,319,394,159</b>	<b>\$ 4,260,526,331</b>	<b>\$ 6,159,380,375</b>	<b>\$ 5,269,225,395</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - PERA FUND (Cont.)

For the Years Ended June 30

	2018	2019	2020	2021
<b>Total pension liability</b>				
Service Cost	\$ 376,310,442	\$ 403,879,063	\$ 401,166,200	\$ 409,241,863
Interest	1,462,669,395	1,504,991,169	1,547,096,587	1,556,071,116
Benefit changes	—	—	(710,227,019)	—
Difference between expected and actual experience	113,712,339	(54,004,886)	213,520,684	310,351,858
Changes of assumptions	545,509,838	—	(222,293)	—
Benefit payments	(1,133,417,826)	(1,193,943,794)	(1,255,018,086)	(1,314,819,963)
Refunds of contributions	(50,288,373)	(54,336,708)	(44,903,263)	(40,353,832)
<b>Net change in total pension liability</b>	<b>1,314,495,815</b>	<b>606,584,844</b>	<b>151,412,810</b>	<b>920,491,042</b>
<b>Total pension liability - beginning</b>	<b>20,068,143,304</b>	<b>21,382,639,119</b>	<b>21,989,223,963</b>	<b>22,140,636,773</b>
<b>Total pension liability - ending (a)</b>	<b>21,382,639,119</b>	<b>21,989,223,963</b>	<b>22,140,636,773</b>	<b>23,061,127,815</b>
<b>Plan net position</b>				
Contributions - employer	319,499,468	339,676,103	368,424,721	379,184,992
Contributions - member	282,847,487	281,643,094	297,152,638	309,551,898
Special Fund Appropriation			55,000,000	—
Net investment income	1,004,226,606	935,560,895	(223,544,634)	3,799,140,688
Benefit payments	(1,133,417,826)	(1,193,943,794)	(1,255,018,086)	(1,314,819,963)
Administrative expense	(12,667,256)	(13,583,374)	(14,318,348)	(12,730,398)
Refunds of contributions	(50,288,373)	(54,336,708)	(44,903,263)	(40,353,832)
Other	2,109,772	2,046,688	1,645,633	1,990,689
<b>Net change in plan net position</b>	<b>412,309,878</b>	<b>297,062,904</b>	<b>(815,561,339)</b>	<b>3,121,964,074</b>
Plan net position - beginning	14,798,917,909	15,210,482,641	15,507,545,545	14,691,984,206
Prior period adjustment	(745,146)	—		
Plan net position - beginning, Restated	14,798,172,763	15,210,482,641	15,507,545,545	14,691,984,206
<b>Plan net position - ending (b)</b>	<b>15,210,482,641</b>	<b>15,507,545,545</b>	<b>14,691,984,206</b>	<b>17,813,948,280</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 6,172,156,478</b>	<b>\$ 6,481,678,418</b>	<b>\$ 7,448,652,567</b>	<b>\$ 5,247,179,535</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.



## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - JUDICIAL FUND

For the Years Ended June 30

	2014	2015	2016	2017
<b>Total pension liability</b>				
Service Cost	\$ 3,792,564	\$ 3,344,275	\$ 3,244,941	\$ 5,491,704
Interest	10,798,432	9,900,234	10,238,436	9,065,846
Benefit changes	(16,058,954)	—	—	—
Difference between expected and actual experience	—	755,126	4,736,999	(2,473,653)
Changes of assumptions	(1,003,702)	—	46,154,938	(17,241,480)
Benefit payments	(8,770,177)	(9,373,041)	(9,812,803)	(10,096,096)
Refunds of contributions	(52,562)	(40,197)	(45,432)	(10,677)
<b>Net change in total pension liability</b>	(11,294,399)	4,586,397	54,517,079	(15,264,356)
<b>Total pension liability - beginning</b>	143,745,972	132,451,573	137,037,970	191,555,049
<b>Total pension liability - ending (a)</b>	132,451,573	137,037,970	191,555,049	176,290,693
<b>Plan net position</b>				
Contributions - employer	3,740,786	4,196,276	4,237,424	4,524,201
Contributions - member	1,085,631	1,579,180	1,581,685	1,635,643
Net investment income	13,196,711	1,511,658	232,211	9,012,198
Benefit payments	(8,770,177)	(9,373,041)	(9,812,803)	(10,096,096)
Administrative expense	(63,610)	(60,019)	(64,326)	(69,102)
Refunds of contributions	(52,562)	(40,197)	(45,432)	(10,677)
Other	485,893	33,095	71,532	38
<b>Net change in plan net position</b>	9,622,672	(2,153,048)	(3,799,709)	4,996,205
Plan net position - beginning	81,518,628	91,141,300	88,988,252	84,932,021
Prior period adjustment	—	—	(256,522)	(312,032)
Plan net position - beginning, Restated	81,518,628	91,141,300	88,731,730	84,619,989
<b>Plan net position - ending (b)</b>	91,141,300	88,988,252	84,932,021	89,616,194
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 41,310,273</b>	<b>\$ 48,049,718</b>	<b>\$ 106,623,028</b>	<b>\$ 86,674,499</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - JUDICIAL FUND

For the Years Ended June 30

	2018	2019	2020	2021
<b>Total pension liability</b>				
Service Cost	\$ 4,488,035	\$ 4,282,426	\$ 5,285,772	\$ 6,280,946
Interest	9,866,593	10,341,109	10,210,516	9,423,866
Benefit changes	—	—	—	—
Difference between expected and actual experience	(1,358,467)	7,420,163	(3,901,004)	4,992,153
Changes of assumptions	(2,891,617)	19,032,967	18,400,431	(57,672,004)
Benefit payments	(10,585,112)	(11,351,841)	(12,013,293)	(12,538,013)
Refunds of contributions	—	(100,360)	(7,599)	(1,273)
<b>Net change in total pension liability</b>	(480,568)	29,624,464	17,974,823	(49,514,325)
<b>Total pension liability - beginning</b>	176,290,693	175,810,125	205,434,589	223,409,412
<b>Total pension liability - ending (a)</b>	175,810,125	205,434,589	223,409,412	173,895,087
<b>Plan net position</b>				
Contributions - employer	4,723,239	4,731,492	4,683,130	5,626,382
Contributions - member	1,631,848	1,690,837	1,783,295	1,838,186
Net investment income	6,019,600	5,527,664	(1,252,476)	21,501,754
Benefit payments	(10,585,112)	(11,351,841)	(12,013,294)	(12,538,013)
Administrative expense	(75,127)	(79,364)	(81,903)	(70,969)
Refunds of contributions	—	(100,360)	(7,599)	(1,273)
Other	—	10,280	—	—
<b>Net change in plan net position</b>	1,714,448	428,708	(6,888,847)	16,356,067
Plan net position - beginning	89,616,194	91,330,642	91,759,350	84,870,503
Prior period adjustment	—	—	—	—
Plan net position - beginning, Restated	89,616,194	91,330,642	91,759,350	84,870,503
<b>Plan net position - ending (b)</b>	91,330,642	91,759,350	84,870,503	101,226,570
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 84,479,483</b>	<b>\$ 113,675,239</b>	<b>\$ 138,538,909</b>	<b>\$ 72,668,517</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - MAGISTRATE FUND**  
**For the Years Ended June 30**

	2014	2015	2016	2017
<b>Total pension liability</b>				
Service Cost	\$ 1,428,353	\$ 947,730	\$ 1,117,925	\$ 1,536,910
Interest	3,688,653	3,444,833	3,452,435	3,191,559
Benefit changes	(7,527,733)	—	—	—
Difference between expected and actual experience	—	6,703,398	1,571,377	(1,538,854)
Changes of assumptions	(7,643,920)	—	8,831,831	(8,114,224)
Benefit payments	(3,689,881)	(3,955,687)	(3,976,586)	(3,966,314)
Refunds of contributions	(15,477)	(4,918)	(14,805)	—
<b>Net change in total pension liability</b>	<b>(13,760,005)</b>	<b>7,135,356</b>	<b>10,982,177</b>	<b>(8,890,923)</b>
<b>Total pension liability - beginning</b>	<b>70,161,064</b>	<b>56,401,059</b>	<b>63,536,415</b>	<b>74,518,592</b>
<b>Total pension liability - ending (a)</b>	<b>56,401,059</b>	<b>63,536,415</b>	<b>74,518,592</b>	<b>65,627,669</b>
<b>Plan net position</b>				
Contributions - employer	793,044	936,602	1,280,104	1,282,356
Contributions - member	266,120	489,642	586,992	603,362
Net investment income	5,199,209	579,091	69,508	3,289,637
Benefit payments	(3,689,881)	(3,955,687)	(3,976,586)	(3,966,314)
Administrative expense	(24,275)	(22,660)	(23,735)	(25,004)
Refunds of contributions	(15,477)	(4,918)	(14,805)	—
Other	216,853	(19,486)	26,885	3,037
<b>Net change in plan net position</b>	<b>2,745,593</b>	<b>(1,997,416)</b>	<b>(2,051,637)</b>	<b>1,187,074</b>
Plan net position - beginning	32,439,317	35,184,910	33,187,494	31,038,048
Prior period adjustment	—	—	(97,809)	—
Plan net position - beginning, Restated	32,439,317	35,184,910	33,089,685	31,038,048
<b>Plan net position - ending (b)</b>	<b>35,184,910</b>	<b>33,187,494</b>	<b>31,038,048</b>	<b>32,092,452</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 21,216,149</b>	<b>\$ 30,348,921</b>	<b>\$ 43,480,544</b>	<b>\$ 36,997,515</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - MAGISTRATE FUND

For the Years Ended June 30

	2018	2019	2020	2021
<b>Total pension liability</b>				
Service Cost	\$ 1,353,643	\$ 1,465,584	\$ 1,655,800	\$ 1,257,756
Interest	3,486,404	3,493,260	3,435,004	4,092,348
Benefit changes	—	—	—	—
Difference between expected and actual experience	(237,450)	2,208,900	(1,285,934)	(95,425)
Changes of assumptions	2,874,007	5,255,023	(18,413,936)	—
Benefit payments	(3,951,032)	(4,026,067)	(4,204,113)	(4,293,633)
Refunds of contributions	(63,274)	(55,566)	—	(49,849)
<b>Net change in total pension liability</b>	3,462,298	8,341,134	(18,813,179)	911,197
<b>Total pension liability - beginning</b>	65,627,669	69,089,967	77,431,101	58,617,922
<b>Total pension liability - ending (a)</b>	69,089,967	77,431,101	58,617,922	59,529,119
<b>Plan net position</b>				
Contributions - employer	1,231,917	1,236,273	1,292,686	2,347,653
Contributions - member	580,290	639,552	650,354	651,699
Net investment income	2,155,789	1,938,490	(437,321)	7,462,517
Benefit payments	(3,951,032)	(4,026,067)	(4,204,111)	(4,293,633)
Administrative expense	(26,591)	(27,744)	(28,329)	(24,759)
Refunds of contributions	(63,274)	(55,566)	—	(49,849)
Other	13,607	—	—	—
<b>Net change in plan net position</b>	(59,294)	(295,062)	(2,726,721)	6,093,628
Plan net position - beginning	32,225,122	32,092,452	31,797,390	29,070,669
Prior period adjustment	(73,376)	—	—	—
Plan net position - beginning, Restated	32,151,746	32,092,452	31,797,390	29,070,669
<b>Plan net position - ending (b)</b>	32,092,452	31,797,390	29,070,669	35,164,297
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 36,997,515</b>	<b>\$ 45,633,711</b>	<b>\$ 29,547,253</b>	<b>\$ 24,364,822</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - VOLUNTEER**  
**FIREFIGHTERS FUND**  
**For the Years Ended June 30**

	2014	2015	2016	2017
<b>Total pension liability</b>				
Service Cost	\$ 1,253,736	\$ 1,250,564	\$ 1,439,931	\$ 2,336,574
Interest	2,871,904	3,104,991	3,375,898	3,584,437
Benefit changes	—	—	—	—
Difference between expected and actual experience	—	874,372	(498,350)	(4,101,311)
Changes of assumptions	408,092	—	1,975,872	(221,833)
Benefit payments	(1,418,943)	(1,633,388)	(1,835,318)	(2,030,784)
Refunds of contributions	—	—	—	—
<b>Net change in total pension liability</b>	<b>3,114,789</b>	<b>3,596,539</b>	<b>4,458,033</b>	<b>(432,917)</b>
<b>Total pension liability - beginning</b>	<b>37,766,301</b>	<b>40,881,090</b>	<b>44,477,629</b>	<b>48,935,662</b>
<b>Total pension liability - ending (a)</b>	<b>40,881,090</b>	<b>44,477,629</b>	<b>48,935,662</b>	<b>48,502,745</b>
<b>Plan net position</b>				
Contributions - employer	750,000	750,000	750,000	750,000
Contributions - member	—	—	—	—
Net investment income	8,919,556	1,093,757	206,024	6,682,231
Benefit payments	(1,418,943)	(1,633,388)	(1,835,318)	(2,030,784)
Administrative expense	(44,316)	(42,596)	(46,902)	(51,792)
Refunds of contributions	—	—	—	—
Other	404,492	12,201	51,385	1,425
<b>Net change in plan net position</b>	<b>8,610,789</b>	<b>179,974</b>	<b>(874,811)</b>	<b>5,351,080</b>
Plan net position - beginning	53,312,473	61,923,262	62,103,236	61,049,688
Prior period adjustment	—	—	(178,737)	—
Plan net position - beginning, Restated	53,312,473	61,923,262	61,924,499	61,049,688
<b>Plan net position - ending (b)</b>	<b>61,923,262</b>	<b>62,103,236</b>	<b>61,049,688</b>	<b>69,287,453</b>
<b>Net pension liability/(asset) - ending (a) - (b)</b>	<b>\$ (21,042,172)</b>	<b>\$ (17,625,607)</b>	<b>\$ (12,114,026)</b>	<b>\$ (18,484,999)</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - VOLUNTEER**  
**FIREFIGHTERS FUND**  
**For the Years Ended June 30**

	2018	2019	2020	2021
<b>Total pension liability</b>				
Service Cost	\$ 2,203,655	\$ 2,193,612	\$ 2,250,251	\$ 2,040,378
Interest	3,555,496	3,594,117	3,715,452	3,663,151
Benefit changes	—	—	—	—
Difference between expected and actual experience	(2,503,558)	(1,572,798)	(2,142,042)	(1,724,766)
Changes of assumptions	1,362,635	—	(1,853,146)	—
Benefit payments	(2,318,519)	(2,456,859)	(2,625,832)	(2,757,990)
Refunds of contributions	—	—	—	—
<b>Net change in total pension liability</b>	<b>2,299,709</b>	<b>1,758,072</b>	<b>(655,317)</b>	<b>1,220,773</b>
<b>Total pension liability - beginning</b>	<b>48,502,745</b>	<b>50,802,454</b>	<b>52,560,526</b>	<b>51,905,209</b>
<b>Total pension liability - ending (a)</b>	<b>50,802,454</b>	<b>52,560,526</b>	<b>51,905,209</b>	<b>53,125,982</b>
<b>Plan net position</b>				
Contributions - employer	750,000	750,000	750,000	750,000
Contributions - member	—	—	—	—
Net investment income	4,512,059	4,317,954	(1,056,611)	17,949,889
Benefit payments	(2,318,519)	(2,456,859)	(2,625,832)	(2,757,990)
Administrative expense	(57,574)	(62,918)	(67,207)	(60,201)
Refunds of contributions	—	—	—	—
Other	719	1,000	—	125
<b>Net change in plan net position</b>	<b>2,886,685</b>	<b>2,549,177</b>	<b>(2,999,650)</b>	<b>15,881,823</b>
Plan net position - beginning	66,400,768	69,287,453	71,836,630	68,836,980
Prior period adjustment	—	—	—	—
Plan net position - beginning, Restated	66,400,768	69,287,453	71,836,630	68,836,980
<b>Plan net position - ending (b)</b>	<b>69,287,453</b>	<b>71,836,630</b>	<b>68,836,980</b>	<b>84,718,803</b>
<b>Net pension liability/(asset) - ending (a) - (b)</b>	<b>\$ (18,484,999)</b>	<b>\$ (19,276,104)</b>	<b>\$ (16,931,771)</b>	<b>\$ (31,592,821)</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY

For the Years Ended June 30,

PERA Fund	2014	2015	2016	2017
Total Pension Liability	\$ 17,744,186,898	\$ 18,516,054,874	\$ 19,986,038,742	\$ 20,068,143,304
Plan Net Position	14,424,792,739	14,255,528,543	13,826,658,367	14,798,917,909
Net Pension Liability	\$ 3,319,394,159	\$ 4,260,526,331	\$ 6,159,380,375	\$ 5,269,225,395
Ratio of Plan Net Pension to Total Pension Liability	81.29%	76.99%	69.18%	73.74%
Covered Payroll	\$ 2,102,265,325	\$ 2,248,254,276	\$ 2,326,943,176	\$ 2,193,888,677
Net Pension liability as a Percentage of Covered Payroll	157.90%	189.50%	264.70%	240.18%

PERA Fund	2018	2019	2020	2021
Total Pension Liability	\$ 21,382,639,119	\$ 21,989,223,963	\$ 22,140,636,773	\$23,061,127,815
Plan Net Position	15,210,482,641	15,507,545,545	14,691,984,206	17,813,948,280
Net Pension Liability	\$ 6,172,156,478	\$ 6,481,678,418	\$ 7,448,652,567	5,247,179,535
Ratio of Plan Net Pension to Total Pension Liability	71.13%	70.52%	66.36%	77.25 %
Covered Payroll	\$ 2,265,036,299	\$ 2,287,711,652	\$ 2,339,923,387	\$2,482,249,289
Net Pension liability as a Percentage of Covered Payroll	272.50%	283.33%	318.33%	211.39 %

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (CONTINUED)**  
**For the Years Ended June 30**

<b>Judicial Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total Pension Liability	\$ 132,451,573	\$137,037,970	\$191,555,049	\$176,290,693
Plan Net Position	91,141,300	\$88,988,252	\$84,932,021	\$89,616,194
Net Pension Liability	\$ 41,310,273	\$ 48,049,718	\$ 106,623,028	\$ 86,674,499
Ratio of Plan Net Pension to Total Pension Liability	68.81%	64.94%	44.34%	50.83%
Covered Payroll	\$ 13,163,305	\$ 15,084,263	\$ 15,612,212	\$ 15,492,927
Net Pension Liability as a Percentage of Covered Payroll	313.83%	318.54%	682.95%	559.45%

<b>Judicial Fund</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total Pension Liability	\$ 175,810,125	\$ 205,434,589	\$ 223,409,412	\$ 173,895,087
Plan Net Position	91,330,642	91,759,350	84,870,503	101,226,570
Net Pension Liability	\$ 84,479,483	\$ 113,675,239	\$ 138,538,909	\$ 72,668,517
Ratio of Plan Net Pension to Total Pension Liability	51.95%	44.67%	37.99%	58.21%
Covered Payroll	\$ 15,126,140	\$ 16,291,947	\$ 16,090,456	\$ 16,984,840
Net Pension Liability as a Percentage of Covered Payroll	558.50%	697.74%	861.00%	427.84%



## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY (CONTINUED)

For the Years Ended June 30

Magistrate Fund	2014	2015	2016	2017
Total Pension Liability	\$ 56,401,059	\$ 63,536,415	\$ 74,518,592	\$ 65,627,669
Plan Net Position	\$ 351,849,10	\$ 331,874,94	\$ 310,380,48	\$ 322,251,22
Net Pension Liability	\$ 21,216,149	\$ 30,348,921	\$ 43,480,544	\$ 33,402,547
Ratio of Plan Net Pension to Total Pension Liability	62.38%	52.23%	41.65%	49.10%
Covered Payroll	\$ 3,515,567	\$ 5,065,798	\$ 5,243,101	\$ 5,633,125
Net Pension Liability as a Percentage of Covered Payroll	603.49%	599.09%	829.29%	592.97%

Magistrate Fund	2018	2019	2020	2021
Total Pension Liability	\$ 69,089,967	\$ 77,431,101	\$ 58,617,922	\$ 59,529,119
Plan Net Position	32,092,452	31,797,390	29,070,669	35,164,297
Net Pension Liability	\$ 36,997,515	\$ 45,633,711	\$ 29,547,253	\$ 24,364,822
Ratio of Plan Net Pension to Total Pension Liability	46.45%	41.07%	49.59%	59.07%
Covered Payroll	\$ 5,638,423	\$ 6,025,309	\$ 6,025,289	\$ 6,091,529
Net Pension Liability as a Percentage of Covered Payroll	656.17%	757.37%	490.39%	399.98%

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (CONTINUED)**  
**For the Years Ended June 30**

<b>Volunteer Firefighter Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total Pension Liability	\$ 40,881,090	\$ 44,477,629	\$ 48,935,662	\$ 48,502,745
Plan Net Position	61,923,262	62,103,236	61,049,688	66,400,768
Net Pension Liability/(Asset)	\$ (21,042,172)	\$ (17,625,607)	\$ (12,114,026)	\$ (17,898,023)
Ratio of Plan Net Pension to Total Pension Liability/(Asset)	151.47%	139.63%	124.76%	136.90%
Covered Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

<b>Volunteer Firefighter Fund</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total Pension Liability	\$ 50,802,454	\$ 52,560,526	\$ 51,905,209	\$ 53,125,982
Plan Net Position	69,287,453	71,836,630	68,836,980	84,718,801
Net Pension Liability/(Asset)	\$ (18,484,999)	\$ (19,276,104)	\$ (16,931,771)	\$ (31,592,819)
Ratio of Plan Net Pension to Total Pension Liability/(Asset)	136.39%	136.67%	132.62%	159.47%
Covered Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Years Ended June 30

#### PERA Fund\*

	2021	2020	2019	2018	2017
Contractually Required contributions*	\$ 379,184,992	\$ 368,424,721	\$ 339,676,103	\$ 319,499,468	\$ 332,473,332
Actual employer contributions*	379,184,992	368,424,721	339,676,103	319,499,468	332,473,332
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	\$ 2,482,249,289	\$ 2,339,923,387	\$ 2,287,711,652	\$ 2,265,036,299	\$ 2,193,888,677
Actual contributions as a percentage of covered payroll	15.28%	15.75%	14.85%	14.11%	15.15%

\*Includes \$74,357,341 of employer paid plan member contributions for 2014 (in accordance with Question 40 in the GASB 67 Implementation Guide). The 2017 amount has been revised to align with GASB 68 reporting.

	2016	2015	2014	2013	2012
Contractually Required contributions*	\$ 324,751,997	\$ 317,163,961	\$ 370,766,329	\$ 285,560,291	\$ 274,905,978
Actual employer contributions*	324,751,997	317,163,961	370,766,329	285,560,291	274,905,978
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	\$ 2,326,943,176	\$ 2,248,254,276	\$ 2,102,265,325	\$ 2,049,737,510	\$ 1,994,280,107
Actual contributions as a percentage of covered payroll	13.96 %	14.11 %	17.64 %	13.93 %	13.78 %

#### Judicial Fund

	2021	2020	2019	2018	2017
Contractually Required contributions	\$ 5,858,071	\$ 6,045,184	\$ 5,881,393	\$ 4,908,432	\$ 4,974,779
Actual employer contributions	5,626,382	4,683,130	4,731,492	4,723,239	4,524,201
Annual contributions deficiency (excess)	231,689	1,362,054	1,149,901	185,193	450,578
Covered payroll	\$ 16,984,840	\$ 16,090,456	\$ 16,291,947	\$ 15,126,140	\$ 15,492,927
Actual contributions as a percentage of covered payroll	33.13 %	29.11 %	29.04 %	31.23 %	29.20 %

	2016	2015	2014	2013	2012
Contractually Required contributions	\$ 4,816,367	\$ 4,918,978	\$ 6,412,805	\$ 7,235,448	\$ 5,834,621
Actual employer contributions	4,237,424	4,196,276	3,740,786	3,527,270	3,266,203
Annual contributions deficiency (excess)	578,943	722,702	2,672,019	3,708,178	2,568,418
Covered payroll	\$ 15,612,212	\$ 15,084,263	\$ 13,163,305	\$ 13,226,142	\$ 12,690,503
Actual contributions as a percentage of covered payroll	27.14 %	27.82 %	28.42 %	26.67 %	25.74 %

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)**  
**For the Years Ended June 30**

**Magistrate Fund**

	2021	2020	2019	2018	2017
Contractually Required contributions	\$ 1,105,613	\$ 1,922,670	\$ 1,861,820	\$ 1,587,780	\$ 1,576,148
Actual employer contributions	2,347,653	1,292,686	1,236,273	1,231,917	1,282,356
Annual contributions deficiency (excess)	(1,242,040)	629,984	625,547	355,863	293,792
Covered payroll	\$ 6,091,529	\$ 6,025,289	\$ 6,025,309	\$ 5,638,423	\$ 5,633,125
Actual contributions as a percentage of covered payroll	38.54 %	21.45 %	20.52 %	21.85 %	22.76 %

	2016	2015	2014	2013	2012
Contractually Required contributions	\$ 1,462,825	\$ 1,966,543	\$ 1,992,392	\$ 2,286,413	\$ 1,793,261
Actual employer contributions	1,280,104	936,602	793,044	805,337	676,073
Annual contributions deficiency (excess)	182,721	1,029,941	1,199,348	1,481,076	1,117,188
Covered payroll	\$ 5,243,101	\$ 5,065,798	\$ 3,515,567	\$ 3,136,834	\$ 3,213,712
Actual contributions as a percentage of covered payroll	24.42 %	18.49 %	25.67 %	21.04 %	26.27 %

**Volunteer Firefighters Fund**

	2021	2020	2019	2018	2017
Contractually Required contributions	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Actual employer contributions	750,000	750,000	750,000	750,000	750,000
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	N/A	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

	2016	2015	2014	2013	2012
Contractually Required contributions	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Actual employer contributions	750,000	750,000	750,000	750,000	750,000
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	N/A	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

## SCHEDULE OF INVESTMENT RETURNS

For the Years Ended June 30

Annual money-weighted rate of return for the defined benefit funds, net of investment expense:

2014	2015	2016	2017	2018	2019	2020	2021
17.40%	1.70%	0.70%	10.60%	6.50%	5.60%	(2.70)%	25.36%

Note: The above schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### Summary of Actuarial Methods and Assumptions

<b>PERA Fund</b>	
<b>Actuarial valuation date</b>	June 30, 2020
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percentage of Pay
<b>Amortization period</b>	25 years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

## Summary of Actuarial Methods and Assumptions

<b>Judicial Fund</b>	
<b>Actuarial valuation date</b>	June 30, 2020
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percentage of Pay, Open
<b>Amortization period</b>	30 years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	89 years
Discount rate	7.25%
Payroll Growth	3.00%
Projected salary increases	4.00%
Includes inflation at	2.50%
Mortality Assumption	RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally
Experience Study Dates	July 1, 2013 to June 30, 2017

## Summary of Actuarial Methods and Assumptions

<b>Magistrate Fund</b>	
<b>Actuarial date</b>	June 30, 2020
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percent of Payroll, Open
<b>Amortization period</b>	30 years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	86 years
Discount rate	7.25%
Payroll Growth	3.00%
Projected salary increases	3.25%
Mortality Assumption	RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally.
Experience Study Dates	July 1, 2013 to June 30, 2017

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

### Summary of Actuarial Methods and Assumptions

<b>Volunteer Firefighters Fund</b>	
<b>Actuarial valuation date</b>	June 30, 2020
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Dollar, Open
<b>Amortization period</b>	25 Years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	N/A
Projected salary increases	N/A
Mortality Assumptions	RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally.
Experience Study Dates	July 1, 2013 to June 30, 2017





**SCHEDULE OF REVENUES, APPROPRIATION, AND EXPENSES-**  
**BUDGET AND ACTUAL PUBLIC EMPLOYEES RETIREMENT FUND ONLY**  
**For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues and Appropriations				
Other state funds:				
General Fund Appropriation	\$ 52,800	\$ 52,800	\$ 52,800	\$ —
Other income	36,170,700	42,370,700	42,370,700	—
<b>Total Revenue</b>	<u>36,223,500</u>	<u>42,423,500</u>	<u>42,423,500</u>	<u>—</u>
Expenditures				
Administration				
Contractual services	26,306,800	32,156,800	30,421,847	1,734,953
Personnel services and benefits	8,197,800	8,197,800	7,721,948	475,852
Other operating costs	1,718,900	2,068,900	1,820,971	247,929
<b>Total Expenditures</b>	<u>36,223,500</u>	<u>42,423,500</u>	<u>39,964,766</u>	<u>2,458,734</u>
<b>Change in net position, budget items</b>			<u>\$ 2,458,734</u>	
<b>Non-budget revenues and expenses:</b>				
Contributions from members and employers (plus service credit purchase)			\$ 688,736,890	
Net Appreciation in Fair Value of Plan Investments			3,478,447,100	
Interest & Dividends			131,436,284	
Other Investment Income			232,821,407	
Other Income			1,990,689	
Benefit payments to retirees and beneficiaries			(1,314,819,963)	
Refunds to terminated employees			(40,353,832)	
Depreciation Expense			(678,063)	
Compensated Absences			(13,240)	
Accounts Payable - FY 19			34,646	
Administrative Expense Allocated			491,251	
Non- budgeted Investment Expense			(58,777,487)	
Social Security and Deferred Comp Program			136,922	
Assets			<u>52,736</u>	
<b>Increase (Decrease) in plan net assets</b>			<u>3,121,964,074</u>	
<b>Net Position held in trust for pension benefits</b>				
Balance - beginning of year			<u>14,691,984,206</u>	
<b>Balance - end of year</b>			<u><b>\$ 17,813,948,280</b></u>	

## OTHER SUPPLEMENTAL SCHEDULES

### SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2021

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	SSA Program	Deferred Comp (1)
<b>Personnel Services and Benefits</b>						
Salaries	\$ 5,446,776	\$ 30,550	\$ 10,659	\$ 25,915	\$ 35,338	\$ 68,696
Employee Insurance	578,542	3,245	1,132	2,753	32	4,223
Retirement	945,509	5,303	1,850	4,499	6,263	11,905
Other Personnel Expenses	535,632	3,004	1,048	2,548	2,708	6,350
<b>Total Personnel Services and Benefits</b>	<b>7,506,459</b>	<b>42,102</b>	<b>14,689</b>	<b>35,715</b>	<b>44,341</b>	<b>91,174</b>
<b>Other Contractual Services:</b>						
Information Technology Services	1,198,122	6,720	2,345	5,701	—	—
Actuaries	240,042	1,346	470	1,142	—	—
Election Services	221,965	1,245	434	1,056	—	—
Legal Fees	436,556	2,449	854	2,077	—	—
Audit Fees	163,838	919	321	780	—	—
Medical Services	97,887	549	192	466	—	—
Other Professional Services	452,413	2,194	766	1,862	—	—
<b>Total Other Contractual Services</b>	<b>2,810,823</b>	<b>15,422</b>	<b>5,382</b>	<b>13,084</b>	<b>—</b>	<b>—</b>
<b>Education, Meeting and Travel</b>						
Professional Development	26,972	151	53	128	—	700
Travel	—	—	—	—	—	—
<b>Total Education, Meeting and Travel</b>	<b>26,972</b>	<b>151</b>	<b>53</b>	<b>128</b>	<b>—</b>	<b>700</b>
<b>General Administrative Expense</b>						
Subscriptions/Dues/License Fee	97,261	546	192	463	706	—
Equipment	669,808	3,757	1,311	3,187	—	—
DOIT Telecommunications	165,298	927	323	786	—	—
Postage	763,100	4,280	1,493	3,631	—	—
Printing & Photo Services	90,073	505	176	429	—	—
Board Member Expenses	59,482	334	116	283	—	—
Other General Administrative Expense	541,122	2,942	1,025	2,495	—	—
<b>Total General Administrative expense</b>	<b>2,386,144</b>	<b>13,291</b>	<b>4,636</b>	<b>11,274</b>	<b>706</b>	<b>—</b>
<b>Total Administrative Expenses</b>	<b>\$ 12,730,398</b>	<b>\$ 70,966</b>	<b>\$ 24,760</b>	<b>\$ 60,201</b>	<b>\$ 45,047</b>	<b>\$ 91,874</b>

## OTHER SUPPLEMENTAL SCHEDULES

### SCHEDULE OF INVESTMENT EXPENSES FOR DEFINED BENEFIT FUNDS

For the Year Ended June 30, 2021

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	TOTAL
<b>External Investment Expenses:</b>					
Investment Advisory Fees	\$ 41,346,609	\$ 231,902	\$ 80,910	\$ 196,724	\$ 41,856,145
Investment Manager Fees	24,242,749	135,971	47,440	115,345	24,541,505
Consultant Fees	1,817,728	10,195	3,557	8,649	1,840,129
Custody Bank	1,190,295	6,676	2,329	5,663	1,204,963
Security Lending Expenses	296,968	1,666	581	1,413	300,628
Other Fees	17,093,252	95,872	33,450	81,328	17,303,902
<b>Total External Investment Expenses</b>	<b>85,987,601</b>	<b>482,282</b>	<b>168,267</b>	<b>409,122</b>	<b>87,047,272</b>
<b>Internal Investment Expenses*</b>					
<i>Personnel Services and Benefits</i>					
Salaries	1,143,156	6,411	2,237	5,439	1,157,243
Fringe Benefits	365,435	2,050	715	1,739	369,939
<b>Total Personnel Services and Benefits</b>	<b>1,508,591</b>	<b>8,461</b>	<b>2,952</b>	<b>7,178</b>	<b>1,527,182</b>
<i>Education, Meeting and Travel</i>					
Professional Development	5,066	28	10	24	5,128
Travel	—	—	—	—	—
<b>Total Education, Meeting and Travel</b>	<b>5,066</b>	<b>28</b>	<b>10</b>	<b>24</b>	<b>5,128</b>
<i>General Administrative expense</i>					
Subscriptions/Dues/License Fee	71,464	401	140	340	72,345
Other General Administrative Expense	627,436	3,519	1,228	2,985	635,168
<b>Total General Administrative expense</b>	<b>698,900</b>	<b>3,920</b>	<b>1,368</b>	<b>3,325</b>	<b>707,513</b>
<b>Total Internal Investment Activity Expense*</b>	<b>2,212,557</b>	<b>12,409</b>	<b>4,330</b>	<b>10,527</b>	<b>2,239,823</b>
<b>Total Investment Activity Expenses</b>	<b>\$ 88,200,158</b>	<b>\$ 494,691</b>	<b>\$ 172,597</b>	<b>\$ 419,649</b>	<b>\$ 89,287,095</b>

Note 1: Securities lending expense and other investment expense are combined into the total external investment expense.

\*Internal Investment Expense is also included in the total administrative expenses presented on page 107 and presented on the Statement of Changes of Fiduciary Net Position on page 39.





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico

Honorable Brian S. Colón  
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund, Volunteer Firefighters Retirement Fund, State of New Mexico Public Employees' Deferred Compensation Plan and Social Security Administration Program (collectively, the Funds) administered by the Public Employees Retirement Association of New Mexico (PERA), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise PERA's basic financial statements, and have issued our report thereon dated November 24, 2021. Our report includes a reference to other auditors who audited the financial statements of the New Mexico Public Employees' Deferred Compensation Plan, as described in our report on PERA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered PERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PERA's internal control. Accordingly, we do not express an opinion on the effectiveness of PERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether PERA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 24, 2021





## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended June 30, 2021

2020-001 Open Meetings Act Violation - Resolved

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **For the Year Ended June 30, 2021**

#### **Section I - Summary of Auditors' Results**

##### **Financial Statements**

Type of auditor's report issued

Unmodified

Internal Control over financial reporting:

Material Weakness(es) identified?

YES  NO

Significant deficiency(ies) identified that are not considered to be material weaknesses?

YES  NO

Noncompliance material to financial statements noted?

YES  NO

#### **Section II - Financial Statement Findings**

**None**

## EXIT CONFERENCE

We discussed the financial statements and recommendations contained in this letter during the exit conference held November 22, 2021. The exit conference was attended by the following individuals.

### PERA EMPLOYEES RETIREMENT ASSOCIATION

#### Members of the Board

Francis Page, Acting Board Chair  
Diana Rosales-Ortiz, Board Member  
Lawrence Davis, Board Member

#### PERA Management

Greg Trujillo, Executive Director  
Anna Williams, CPA, Deputy Director/CFO  
Kristin Varela, Interim Chief Investment Officer

#### CliftonLarsonAllen

Thomas Rey, CPA, CLA Partner  
Brittany Smith, CPA, CLA Manager

# INVESTMENT SECTION

Public Employees Retirement Association



ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2021

## CHIEF INVESTMENT OFFICER'S LETTER

Dear PERA Members,

It's an honor to be representing the Public Employees Retirement Association of New Mexico (PERA) as the Interim Chief Investment Officer. I am a New Mexico native who has served the plan, in various positions, since 2014. Most recently, serving as Deputy Chief Investment Officer over the last 4 years. As a native New Mexican, coming from a multi-generational northern New Mexican family, I can attest firsthand to the direct impact this Fund has on the financial wellbeing of past, current, and future generations of New Mexicans. Every day that I am fortunate enough to serve this mission, is a day of extreme pride and thankfulness.

The trust and commitment that every retired, active, and future member place in this mission is humbling, and the service that our investment team is fortunate enough to provide is not taken lightly. We as PERA members are extremely fortunate to have such a rich benefit that will allow us a secure retirement and a lifetime of financial dignity. I am happy to assure you that the Investment Team is deeply invested in this mission, many being native New Mexicans themselves, and all showing up day in and day out to serve you as members. We are all in this together, and our collective success, both personally and economically, is at the forefront of our team's investment strategy.

Although there has been a level of uncertainty that's challenged each of us over the last year; staff departures, COVID concerns, and the looming uncertainty of heightened market volatility, our team remains steadfast in its implementation of PERA's sound investment strategy. We have and will continue to:

- Achieve a steady, compounding return that minimizes uncompensated risk
- Allocate risk asymmetrically to assure prudent incremental return generation
- Separate, budget and actively manage the key fundamental components of return, by replicating Policy through passive market participation (beta) and generating incremental value add through skill based active management (alpha)
- Put risk management at the forefront of our process, instituting comprehensive risk management techniques that identify and attribute underlying risk factors across public and private markets
- Effectively manage costs by facilitating ultra-low-cost beta implementation, extremely favorable alpha capture, and dedicated alignment of interest between investment managers and the PERA mission
- Maintain our long-term view, remaining consistent in the strategies deployed and seeking to drive strong value add relative to benchmarks over various market cycles

With that in mind, I am pleased to present the Investment Section of the Annual Comprehensive Financial Report for the year ending June 30, 2021. The following provides an overview of fund performance, investment portfolio asset allocation, and the accomplishments and challenges that occurred during the fiscal year.

*NOTE: performance referenced in the below update is based on net of fee, lagged results, for purposes of historical reporting. Previous references to investment returns, within the Financials Section, reflect non-lagged reporting of alternative valuations. For additional information, please see Note to the Financial Statements regarding adjustments to alternative investment reporting process.*

### PORTFOLIO PERFORMANCE & INVESTMENT GOALS

Markets for the fiscal year were driven by both large uncertainties and significant advancements. Reflecting on the last year, we participated in markets that were attempting to balance positive economic growth and fiscal stimulus, with uncertainties such as a contentious U.S. presidential election and the fear of a second wave of COVID. Fund results varied month over month as well, seeing our monthly returns dip as low as -0.80% in September, and soar as high as 5.95% in November. Despite this volatility, the year was one of recovery. Markets continued to mark all-time highs, earnings continued to grow, and re-opening following dissemination of vaccinations continued the market on its upward trajectory. We are pleased with the durability of the Fund's positioning, and its ability to capture such upside, while remaining relatively lower-beta and defensive, compared to its Policy benchmark. As we closed the fiscal year, PERA marked a 24.02% net return, and closed at a net asset value of \$17.6 billion. On both

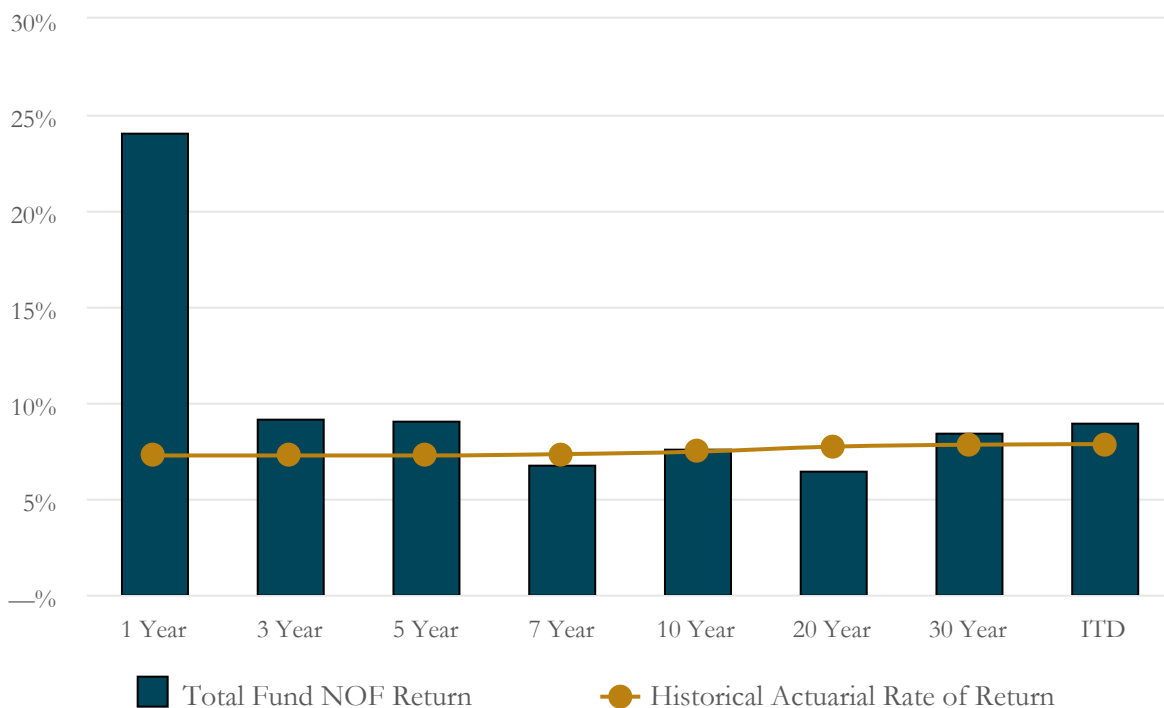
## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

measurements, these figures reflect results that PERA has never experienced, since its inception. Furthermore, the Fund has been relatively successful in meeting or exceeding the investment goals that have been adopted by the Board of Trustees. Such goals, and our progress toward meeting these expectations are detailed below.

### Investment Goals:

Produce returns that meet or exceed Board adopted actuarial rate of return over the long run. The fiscal year-end marked strong absolute returns that boosted all measurable time periods. For nearly all time periods, the Fund met or exceeded its assumed rate of return. The following chart shows the performance of the PERA fund relative to the average historical actuarial rate of return since inception. This strong absolute return, smoothed over the next 4 years, positions PERA's Unfunded Actuarial Accrued Liability favorably into the future.

*Note: the average actuarial rate of return since inception has been 7.84%  
8.00% from 1985 – 2010, 7.75% from 2011 – 2015, & 7.25% from 2016 – present*



Produce returns that meet or exceed Board adopted Total Fund benchmark over the long run. The PERA Board and Staff utilize the adopted Policy Benchmark to measure the effectiveness of actual implementation compared to a diversified benchmark of passive beta exposures. PERA reviews and adopts these benchmarks during their Asset Allocation process, and all constituents reflect the optimized and targeted asset allocation as adopted by the Board of Trustees. Relative results were mixed following the fiscal-year close, with slight underperformance (within basis points) over shorter periods of time. When reviewing relative performance, realized volatility must be considered to consider risk-adjusted results. As illustrated below, Staff confirmed that replication of the Policy Benchmark was closely implemented, while the Fund experienced less systematic/market risk, from the 10-year period to present. We do believe this is a positive outcome for the Fund, reflecting a smoother path for our members, and less sensitivity to

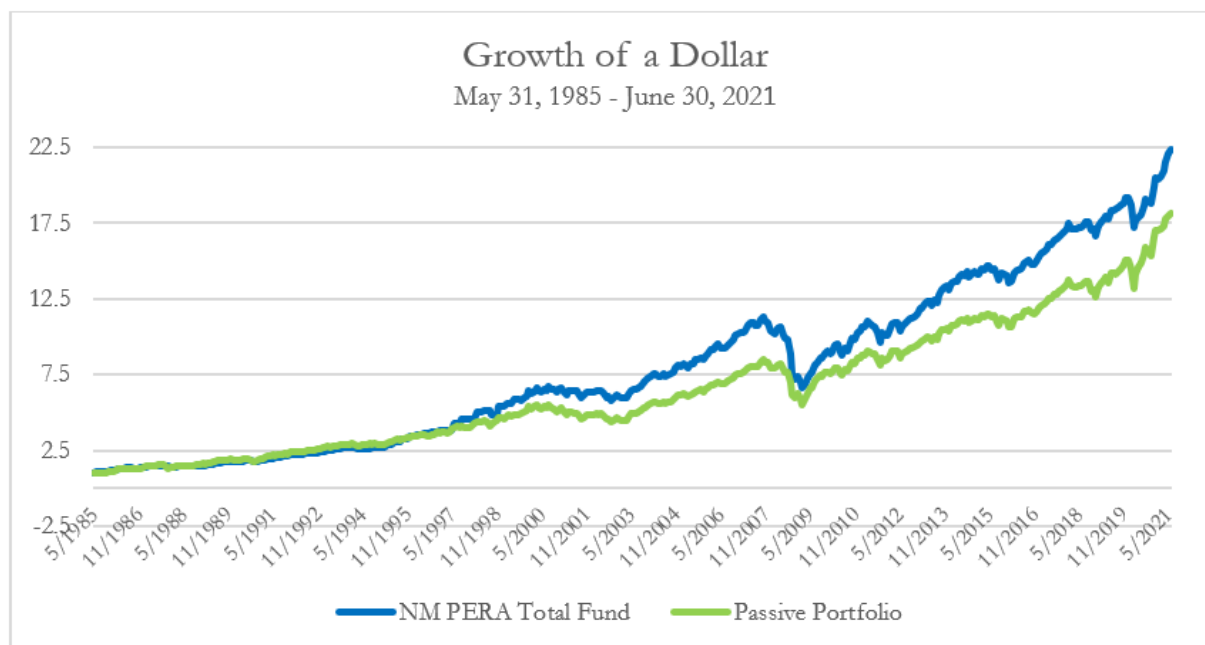
**CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)**

broad market risk. We remain confident in our current risk-focused investment strategy. However, as we move into the new fiscal year, Staff will continue to consider areas of opportunity for increased value add.

	<b>Fund NOF Return</b>	<b>Benchmark Return</b>	<b>Excess Return</b>	<b>Fund Risk (Std. Dev.)</b>	<b>Benchmark Risk (Std. Dev.)</b>
<b>1-Year</b>	24.02%	24.17%	-0.15%	6.47%	8.57%
<b>3-Years</b>	9.12%	9.36%	-0.24%	8.08%	11.94%
<b>5-Years</b>	9.07%	8.98%	0.09%	6.64%	9.54%
<b>7-Years</b>	6.76%	6.99%	-0.23%	6.75%	8.70%
<b>10-Years</b>	7.62%	7.61%	0.01%	7.37%	8.62%
<b>20-Years</b>	6.47%	6.49%	-0.02%	9.17%	9.37%
<b>30-Years</b>	8.44%	8.12%	0.32%	9.29%	9.00%

*Produce returns that meet or exceed Board adopted Reference benchmark over the long run.* The PERA Board and Staff utilize the adopted Reference Benchmark to measure the benefits of a diversified and complex Strategic Asset Allocation compared to a simple, non-diversified, benchmark of passive beta (i.e., Bogle portfolio). PERA reviews and adopts this benchmark based on the targeted risk appetite of the Fund. Since adoption, in 2017, the composition of this benchmark consists of 58% Passive Global Equity (MSCI ACWI) and 42% Passive U.S. Core Bonds (Bloomberg U.S. Agg.). Relative Fund results, compared to this simple passive portfolio lagged in the shorter time periods. This is no surprise to Staff, as we observed a wildly upward trending beta market that consistently rewarded equity-like, risk-on allocations over the last 15-18 months. Simply put, diversification of beta exposure was not as well compensated as equity beta over the short term. This is anticipated and does not disrupt our objective to remain diversified. However, when considering the benefit of complexity within a portfolio, we seek to remain long-term in our horizon, and remember that short term market swings should not shift strategic planning. As illustrated below, as the PERA Fund (blue line) began to allocate to diversifying strategies in early 2000's, results began to trend upward, and in excess, of the Reference benchmark (green) cumulatively. Further strengthening the importance of long-term focus when evaluating diversification value-add.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)



*Produce returns that meet or exceed the median risk adjusted peer performance ranking over the long-term.* When considering risk adjusted results, and measuring the incremental excess return achieved per unit of risk taken, the Fund sits above median compared to its 94 universe peers, as measured by InvestmentMetrics. Our rigorous risk budgeting approach, and long-standing investment strategy of maintaining a lower beta and highly diversified strategic asset allocation, does target lower equity targets and risk concentration well below that of our peers.

Staff caution the reliance on peer comparisons when measuring effectiveness, as each peer considers risk differently and allocates assets differently, based on the overall health and liabilities of their plan. Some peers may tilt further into equity to achieve a larger return. Others tilt further into illiquid opportunities to achieve a larger return and a smoothed volatility. And some invest more than 100% of their portfolio through the utilization of explicit leverage. None of these approaches are incorrect and do serve as asset allocation tools across all peers. However, with our solidified liability structure put in place by SB72, and the large dependency on the health of this fund into the future, PERA staff weigh these risks and balance them conservatively, relative to peers.

We are allocating our assets to prudently meet our liabilities, and that has been an intentional strategic decision focused on minimizing downside risk and heightened volatility for our members. We maintain one of the lowest allocations to equities in our peer group, hold more liquid assets to serve as a ballast in times of distress, are moderate in our targeted private market allocations, and do not deploy explicit fund leverage outside of our Bonds Plus portable alpha program. Our team takes the health and longevity of our plan into account before any risk decisions are weighed, and always holds the stability of the plan above all other allocation decisions. We hold firm on our belief that diversification, balanced risk allocation, and compounded wealth will prove sustainable in all market environments but will not always produce results that will reflect that of our peer universe in the short term.

### ASSET ALLOCATION

In the context of the dynamic capital market environment, PERA seeks to position the Fund for long-term capital appreciation principally through prudent asset allocation. According to widely accepted academic studies, the policy



## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

mix between major asset categories explains more than 90% of the variance in the return of an investment portfolio. A second pillar of prudent asset allocation is diversification to avoid excessive exposure to any one risk factor. Based on this foundation, the Fund divides investible assets between dominate risk regimes: growth, rates & inflation. It is our mission to balance these three regimes and align the contribution of risk generated from each asset class to be as balanced as possible. Additionally, over the past decade, PERA has actively decreased its dependency on growth assets, such as equity, by reducing this targeted allocation by half. This movement is intended to shift reliance away from one concentrated risk exposure and diversify across many. With these fundamental principles in place, the PERA Board of Trustees, Board Strategic Consultants, and Investment Staff have allocated assets across five dominate asset classes, each serving key objectives within the portfolio. PERA also seeks prudent diversification within each asset class, to mitigate adverse consequences associated with the overreliance on any individual security type or manager. Be it at the total Fund level or the asset category level, PERA uses risk management techniques to closely monitor market forces and best position the Fund for its near- and long-term goals. Through the process of apportioning the Fund across various asset categories as each resulting investment strategy is implemented, PERA strives to generate consistent long-term investment gains recognizing that capital markets may not move in a steady and uniform direction, and that losses may occur.

The PERA Fund's current asset allocation targets as of June 30, 2021, is listed below, and remained in compliance with IPS Strategic Asset Allocation ranges:

Asset Class	Target	Actual	Range
Global Equity	35.50%	35.90%	+/- 5%
Risk Reduction & Mitigation	19.50%	18.50%	+/- 3%
Credit Oriented Fixed Income	15.00%	14.90%	+/- 4%
Real Assets	20.00%	20.50%	+/- 4%
Multi-Risk Allocation	10.00%	10.30%	+/- 4%

**Global Equity.** This allocation is intended to generate capital appreciation for the Fund to assist in the reduction of long-term liabilities. Investments categorized within this asset class are intended to provide exposure to global economic growth opportunities, in liquid and illiquid markets. Global Equity represents approximately \$6.3 billion in assets, and is composed of Global Public Stocks, Global Low Volatility Stocks, and Private Equity. This portfolio was the largest driver of both return and risk within the fund, generating a 38.24% return and a 10.50% standard deviation for the fiscal year. These figures compare quite favorably to the Policy benchmark, outperforming by 1.77% while taking approximately 20% less risk. The portfolio allocates 40% to passive global equity, 30% to active global equity, and 30% to global private equities. While all strategies were strong within this portfolio, the most notable contributor to returns was Private Equity. This program returned 58.20%, net of all fees and expenses, and outperformed its public market index by 17.26%. This return is significant, not only to PERA's fund, but also in the context of national peers.

**Risk Reduction.** This allocation is intended to generate current income and downside protection for the Fund to assist in the payment of current liabilities. Investments categorized within this asset class are intended to provide exposure to high quality fixed income opportunities, as well as other risk mitigating strategies, in liquid and illiquid markets. Risk Reduction represents approximately \$3.3 billion in assets and is composed of Domestic & Global Core Bonds and PERA's newly implemented Bonds Plus portable alpha program. As this Fund is intended to

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

provide current income and stability, it is not expected to generate extremely high absolute returns. However, this portfolio did generate a meaningful level of alpha, when compared to its Policy benchmark. This portfolio is considered semi-active, allowing anywhere from 30-150 bps of active risk to be taken in exchange for a small incremental return. For the fiscal year the portfolio returned 2.45% and generated 2.73% of excess return, compared to its Policy benchmark. The portfolio allocates 62% to domestic core bonds, 13% to global core bonds, and 25% to Bonds Plus portable alpha. While many of the strategies deployed in this portfolio met or exceeded their Benchmark expectations, the most notable contributor to returns was the Bonds Plus portable alpha program, which synthetically replicates beta and allocates physical capital into uncorrelated alpha streams. This program generated a net 13.4% return and outperformed its benchmark by 13.73%, an exceptional start to our newly implemented program.

Credit Oriented Fixed Income. This allocation is intended to serve as a hybrid between capital appreciation and current income for the Fund. Investments categorized within this asset class include similar types of opportunities as those in the risk reduction allocation, with different credit characteristics, in liquid and illiquid markets. Credit represents approximately \$2.6 billion in assets and is composed of 35% Liquid Credit (including Emerging Market Debt), 49% Alternative/Hedged Credit and 17% Illiquid Credit. This portfolio generated the most favorable risk-adjusted return (Sharpe ratio), as well as the largest level of outperformance within the Fund, generating a 4.01% Sharpe Ratio, a 21.45% total return, and a 9.16% excess return for the fiscal year. The portfolio is allocated entirely to active strategies. Alternative strategies were the most notable contributors to return in this portfolio, with Alt. Credit and Illiquid Credit generating 33.02% and 21.23% respectively.

Real Assets. This allocation is intended to serve as a hedge against inflation for the Fund. Investments categorized within this asset class include tangible assets whose underlying contracts move in tandem with inflationary movements. Investments in liquid and illiquid markets are implemented. Real Assets represents approximately \$3.6 billion and is composed of 46% Liquid Real Estate and Real Assets, as well as 54% Illiquid Real Estate and Real Assets. This portfolio underperformed its Policy benchmark and served as a negative contributor to Fund results, struggling with the illiquid benchmarking mismatch that has occurred over the last year within the Illiquid Real Estate and Illiquid Real Asset allocations. Within these strategies public market beta has soared, and illiquid valuations have not kept pace, producing negative excess results of 27.97% and 24.20%, respectively. Although this underperformance is significant, results relative to selection benchmarks continue to reflect positive selection alpha, and longer-term results do reflect a normalized return stream into the 3-, 5-, and 7-year periods. Continued focus on the build-out of diversified illiquid strategies will be a priority for the team in the new fiscal year. Liquid real estate and liquid real assets also underperformed for the fiscal year. Primary underperformance in these strategies is attributable to Global Real Estate and MLP allocations, which underperformed benchmarks by more than 500 and 900bps, respectively. This underperformance reflects active tilts that did not pay off over the measurement period. The team has prioritized review of these managers, to determine whether a reduction in active risk is warranted.

Multi-Risk. This allocation is intended to serve as a diversifier, equalizing the contributions of risk factors within the Fund. The sole investment strategy categorized within this asset class includes passive risk parity, which utilizes leverage and derivatives to generate a greater risk adjusted return. PERA takes pride in its creation of what we believe to be the first available passive replication strategy in this space. PERA gradually phased in this newly created asset class and completed its first full year of performance at its targeted 10% allocation during the fiscal year. Since that time, PERA has achieved measurable success, marking a 32.33% for the one-year period, and a 12.6% since its inception. This is not an area that targets value-add through alpha initiatives, as displayed by the lack of excess return relative to the benchmark. However, when comparing these returns to active peers in the space, our

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

execution has exceeded expectations while only taking on a fraction of the costs, and little to no active tracking error.

**Liquidity.** In addition to optimizing the risk-adjusted return prospects for the Fund, the strategic asset allocation maintains PERA focus on liquidity. As the Fund disburses \$1.3 billion per year in retiree benefits, with 52% of those benefits being paid through the investment activity of the Fund, the ability to convert investment assets into cash at a fair value is of paramount importance. PERA's liquidity allocation as of June 30, 2021, is listed below, and remained compliant with IPS liquidity requirements:

Liquidity Summary			
Liquidity Tier	Actual \$ Millions	Actual %	Guideline
Tier 1 (1-5 Days)	\$2,815	16.00%	Tier 1 Assets ≥ 10% Fund NAV
Tier 2 (5-90 Days)	\$8,287	47.00%	
Tier 3 (90-365 Days)	\$1,294	7.00%	
Tier 4 (1 Year +)	\$5,182	30.00%	

## ACCOMPLISHMENTS

### Strategy Implementation

**Bonds Plus Portable Alpha.** PERA implemented its newly created Bonds Plus portable alpha program. Focused on porting market neutral alpha opportunities over diversified and uncorrelated core bonds beta replication. Since its inception in January 2020, the program has generated a 4.6% net return, and exceeded its Policy benchmark by 130bps.

**Illiquid Market Innovation.** Because of our team's specialty focus, our Fund's nimble yet sizeable ability to deploy capital, and executive support for innovative structures, our team has had significant success negotiating favorable and unique structures with identified strategic partners. Structures have included joint venture direct separate accounts, fund of one discretionary co-investment vehicles, and founder or seed capital opportunities. In all instances, we've been able to leverage our scale and partnership to negotiate better governance and economic terms. And in all scenarios, we've decreased the cost of doing business by negotiating the most favorable fee structures available, targeting a 60% or better alpha capture. In all opportunities, creative or conventional, private investments are not integrated into Policy and are measured against liquid public market benchmarks. This eliminates the focus on simply picking a top quartile manager and prompts the critical question of "Does it pay to be illiquid?". Furthermore, it requires a level of technical and quantitative oversight that our team has specialized in, applying leverage adjusted and risk adjusted public market equivalents to truly identify manager skill and persistence.

### Reporting and Transparency

**Board Strategic Investment Consultant.** PERA Staff and Trustees completed its procurement process for Board Strategic Investment Consultant services, in January 2020, and onboarding began on July 1, 2020. The incumbent, Wilshire Associates, was chosen for continued services, and Staff successfully negotiated expanded services and more favorable economic terms. Through this engagement, PERA has solidified continuity in investment

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

knowledge and services, while enhancing reporting capabilities through Wilshire's risk management services. These services include security level risk modeling and reporting through the utilization of Wilshire's proprietary system. Through the onboarding of this enhanced risk management tool, Staff can more closely attribute drivers of ex-ante tracking error, as well as align risk reporting of forecasted risk with PERA's annually adopted active risk budget.

Enhanced Quarterly Reporting. As PERA Staff and Trustees strive for further excellence in reporting and transparency, newly enhanced Total Fund and Illiquid Market performance reporting has been developed. For Total Fund reporting, Staff and Consultant have expanded its quarterly review and report to include strategic level scorecards that track implementation progress against Board adopted governance measurements. Additionally, Total Fund peer rankings continue to be a focus of enhancement, now providing a dedicated section to review absolute and risk adjusted comparisons, as well as asset allocation comparisons. For Illiquid Reporting, Staff and Consultants have introduced newly created quarterly reporting that will assist in the measurement of capital deployment and portfolio implementation effectiveness. The enhancement of such reporting is and will continue to be presented to the PERA Investment Committee quarterly, then promptly posted to the PERA website for public reference.

Monthly Fund Updates. After thoughtful communications between Staff and Trustees, PERA dedicated its efforts to more effective communication of Fund updates, prompting a newly implemented monthly fund update. The goal of such enhanced reporting is to summarize significant movements that occur from month to month in a formalized and concise reporting template. This update is provided to the Board, and posted for public reference, monthly.

### Governance

Enhanced Execution Review. PERA takes pride in its optimal delegated investment authority model, in which PERA Trustees assess, adopt, and monitor the strategic direction of the Fund, while delegating implementation responsibility to the CIO. This governance adjustment was adopted in 2017, and does support prudent delegation of due diligence responsibilities, a relatively flat decision-making process, and cross functional team structures. However, as we continue our path toward more effective communication and understanding, Staff proposed an expansion to the final execution process to include collaborative understanding and agreement between all PERA Investment decision makers, including Executive Director, Chief Investment Officer, and Deputy Chief Investment Officer. Additionally, this expansion further promotes understanding at the Trustee level through the engagement and participation of an observing appointee of the Investment Committee. This enhancement will continue to ensure fair and unbiased implementation processes, while promoting multiple layers of process and strategy oversight. With this change, we believe we enhance collaborative decision making and collective buy in, while ensuring executive expertise are strengthened for business continuity.

### CHALLENGES

Strategic Challenge. PERA continues to utilize a 7.25% actuarial rate of return, which we believe will be difficult to achieve in the next decade. PERA has historically skewed toward more conservative allocation targets, and generally lower volatility, which is in line with our risk allocation strategy. However, there is an immediate mismatch between our forecasted rate of return and our required rate of return, and reconsiderations will need to be made to tackle this challenge. It is our goal to move into the new year reassessing assumptions and moving toward a path of reasonable action.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

Staffing and Succession. I would be remiss to not mention the level of executive turnover that the Fund has experienced. Losing a CIO creates an immediate and significant challenge for the Fund. Our preceding CIO left while the investment team was fully staffed, and the transition of interim coverage was seamless. Succession is the cornerstone of the culture that's been fostered at PERA, and this event displayed our effectiveness in planning. With this departure, each senior level staff member shifted into roles of expanded authority, and business continued without any disruption. Together our team forged a path forward, promoting a culture of continuity and support for all associated parties.

### PERA SMART SAVE

In addition to the defined benefit pension assets, PERA also oversees the voluntary deferred compensation plan. The PERA SmartSave Deferred Compensation Plan is a voluntary 457b supplemental retirement plan, which is 100% participant directed and participant funded. This plan is offered to public employees, and is intended to span over one's career, for optimal investment results that complement the PERA defined benefit plan. The PERA SmartSave Deferred Compensation Plan ended the fiscal year with a fund balance of \$812 million and 23,015 participants.

During fiscal year 2021, the Plan settled into its newly engaged Third-Party Administrative Services (TPA) provider, Voya Financial. With this transition members have benefitted from expanded electronic capabilities, that were not previously offered to participants. Capabilities include online enrollment, online contribution changes, customer service chat feature, loan modeling and emergency withdrawal requests, distribution requests, and direct deposit changes. Staff also worked diligently to ensure uniform automated contribution uploads to a systematic employer portal, and expansions to on demand reporting capabilities for employers.

Participant growth has been flat over the last year, primarily due to COVID related implications, such the lack of ability to engage participants physically. However, due to significantly rallying markets and expanded electronic capabilities, the Plan's NAV is at its highest level since its inception. Furthermore, digital engagement marked all-time highs for the same period, reflecting enhanced participant accessibility and creative retirement planning tools. Digital engagement tools currently offered to participants include:

- myOrangeMoney® Web Experience - an educational, interactive online experience that shows where participants stand today, highlights areas that need improvement, and lets them take immediate action to improve their retirement readiness
- Voya Retire Mobile App - a fast and easy way to access one's retirement account with most features offered through the traditional online account
- Personal Financial Dashboard – a web-based tool that enables participants to organize, integrate, and manage all their financial information on one comprehensive and intuitive digital platform, and
- Financial Wellness Experience – allows participants to take a personal assessment to gain insights that will help them take meaningful actions for their financial future.

### CONCLUSION

As we close out this fiscal year, I want to take this opportunity to thank each of our members for their trust in and dedication to the State of New Mexico. The dedication to service our members exhibit is what shapes our entire investment process and drives every decision we make.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

I also want to thank the PERA Board of Trustees for their continued dedication to the Fund. Their efforts represent the interests of all members and they have made significant strides to improve the plan's strategic direction, to ensure a secure retirement benefit for all generations of public employees.

Finally, I would like to thank the Investment team for their mission-oriented mind set and dedication to serve our members before all else. Their expertise and never-ending hard work are the key to PERA's continued success and its ever-bright future. As we move forward into a new fiscal year, we will do it with an eye toward excellence and continuity. We confirm our dedication to this mission, which we are so fortunate to serve, and maintain our conviction in a prudent and steady compounded investments that will foster success for many generations to come. Sincerest thanks and appreciation,

Kristin Varela

Interim Chief Investment Officer

# INVESTMENT OBJECTIVES AND POLICIES

## Introduction

The PERA Board is charged with the responsibility of administering the PERA Fund for the sole and exclusive benefit of the members, retirees and other beneficiaries of PERA. In accordance with the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, the Board is required to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. This standard of care encourages diversifying investments across various asset classes to minimize the risk of large losses.

The Board approves the Investment Policy which governs the investment of assets for PERA and establishes parameters to ensure prudence and care in the execution of the investment program. The Investment Policy serves as the touchstone for prudent management of the Fund and describes the Board's investment objectives and tolerance for investment risk. The Investment Policy outlines objectives, benchmarks, restrictions and responsibilities necessary for members of the Board, staff, investment managers, consultants, and PERA stakeholders to clearly understand the policies, goals and objectives, and risks connected with the PERA investment program.

The Chief Investment Officer, with the assistance of PERA staff, has the responsibility and authority to assist the Board in establishing investment and administrative policy, and to implement the policies and programs established by the Board. The Chief Investment Officer has primary responsibility for the implementation authority of the investment decisions, as governed by the Board approved Strategic Asset Allocation and Active Risk Budget.

## General Objectives

PERA's primary objective is to prudently invest assets in order to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board has adopted the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be taken into account in assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment to the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.
- The Fund's liabilities are long-term, and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

## Third Party Service Providers

- Investment Consultants: To accomplish its mission, PERA relies on third-party investment management consultants to properly administer the Fund and implement the investment strategies it adopts. PERA currently utilizes the services of one Board consultant, Wilshire Associates, and two manager selection

## INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)

consultants, Albourne Partners and TorreyCove Capital Partners. These consultants provide performance review, asset allocation studies, manager screening, and topical studies. The comments and recommendations of the consultants are considered by PERA in conjunction with other available information to make informed and prudent decisions.

- **Investment Managers:** PERA believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Professional investment managers are retained by PERA to assist in managing PERA's assets. Investments are sufficiently diversified, both by asset class and investment manager, to minimize concentration and market risks. Each investment manager functions under a formal contract that delineates the manager's responsibilities and appropriate performance expectations, including a formal set of investment guidelines and administrative requirements for the management of each portfolio. PERA's external managers are subject to compliance with PERA's Investment Policy and all applicable State and federal laws.
- **Custodian Bank:** The custodian bank, Bank of New York Mellon, serves as the bank of record for the assets comprising the Fund and is responsible for maintaining the official book of record under the supervision of staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The custodian bank is responsible for the ongoing pricing and valuation of all assets, collection of income generated by those assets, and any corporate action notification. The custodian bank cooperates with and assists staff and investment managers in the reconciliation process.

### Prohibitions

In accordance with UPIA guidelines, the PERA Board, staff, investment consultants, and investment managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

- Investments precluded by law or regulation.
- Transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction are prohibited unless otherwise approved in each manager's respective professional services agreement.
- Any other investments as specified in each investment manager's respective contract.
- An investment that violates the placement agent limitations set forth in the PERA Act.

### Asset Allocation

Asset allocation is the single largest contributor to the PERA Fund's return and risk. Based on the factors identified in the Investment Policy, PERA has established strategic asset allocation targets and ranges for global equity, risk reduction and mitigation, credit-oriented fixed income, and real assets on a fair value basis. Ranges for each asset class are included in the asset allocation investment policy to provide the Fund with the flexibility to take advantage of market opportunities.



**INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)**

Long-term asset class targets and ranges as of June 30, 2021

<b>Asset Class</b>	<b>Lower Range</b>	<b>Target</b>	<b>Upper Range</b>
Global Equity	30.50%	35.50%	40.50%
Risk Reduction & Mitigation	16.50%	19.50%	22.50%
Credit Oriented Fixed Income	11.00%	15.00%	19.00%
Real Assets to include Real Estate Equity	16.00%	20.00%	24.00%
Multi-Risk Allocation	6.00%	10.00%	14.00%
<b>TOTAL</b>		<b>100.00%</b>	

The Board approves the allocation of assets among various asset classes. Generally, in determining the asset allocation, PERA considers: (1) the historical performance of capital markets adjusted for the perception of the future short and long-term market performance; (2) the correlation of returns among the relevant asset classes; (3) the projected liability stream of benefits and the costs of funding to both covered employees and employers; and, (4) the relationship between the current and projected assets and the projected actuarial liability stream.

The Investment Policy describes the target allocation for investable asset types and the allowable ranges. An appropriate asset allocation facilitates diversification of assets necessary to maximize the investment return to PERA consistent with prudent market and economic risk. PERA assets are fully invested at all times with only small balances in cash equivalents to cover benefits and operational expenses.

**Rebalancing**

PERA's rebalancing procedure is governed by allocation ranges rather than time periods. Upper and lower allocation limits have been established for each asset class. The ranges, specified in the table above, are a function of the volatility of each asset class and the proportion of the total fund allocated to the asset class. PERA rebalances the portfolio in accordance with policy guidelines and established procedures on an ongoing basis. The goal in implementing the rebalancing procedure is to minimize transaction costs, market impact, and opportunity costs.

When the allocation to all asset classes remains within established limits, cash flows are used to maintain the overall allocation as closely as possible to the target. In the event that a liquid strategy within an asset class breaches an upper or lower limit, the asset class is rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day period, it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category. Rebalancing shall consider liquidity so that investments can be converted into cash in a short time, with little or no loss in value, as necessary to facilitate the objectives of the Fund. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through the use of the cash overlay program.

## INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)

### Performance

As of the Fiscal Year 2021, PERA adjusted its alternative investments reporting process, however our lagged valuation rate of return is 24.02%. In the Investment Section our performance reported in the schedules are based on lagged numbers.

PERA relies on the following long-term objectives to measure investment performance:

- The actuarial assumed target rate of return is the key actuarial assumption affecting future funding rates and payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. PERA seeks to realize long-term investment performance that will meet or exceed its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance to a total fund benchmark and to measure the contribution of active investment management and policy adherence.

The performance of each asset class is measured against a benchmark that describes, in general terms, the opportunity set and return characteristics associated with the asset class. For certain illiquid asset classes, the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. These benchmarks are referred to as the "Policy Index." PERA may use the Policy Index to compare the Fund's actual performance to its Total Fund Benchmark and to measure the contributions of active investment management and policy adherence.

Mandate-level benchmarks relevant to an investment shall be used as standards to measure the performance of investment managers. These benchmarks are referred to as the "Selection Index." Acceptable benchmarks include but are not limited to:

- The appropriate market indices on a nominal and risk-adjusted basis;
- The performance of peers within their style group;
- Adherence of the investment manager to the stated investment philosophy and style; and
- Adherence to the Investment Policy and the guidelines established in the investment contract.

Appropriateness of benchmarks are reviewed and approved by the PERA Board, annually.

### Basis of Presentation

Wilshire the investment performance consultant provides PERA investments returns fund based on data made available. Performance calculations were prepared using time-weighted rates of return and net-of-fees.

## 2021 Equity Performance (\*)

### For the Fiscal Year ending June 30, 2021

The investment performance information contained in this section of the Annual Comprehensive Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Global Equity	\$ 6,570,434	40.24 %	14.12 %	14.58 %	10.01 %	11.25 %	4/1/2013
Russell 3000 Index		36.47 %	13.35 %	13.68 %	10.06 %	11.54 %	
Global Public Stock	3,200,381	37.01 %	12.85 %	14.04 %	9.22 %	8.77 %	10/1/2004
Policy Index		40.94 %	14.24 %	14.55 %	10.29 %	—	
Global Low Volatility Equity	1,238,741	19.75 %	9.97 %	—	—	10.33 %	11/1/2016
MSCI ACWI Min Vol Net Index		19.35 %	9.55 %	8.40 %	—	9.8 %	
Hedged Equity	673	(0.45)%	(0.94)%	3.68 %	1.76 %	3.43 %	4/1/2013
MSCI ACWI Min Vol Net Index		19.35 %	—	—	6.06 %	6.62 %	
Private Equity	2,106,478	63.56 %	23.09 %	19.83 %	18.5 %	8.47 %	12/1/2006
Russell 3000 Index		40.94 %	14.96 %	15.58 %	13.61 %	—	
LGIMA Global Equity Overlay	137,604	(7.35)%	—	—	—	—	
80/20 MSCI ACWI IMI & Vol		36.47 %	—	—	—	—	

## 2021 Risk Reduction & Mitigation Performance (\*)

### For the Fiscal Year ending June 30, 2021

The investment performance information contained in this section of the Annual Comprehensive Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Risk Reduction & Mitigation	\$ 3,264,041	2.47 %	5.54%	3.31%	3.46 %	3.27 %	
Policy Index		(0.28)%	5.25%	3.03%	3.30 %	3.05 %	
Domestic Core Fixed Income	1,808,130	0.53 %	5.98%	3.48%	3.51 %	6.93 %	6/1/1985
Bloomberg Barclays Aggregate Bond Index		(0.33)%	5.35%	3.03%	3.28 %	6.48 %	
Global Core Fixed Income	418,789	0.08 %	4.12%	2.75%	2.55 %	4.01 %	5/1/2011
Bloomberg Barclays Global Aggregate (USDH)		0.08 %	4.59%	2.98%	3.6 %	3.88 %	
Cash	86,261	7.16 %	6.80%	4.91%	3.43 %	4.71 %	3/1/1989
ICE BofAML 3 Month US Treasury Bill G001		0.09 %	0.00%	0.00%	0.87 %	3.11 %	
Bond Plus	821,618	—	—	—	—	(6.45)%	1/1/2020
BB U.S Agg Bond Index		—	—	—	—	6.14 %	
Risk Reduction Cash Overlay	66,151	(1.63)%	—	—	—	—	
Risk Reduction & Mitigation Benchmark		28.00 %	—	—	—	—	

(\*) Lagged Performance

## 2021 Credit Oriented Fixed Income Performance (\*)

For the Fiscal Year ending June 30, 2021

The investment performance information contained in this section of the Annual Comprehensive Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Credit Oriented Fixed Income	\$ 2,643,266	20.33 %	6.64 %	6.52 %	4.51 %	5.41 %	
Policy Benchmark		12.29 %	6.39 %	6.28 %	4.54 %	5.26 %	
Liquid Credit	490,634	12.07 %	6.24 %	6.61 %	4.23 %	3.25 %	4/1/2013
		13.62 %	6.60 %	6.51 %	5.36 %	5.82 %	
Emerging Market Debt	391,498	9.27 %	7.43 %	4.77 %	—	4.63 %	8/1/2015
JPM EM SOV50 LM50 Bond Index		7.07 %	5.46 %	4	—	4.66 %	
Illiquid Credit	450,173	(9.14)%	1.96 %	3.69 %	7.43 %	6.32 %	12/1/2006
Bloomberg Barclays Global High Yield		(1.37)%	3.44 %	5.14 %	—	—	
Credit Oriented Hedge Funds	411,504	24.17 %	5.88 %	6.38 %	—	1.43 %	7/1/2015
Bloomberg Barclays Global High Yield		13.62 %	6.60 %	5.77 %	—	4.88	
Credit Cash Overlay	279,787	9.68 %	—	—	—	7.49 %	5/1/2020
		12.29 %	—	—	—	6.09 %	
Leveraged Loan Structured Credit	891,416	27.63 %	—	—	—	—	
BB Global High Yield Hedged		13.62 %	—	—	—	—	

## 2021 Real Assets Performance (\*)

For the Fiscal Year ending June 30, 2021

The investment performance information contained in this section of the Annual Comprehensive Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Real Assets	\$ 3,710,645	22.93 %	4.88 %	5.52 %	4.20 %	5.00 %	
Policy Benchmark		34.37 %	7.31 %	7.28 %	4.84 %	5.77 %	
Liquid Real Estate	357,238	34.40 %	11.60 %	8.23 %	8.47 %	11.70 %	12/1/2008
Wilshire Global REIT Total Return Index		37.04 %	8.60 %	6.02 %	7.08 %	12.77 %	
Illiquid Real Estate	1,075,921	17.00 %	6.68 %	7.88 %	10.07 %	6.58 %	5/1/2007
Wilshire Global REIT Total Return Index		34.04 %	8.60 %	8.06 %	—	4.47	
Liquid Real Assets	1,283,066	27.90 %	5.05 %	2.82 %	(2.17)	0.50 %	9/1/2009
Policy Benchmark		29.76 %	6.85 %	3.29 %	(2.81)	—	
Illiquid Real Assets	993,209	18.23 %	1.54 %	5.45 %	1.47 %	(9.53)%	1/1/2007
Policy Benchmark		35.14 %	5.59 %	7.54 %	1.38 %	—	
Market Neutral Hedge Fund	1,211	17.73 %	—	3.82 %	—	—	4/1/2013
Libor + 2% 1 MA		7.81 %	—	0.00 %	—	—	

(\*) Lagged performance

## 2021 Real Assets Performance (continued)

For the Fiscal Year ending June 30, 2021

### Benchmark Information:

**Total Fund Benchmark** consists of 27% Russell 3000 Index, 27% MSCI ACW Ex US Blended Index (Gross), 25% LB Aggregate Bond Index, 5% 3 Mo LIBOR Index + 4%, 5% Venture Economics All Private Equity Index (lagged one quarter), 2.5% NCREIF Property Index, and 2.5% CPI +5% from 6/30/2007 until 10/31/2009; 35% Russell 3000 Index, 25% MSCI ACW Ex US Blended Index (Gross), 25% Barclays Global Aggregate Blended Index, 5% 3 Mo LIBOR Index + 4%, 5% Venture Economics All Private Equity Index (lagged one quarter), 2.5% NCREIF Property Index, 1% Barclays US TIPS Index, 1% S&P GSCI Light Energy Index, and 0.5% CPI +5% until 06/30/2010; 27% Russell 3000 Index, 27% MSCI ACW Ex US Blended Index (Gross), 26% Barclays Global Aggregate Blended Index, 9% HFRI Fund of Funds Composite Index, 5% Private Equity Custom Index, 3% Real Estate Custom Index, and 3% Real Assets Custom Index until 11/30/2012; 29% Russell 3000 Index, 20% Int'l Equity Custom Index, 26% Fixed Income Custom Index, 5% Liquid Alpha Index, 7% HFRI Fund of Funds Composite Index, 5% Private Equity Custom Index, 3% Real Estate Custom Index, and 5% Real Assets Custom Index until 8/31/2014; 21.1% Russell 3000 Index, 24.8% International Equity Custom Index, 26.1% Core and Global Fixed Income Custom Index, 5% Fixed Income Plus Sectors Custom Index, 4% HFRI Fund of Funds Composite Index, 7% Private Equity Custom Index, 5% Real Estate Custom Index, and 7% Real Assets Custom Index until 04/30/2016; 43.5% Global Equity, 21.5% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, and 20% Real Assets until 4/30/2019; 42.8% Global Equity, 21.5% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets and 0.7% Multi-Risk Custom Index until 5/31/2019; 42.3% Global Equity, 21.4% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets custom index and 1.3% Multi-Risk Custom Index until 6/30/2019; 41% Global Equity, 21% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets custom index and 3% Multi-Risk Custom Index until 9/30/19; 35.5% Global Equity, 19.5% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets custom index and 7.0% Multi-Risk Custom Index until current.

**Global Equity Benchmark** consists of 75% MSCI ACWI IMI (\$N), 20% Russell 3000 1QA +3%, and 5% HRFI Equity Hedge (Total) Index from 4/30/2013 until 6/30/2015; 20% Russell 3000 1QA +3%, 5% HRFI Equity Hedge (Total) Index, 65% MSCI ACWI IMI (\$N), and 10% MSCI ACWI Minimum Volatility (\$N) until 12/31/2017; and 65% MSCI ACWI IMI (\$N), 20% Russell 3000, and 15% MSCI ACWI Minimum Volatility (\$N) until 12/31/2018; 84% MSCI ACWI IMI (\$N), and 16% MSCI ACWI Minimum Volatility (\$N) until 5/31/2019 and 83% MSCI ACWI IMI (\$N), and 17% MSCI ACWI Minimum Volatility (\$N) until 10/31/19; 82% MSCI ACWI IMI (\$N), and 18% MSCI ACWI Minimum Volatility (\$N) until 2/29/20; 80% MSCI ACWI IMI (\$N), and 20% MSCI ACWI Minimum Volatility (\$N).

**Risk Reduction & Mitigation Benchmark** consists of 86% Bloomberg Barclays U.S. Aggregate Bond Index, 2% ICE BofAML 3 Month US Treasury Bill, and 12% Bloomberg Barclays Global Aggregate Hedged until 12/31/2018 and 88% Bloomberg Barclays U.S. Aggregate Bond Index and 12% Bloomberg Barclays Global Aggregate bond Index until 6/30/19, 87% Bloomberg Barclays U.S. Aggregate Bond Index and 13% Bloomberg Barclays Global Aggregate bond Index .

**Credit Oriented Fixed Income Benchmark** consists of 80% Bloomberg Barclays Global High Yield and 20% HFRI Credit Index 1 MA from Treasury Bill, and 12% Bloomberg Barclays Global Aggregate Hedged until 12/31/17;

**Credit Oriented Fixed Income** consists 20% Bloomberg Barclays Global High Yield, 20% HFRI Credit Index 1MA, 40% Bloomberg Barclays Global High Yield + 1% 1QA, and 20% JP Morgan Emerging Markets Bond until 12/31/2017; 80% Bloomberg Global High Yield and 20% JP Morgan Emerging Markets Bond (50% JP Morgan EMBI Global Diversified (\$) / 50% JP Morgan GBI (\$)) and 80% Bloomberg Global High Yield and 10% JP Morgan EMBI Global Diversified (\$) and 10% JP Morgan GBI (\$) until current.

**Real Assets Benchmark** consists of 42% Cambridge Associates Natural Resource Index 1QA, 38% NCREIF ODCE +1% 1QA, 10% Alerian MLP, 5% LIBOR + 2% 1MA, and 5% Wilshire Global REIT Total Return Index from 5/01/2016 until 12/31/2017; 35% Wilshire Global Real Estate Securities Index, 25% Bloomberg Commodity Index Total Return, 15% Bloomberg Barclays U.S. TIPS, 15% Dow Jones Brookfield Global Infrastructure, and 10% Alerian MLP until 12/31/2018 and 35% Wilshire Global REIT Index, 25% Bloomberg Commodity Index Total Return, 15% Bloomberg Barclays U.S. TIPS, 15% Dow Jones Brookfield Global Infrastructure, and 10% Alerian MLP Index until current.

**Multi Risk Allocation** consist of 100% Wilshire Risk Parity Index 15%.

## 2021 Illiquid Investment Program (\*)

For the Fiscal Year ending June 30, 2021

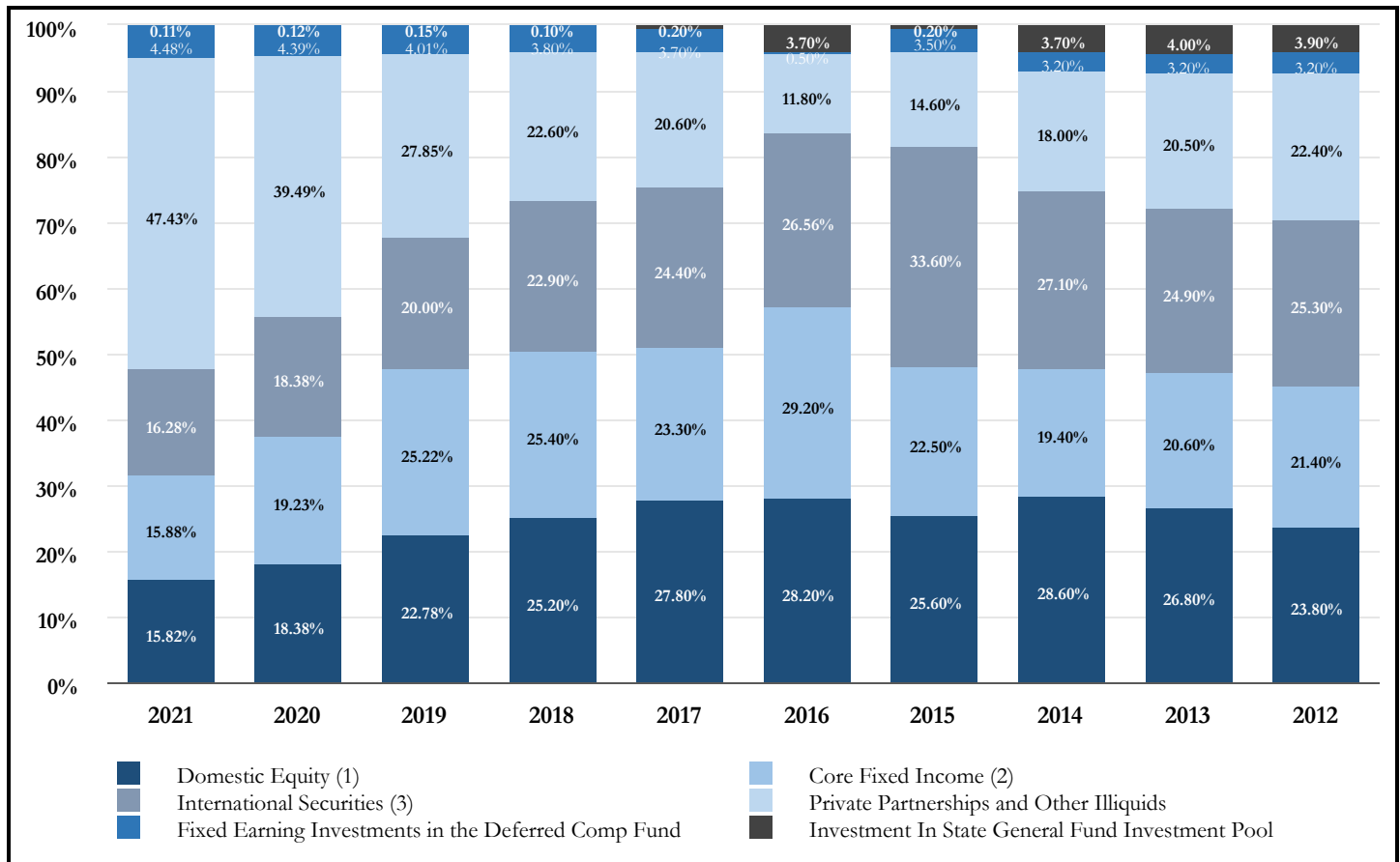
The investment performance information contained in this section of the Annual Comprehensive Financial Report was obtained from the Illiquid Investment Consultants and was calculated using internal rate of return.

Private Equity ( <i>in thousands</i> )	Number of Partnerships	Capital Committed	Capital Contrib	Fair Value	Cumulative Distrib	Total Value	Net IRR
Buyout	53	\$ 2,219,910	\$1,490,827	\$ 1,270,038	\$ 1,224,484	\$2,494,522	15.60 %
Funds of One	3	250,000	174,842	200,576	45,399	245,975	12.00 %
Venture Capital	15	560,962	409,751	634,505	339,997	974,502	21.20 %
<b>Total</b>	<b>71</b>	<b>\$ 3,030,872</b>	<b>\$2,075,420</b>	<b>\$ 2,105,119</b>	<b>\$ 1,609,880</b>	<b>\$3,714,999</b>	<b>16.80 %</b>
<b>Real Assets (<i>in thousands</i>)</b>							
Agriculture	4	\$ 310,000	\$ 83,892	\$ 151,577	\$ 12,306	\$ 163,883	(0.20)%
Energy	23	762,000	28,918	304,708	23,177	327,885	1.80 %
Infrastructure	7	592,664	27,144	389,963	28,155	418,118	12.00 %
Non-US Infrastructure	3	213,866	(1,723)	146,933	4,253	151,186	13.50 %
<b>Total</b>	<b>35</b>	<b>\$ 1,878,530</b>	<b>\$ 138,231</b>	<b>\$ 993,181</b>	<b>\$ 67,891</b>	<b>\$1,061,072</b>	<b>5.40 %</b>
<b>Real Estate (<i>in thousands</i>)</b>							
Core	4	\$ 385,000	\$ 57,699	\$ 301,971	\$ 5,149	\$ 307,120	9.60 %
Core Plus	2	250,000	771	198,959	2,693	201,652	2.50 %
Opportunistic	16	745,007	80,480	386,961	33,349	420,310	11.90 %
Value Added	7	273,890	33,170	87,124	8,728	95,852	9.00 %
Non-US	3	158,660	14,307	100,922	8,068	108,990	16.80 %
<b>Total</b>	<b>32</b>	<b>\$ 1,812,557</b>	<b>\$ 186,427</b>	<b>\$ 1,075,937</b>	<b>\$ 57,987</b>	<b>\$1,133,924</b>	<b>10.70 %</b>
<b>Illiquid Credit (<i>in thousands</i>)</b>							
Distressed Debt	12	\$ 520,000	\$ 18,472	\$ 308,039	\$ 42,317	\$ 350,356	9.00 %
Private Debt	8	492,157	61,345	140,358	16,229	156,587	9.00 %
<b>Total</b>	<b>20</b>	<b>\$ 1,012,157</b>	<b>\$ 79,817</b>	<b>\$ 448,397</b>	<b>\$ 58,546</b>	<b>\$ 506,943</b>	<b>9.00 %</b>
<b>Absolute Return (<i>in thousands</i>)</b>							
Credit Oriented	24	\$ 1,986,072	24.94 %	6.19%	7.07%	6.21 %	Inception Date 2/1/2007
Equity Oriented	16	5,111	16.53 %	4.90%	6.39%	5.61 %	3/1/2007
Real Assets	13	1,211	15.76 %	5.13%	3.61%	4.04 %	2/1/2007
<b>Total</b>	<b>56</b>	<b>\$ 1,992,394</b>	<b>24.91 %</b>	<b>6.22%</b>	<b>6.70%</b>	<b>5.73 %</b>	<b>2/1/2007</b>
<b>Bond Plus Alpha Engine (<i>in thousands</i>)</b>							
Bond Plus	14	\$682,698	14.96 %	n/m	n/m	(0.68)%	Inception Date 1/1/2020

(\*) Lagged Performance

## TEN-YEAR COMPARATIVE ASSET ALLOCATIONS

### FISCAL YEARS ENDED JUNE 30, 2012-2021



	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Domestic Equity (1)	15.82 %	19.25 %	23.73 %	25.20 %	27.80 %	28.20 %	25.60 %	28.60 %	26.80 %	23.80 %
Core Fixed Income (2)	15.88 %	20.14 %	26.27 %	25.40 %	23.30 %	29.20 %	22.50 %	19.40 %	20.60 %	21.40 %
International Securities (3)	16.28 %	19.25 %	20.83 %	22.90 %	24.40 %	26.50 %	33.50 %	27.10 %	24.90 %	25.20 %
Private Partnerships and Other Illiquids	47.43 %	41.36 %	29.02 %	22.60 %	20.60 %	11.80 %	14.60 %	18.00 %	20.50 %	22.40 %
Fixed Earning Investments in the Deferred Comp Fund	4.48 %	4.39 %	4.01 %	3.80 %	3.70 %	0.50 %	3.50 %	3.20 %	3.20 %	3.20 %
Investment In State General Fund Investment Pool	0.11 %	0.12 %	0.15 %	0.10 %	0.20 %	3.70 %	0.20 %	3.70 %	4.00 %	3.90 %
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

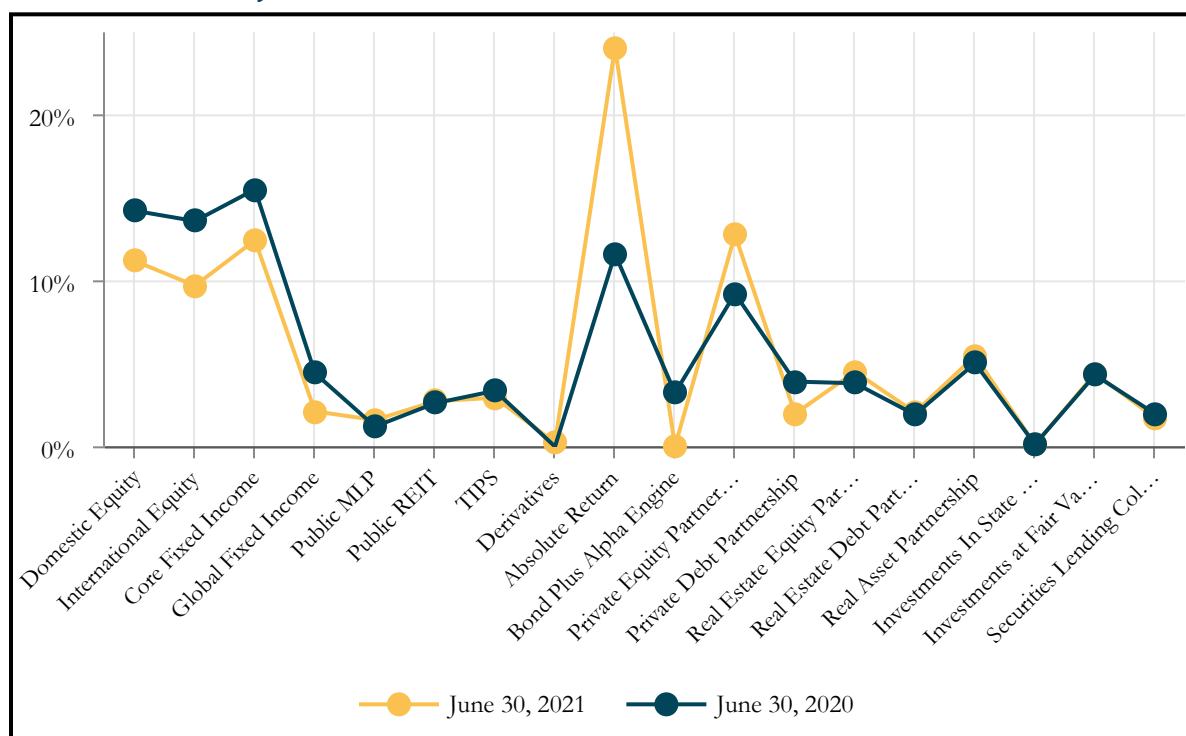
(1) Includes public MLPs, REITs and Equity Derivatives

(2) Includes corporate obligation, US government bonds, municipal bonds, TIPS and Fixed Income Derivatives

(3) Includes international equity and global fixed income

## COMPARATIVE INVESTMENT SUMMARY AT FAIR VALUE

### FISCAL YEARS ENDED JUNE 30, 2020 & 2021



	Fair Value June 30, 2021	% Of Total Fair Value	Fair Value June 30, 2020	% Of Total Fair Value
Domestic Equity	\$2,035,412,684	11.19 %	\$2,145,189,948	14.22 %
International Equity	1,764,732,721	9.71 %	2,051,545,364	13.60 %
Core Fixed Income	2,263,888,943	12.45 %	2,340,092,196	15.52 %
Global Fixed Income	383,864,225	2.11 %	665,794,261	4.41 %
Public MLP	289,470,751	1.59 %	180,510,962	1.20 %
Public REIT	493,992,955	2.72 %	392,462,686	2.60 %
TIPS	534,767,776	2.94 %	505,618,297	3.4 %
Derivatives	39,740,395	0.22 %	(2,032,461)	0.0 %
Absolute Return	4,378,414,059	24.08 %	1,752,385,361	11.62 %
Bond Plus Alpha Engine	—	— %	485,637,550	3.22 %
Private Equity Partnership	2,323,970,260	12.78 %	1,391,459,986	9.23 %
Private Debt Partnership	357,895,600	1.97 %	589,513,211	3.91 %
Real Estate Equity Partnership	818,876,832	4.50 %	574,721,347	3.81 %
Real Estate Debt Partnership	373,015,353	2.05 %	288,339,335	1.91 %
Real Asset Partnership	991,887,442	5.46 %	757,194,460	5.02 %
	17,049,929,996		14,118,432,503	
Investments In State General Fund Investment Pool	19,185,004	0.11 %	18,023,639	0.12 %
Investments at Fair Value in Deferred Comp Fund	800,885,826	4.40 %	649,693,464	4.31 %
Securities Lending Collateral	312,517,006	1.72 %	296,084,177	1.96 %
<b>Total Investments</b>	<b>\$18,182,517,832</b>	<b>100.00%</b>	<b>\$15,082,233,783</b>	<b>100.00%</b>



## COMPARATIVE INVESTMENTS AT FAIR VALUE

### FISCAL YEARS ENDED JUNE 30, 2020 & 2021

Asset Type	Fair Value June 30, 2021	Fair Value June 30, 2020	Change in Fair Value
Government Bonds	\$ 636,701,962	\$ 628,364,078	\$ 8,337,884
Municipal Bonds	15,765,033	18,473,938	(2,708,905)
Corporate Bonds	927,836,643	1,001,627,918	(73,791,275)
Mortgage Backed Securities	772,917,483	659,342,814	113,574,669
Asset Backed Securities	170,561,796	240,755,347	(70,193,551)
Commercial Mortgage Backed Securities	113,520,628	78,749,848	34,770,780
CMO/REMIC	10,449,623	20,291,792	(9,842,169)
TIPS	534,767,776	505,618,297	29,149,479
Derivatives	10,422,666	(5,584,946)	16,007,612
Commingled Debt Products	391,498,179	358,280,725	33,217,454
Absolute Return - Credit	1,023,620,077	384,941,533	638,678,544
Absolute Return - Risk Parity	1,806,177,837	1,364,876,910	441,300,927
Limited Partnerships - Credit	730,910,953	877,852,546	(146,941,593)
Bond Plus Alpha Engine	777,969,353	—	292,331,803
<b>Total Fixed Income</b>	<b>7,923,120,009</b>	<b>6,619,228,350</b>	<b>1,303,891,659</b>
Common Stock	\$ 3,785,529,796	\$ 3,921,142,593	\$ (135,612,797)
Preferred Stock	14,615,610	13,772,405	843,205
MLP	289,470,751	180,510,962	108,959,789
REIT	493,992,955	392,462,686	101,530,269
Currency & Equity Derivatives	29,317,729	3,552,485	25,765,244
Commingled Equity Products	377,412,269	261,820,315	115,591,954
Absolute Return - Equity	1,736,343	2,566,917	(830,574)
Limited Partnerships - Equity	4,134,734,534	2,723,375,790	1,411,358,744
<b>Total Equities</b>	<b>9,126,809,987</b>	<b>7,499,204,153</b>	<b>1,627,605,834</b>
Subtotal Equities and Fixed Income	\$ 17,049,929,996	\$ 14,118,432,503	\$ 2,931,497,493
Securities Lending Collateral Investments	312,517,006	296,084,177	16,432,829
<b>Total Investments as Presented Above</b>	<b>\$ 17,362,447,002</b>	<b>\$ 14,414,516,680</b>	<b>\$ 2,947,930,322</b>
Deferred Comp Fund Investments Directed by Participants	800,885,826	649,693,464	151,192,362
Investments In State General Fund	19,185,004	18,023,639	1,161,365
<b>Total Investments per the Statement of Plan Net Position</b>	<b>\$ 18,182,517,832</b>	<b>\$ 15,082,233,783</b>	<b>\$ 3,100,284,049</b>

## LIST OF LARGEST ASSETS HELD

As of June 30, 2021

Ten Largest Stock Holdings	Shares	Cost	Fair Value
CHENIERE ENERGY INC	563,635	\$ 33,106,213	\$ 48,889,700
MPLX LP	1,323,808	33,305,140	39,197,955
ROCHE HOLDING AG	100,950	28,191,704	38,246,602
APPLE INC	262,880	8,396,188	36,004,045
NESTLE SA	267,440	20,385,826	33,336,330
MICROSOFT CORP	121,476	8,432,499	32,907,848
ENTERPRISE PRODUCTS PARTNERS L	1,352,622	29,999,887	32,638,769
ENERGY TRANSFER LP	2,639,783	32,024,458	28,060,893
WILLIAMS COS INC/THE	1,038,759	21,977,615	27,579,051
AMAZON.COM INC	7,995	10,399,307	27,504,079
<b>TOTAL EQUITIES</b>		<b>\$ 226,218,837</b>	<b>\$ 344,365,272</b>

Ten Largest Stock Holdings	Shares	Cost	Fair Value
US TREAS-CPI INFLAT	468,497,897	\$ 502,205,664	\$ 534,767,776
U S TREASURY NOTE	214,513,700	219,097,370	219,291,714
U S TREASURY BILL	216,885,000	216,858,631	216,858,631
COMMIT TO PUR FNMA SF MTG	166,280,999	171,774,037	171,645,472
VANGUARD REAL ESTATE ETF	901,600	78,069,689	91,773,864
U S TREASURY BOND	78,030,000	86,860,645	87,807,247
ITALY BUONI POLIENNALI DE 144A	25,317,278	30,943,261	33,715,691
BANK OF AMERICA CORP	21,713,000	22,559,932	23,071,676
JPMORGAN CHASE & CO	18,976,000	19,945,795	21,092,722
CITIGROUP INC	19,109,000	19,587,713	20,169,146
<b>TOTAL FIXED INCOME</b>		<b>\$ 1,367,902,737</b>	<b>\$ 1,420,193,939</b>
<b>GRAND TOTAL</b>		<b>\$ 1,594,121,574</b>	<b>\$ 1,764,559,211</b>

Note: A complete list of holding is available upon request.

**SCHEDULE OF INVESTMENT FEES**

For Year Ended June 30, 2021

	Investment Fees	Trade Commissions	Trade Fees	Carried * Interest Fee	Other Fees	Total (a)
Domestic Equities	\$ 2,848,547	\$ 251,903	\$ 4,311	\$ —	\$ —	\$ 3,104,761
International Equities	4,144,851	657,739	573,147	—	—	5,375,737
Fixed Income	7,615,267	80,913	27	—	—	7,696,207
Illiquids	41,856,145	—	—	107,127,767	17,303,901	166,287,813
Security Lending	—	—	—	—	300,628	300,628
Liquid Real Assets	3,174,599	461,553	8,258	—	—	3,644,410
<b>Subtotal</b>	<b>59,639,409</b>	<b>1,452,108</b>	<b>585,743</b>	<b>107,127,767</b>	<b>17,604,529</b>	<b>186,409,556</b>
Custodian Bank Fees	—	—	—	—	1,204,964	1,204,964
Consultant Fees	—	—	—	—	1,840,129.03	1,840,129.03
Legal Fees	—	—	—	—	393,609	393,609
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,438,702</b>	<b>3,438,702</b>
<b>TOTAL</b>	<b>\$ 59,639,409</b>	<b>\$ 1,452,108</b>	<b>\$ 585,743</b>	<b>\$ 107,127,767</b>	<b>\$ 21,043,231</b>	<b>\$ 189,848,258</b>

\*Represents share of profits of an investment to the investment manager based on investment returns exceeding agreed-upon hurdle. Investment managers' carried interest varies year-to-year based on investment types and the magnitude of gains.

(a) This totals less carried interest agrees to the combined total of securities lending expenses and other investment expense per the Statement of Changes of Fiduciary Net Position.



Public Employees Retirement Association

# ACTUARIAL SECTION



ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2021



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

November 15, 2021

Board of Trustees Public Employees Retirement Association  
of New Mexico

33 Plaza La Prensa Santa Fe,  
New Mexico 87507

Attention: Mr. Wayne Propst, Executive Director

## **Re: Certification and Statement Regarding the Actuarial Valuations as of June 30, 2021**

Dear Members of the Board:

The basic funding objective of the Public Employees Retirement Association of New Mexico (PERA) is to establish and receive contributions which, when expressed as a percentage of active member payroll, will remain approximately level over time and, together with present assets and future investment return, will be sufficient to meet the future obligations of PERA.

In order to measure progress toward this objective, PERA has an actuarial valuation performed each year. The valuation measures the present financial position and determines the sufficiency of the current statutory contribution rates to meet the Board's established objective to fund the current normal cost plus an amount necessary to amortize the unfunded actuarial accrued liability over a period not to exceed 25 years. The current statutory combined employer and employee contribution rates are:

State General Division	27.16%
State Police/Corrections Division	34.55
Municipal General Division	23.56
Municipal Police Division	36.21
Municipal Fire Division	39.38

If it is determined that the current employer contribution rate is not sufficient to amortize the unfunded actuarial accrued liability within 25 years, the valuation determines the additional contribution rate necessary to satisfy this objective.

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In preparing the valuations, we, as the actuary, relied on data provided by PERA. As part of our work, we performed a limited review of the data for consistency and reasonableness. The economic assumptions (rates of price inflation, wage inflation, payroll growth and investment return) were adopted by the Board pursuant to an economic experience study adopted July 26, 2018. The demographic assumptions were adopted by the Board of Trustees pursuant to an experience study for the five-year period ending June 30, 2017. The demographic assumptions for the Judicial, Magistrate, Legislative and Volunteer Firefighter plans were adopted by the Board pursuant to demographic experience studies for the four-year period ending June 30, 2019. Assets are valued according to a method that fully recognizes expected investment return and averages unanticipated market return over a four-year period. The assumptions and methods utilized in this valuation, in our opinion, are reasonable both individually as well as in aggregate.

In order to prepare these results, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

We have performed the necessary calculations in accordance with the guidance provided in Statement No. 67 which is the basis for the disclosure information contained in the actuarial section of the CAFR. Historical information provided in this section for periods beginning June 30, 2010 and after were performed by our firm.

I, John J. Garrett, A.S.A., am a member of the American Academy of Actuaries and an Associate of the Society of Actuaries, and meet the Qualification Standards of the America Academy of Actuaries to render the actuarial opinion contained herein.

I, Bryan K. Hoge, F.S.A., am a member of the American Academy of Actuaries and an Associate of the Society of Actuaries, and meet the Qualification Standards of the America Academy of Actuaries to render the actuarial opinion contained herein.

On the basis of the foregoing, we certify that, to the best of our knowledge, the valuation reports are complete and accurate and have been prepared in accordance with New Mexico's statutes and generally recognized and accepted actuarial principles.

Board of Trustees  
November 15, 2021  
Page 3



We further certify that our reports are prepared using practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'John J. Garrett'.

John J. Garrett, ASA, FCA, MAAA  
Principal and Consulting Actuary

A handwritten signature in blue ink, appearing to read 'Bryan K. Hoge'.

Bryan K. Hoge, FSA, EA, FCA, MAAA  
Consulting Actuary



## SUMMARY OF ASSUMPTIONS AND METHODS

The method used for the PERA, Judicial, and Magistrate valuations is called the individual entry-age actuarial cost method and has the following characteristics:

- The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement.
- Each annual normal cost is a constant percentage of the member's year by year projected pensionable compensation.

The method used for the Volunteer Firefighters and Legislative valuations is called the entry age normal level dollar cost method and has the following characteristics:

- The total present value of projected benefits of each individual is allocated on a level basis over service from entry age to retirement age. The portion of this present value allocated to the valuation is the normal cost.
- The actuarial accrued liability is accumulation of past normal costs on the valuation date.

The individual entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the pattern of projected exit ages.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability (UAAL).

**PERA:** The period of time needed to finance the unfunded actuarial accrued liability with current statutory contribution rates is determined using a level percent of payroll amortization technique.

**Judicial:** Unfunded actuarial accrued liability was amortized as a level percent of payroll over 30 years to determine the computed contribution for fiscal integrity. This period is consistent with the policy established by the Retirement Board as of October 1996.

**Magistrate:** Unfunded actuarial accrued liability was amortized as a level percent of payroll over 30 years to determine the computed contribution for fiscal integrity. This period is consistent with the policy established by the Retirement Board as of October 1996.

**Volunteer Firefighters:** Unfunded actuarial accrued liability is amortized over a 30 year period. As of June 30, 2019 the funding value of assets exceeded accrued liabilities. The excess was amortized over 30 years and applied as a credit to the computed normal cost.

**Legislative:** Unfunded actuarial accrued liability is amortized over a 30 year period. As of June 30, 2019 the funding value of assets exceeded accrued liabilities. The excess was amortized over 30 years and applied as a credit to the computed normal cost.

## SUMMARY OF ASSUMPTIONS AND METHODS (CONTINUED)

The valuation assets used for funding purposes is derived as follows: prior year actuarial value of assets are increased by contributions and expected investment income and reduced by refunds, benefit payments and expenses. To this amount 25% of the difference between expected and actual investment income (net of investment expenses) for each of the previous four years is added. The funding value of assets for each division is allocated in proportion to the total fund balances.

Demographic assumptions used by the professional actuaries in valuing PERA's actuarial position were adopted by the PERA Board based on recommendations from the actuary for actuarial valuations effective beginning June 30, 2020. Demographic assumptions used for the Judicial, Magistrate, and Volunteer Firefighter plans were adopted by the PERA Board for actuarial valuations beginning June 30, 2020. Plan assets are valued on a market related basis for purposes of the actuarial valuation. Mortality uses the RPH-2014 Blue Collar Mortality Table (combined table for healthy post-retirement lives, employee table for active members, and the disabled table for disabled retirees before reaching retirement age). In addition, the following assumptions were used in calculating the actuarial liability (effective beginning with the June 30, 2020 valuation):

- Active member payroll
  - **PERA** — payroll was projected to increase 3.00% per year continuously. Other projected salary increases of up to 11.25% per year are attributed to seniority and merit.
  - **Judicial** — payroll was projected to increase 3.00% per year continuously.
  - **Magistrate** — payroll was projected to increase 3.00% per year continuously.
- Reduces the COLA from 2% to .5% floor begin in 2023 and 3% maximum until 100% funded. 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$25,000 and recipients age 75 years on or before June 30, 2020. Deferral of the COLA is 2 years after retirement..
- Rate of return on the investment of present and future assets of 7.25% continuously (net of investment expenses) per year compounded annually is made up of an assumed inflation rate of 2.50% continuously. and a 5.00% assumed real rate of return.
- Administrative expenses are assumed to be 0.50% of payroll for PERA, Judges, and Magistrates; \$45,000 for Volunteer Firefighters; and \$6,000 for the Legislative Division.
- Other assumptions are in the following tables and schedules (see following pages): Rates of Retirement
  - Rate of Separation of Active Membership
  - Rates of Disability
  - Member and Employer Contribution Rates

## RATES OF RETIREMENT AT FIRST ELIGIBILITY

These rates are used to measure the probability of members retiring in the first year eligible for retirement at the indicated ages.

**Percents Retiring at Indicated Ages (by Coverage Plan)**

Retirement Age	State General		State Police		State Corrections	Municipal General		Municipal Police	Municipal Fire
	Male	Female	Tier 1	Tier 2		Male	Female		
40	25%	25%	25%	40%	40%	20%	25%	30%	30%
45	25%	25%	25%	40%	40%	20%	25%	30%	25%
50	25%	25%	25%	40%	40%	20%	25%	30%	20%
55	25%	25%	25%	40%	40%	20%	25%	30%	25%
60	30%	25%	50%	40%	35%	15%	25%	30%	20%
65	25%	25%	100%	100%	35%	15%	25%	30%	20%
70	25%	20%			100%	20%	15%	100%	100%
75	25%	20%				20%	15%		
80	100%	100%				100%	100%		

## RATES OF RETIREMENT SUBSEQUENT TO FIRST ELIGIBILITY

These rates are used to measure the probability of members retiring after the first year eligible for retirement at the indicated ages.

**Percents Retiring at Indicated Ages (by Coverage Plan)**

Retirement Age	State General		State Police**		State Corrections	Municipal General		Municipal Police ***		Municipal Fire
	Male	Female	Tier 1	Tier 2		Male	Female	Tier 1	Tier 2	
40	25%	25%	35%	20%	20%	20%	25%	35%	40%	30%
45	25%	25%	35%	20%	20%	20%	25%	35%	40%	25%
50	25%	25%	35%	20%	20%	20%	25%	35%	40%	20%
55	25%	25%	35%	20%	20%	20%	25%	35%	40%	25%
60	20%	35%	50%	20%	20%	15%	15%	35%	30%	20%
65	30%	35%	100%	100%	20%	15%	10%	30%	30%	20%
70	25%	20%			100%	20%	15%	100%	100%	100%
75	25%	20%				20%	15%			
80	100%	100%				100%	100%			

\*Rates are 70% at 30 years of service for all ages except State General and Municipal General Tier 2 uses 75% at 36 years of service and Municipal Police Tier 1 uses 75% at 26 years of service.

\*\* Rates for State Police Tier 1 are 45% at 27 years of service, 55% at 28 years of service, and 65% at 29 years of service.

\*\*\* Rates for Municipal Police Tier 1 are 35% at 21 years of service, 40% at 22 years of service, and 45% at 23 years of service, 55% at 24 years of service, and 65% at 25 years of service.

\*\*\* Rates for Municipal Police Tier 2 are 35% at 25 years of service, 40% at 26 years of service, and 45% at 27 years of service, 55% at 28 years of service, and 65% at 29 years of service.

## RATES OF DISABILITY

These rates are used to measure the probabilities of active members becoming disabled. Rates for sample ages follow. For non-public safety groups, 25% disabilities are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.

### Percents Retiring at Indicated Ages (by Coverage Plan)

Sample Ages	State General		State Police	State Corrections	Municipal General		Municipal Detention	Municipal Police	Municipal Fire
	Male	Female			Male	Female			
<b>25</b>	0.02%	0.02%	0.03%	0.14%	0.03%	0.04%	0.06%	0.01%	0.02%
<b>30</b>	0.04%	0.03%	0.06%	0.16%	0.06%	0.04%	0.10%	0.01%	0.02%
<b>35</b>	0.08%	0.06%	0.08%	0.21%	0.09%	0.04%	0.15%	0.05%	0.02%
<b>40</b>	0.13%	0.12%	0.21%	0.27%	0.13%	0.06%	0.22%	0.11%	0.08%
<b>45</b>	0.24%	0.20%	0.25%	0.46%	0.18%	0.14%	0.32%	0.18%	0.08%
<b>50</b>	0.41%	0.39%	0.41%	0.90%	0.30%	0.25%	0.51%	0.28%	0.33%
<b>55</b>	0.57%	0.61%	0.95%	1.40%	0.49%	0.39%	0.85%	0.46%	0.33%
<b>60</b>	0.74%	0.73%	1.39%	1.88%	0.60%	0.51%	1.04%	0.74%	1.17%
<b>65</b>	0.75%	0.73%	1.39%	1.88%	0.62%	0.59%	1.07%	1.08%	1.17%

## RATES OF SEPARATION FROM ACTIVE MEMBERSHIP

These rates are used to measure probabilities of active members terminating that status for a reason other than disability or death.

The rates do not apply to members who are within the retirement rate range.

Separation rates are service and age related for the State General and Municipal General divisions.

### Percent of Active Members Terminating During Year

Sample Age	Years of Service	State General		Municipal General	
		Males	Females	Males	Females
ALL	2	13.26% - 18.76%	13.37% - 18.13%	12.18% - 21.70%	14.01% - 24.40%
	4	8.37% - 10.86%	8.50% - 11.95%	8.01% - 14.59%	9.14% - 17.77%
	6	6.49% - 8.21%	6.45% - 8.22%	6.79% - 11.29%	6.50% - 14.41%
	8	5.40% - 7.78%	4.70% - 6.05%	5.58% - 8.93%	5.30% - 11.94%

### Percent of Active Members Terminating During Year

Sample Age	Years of Service	State General		Municipal General	
		Males	Females	Males	Females
20	10+	5.11%	4.83%	8.54%	7.51%
25	10+	4.65%	4.25%	7.32%	6.38%
30	10+	4.13%	3.55%	5.69%	4.94%
35	10+	3.89%	3.46%	4.61%	4.09%
40	10+	3.86%	3.46%	3.92%	3.67%
45	10+	3.86%	3.46%	3.65%	3.62%
50	10+	3.86%	3.46%	3.65%	3.62%
55	10+	3.86%	3.46%	3.65%	3.62%
60	10+	3.86%	3.46%	3.65%	3.62%

Separation rates are service related only for the other divisions of PERA.

### Percent of Active Members Terminating During Year

Sample Age	Years of Service	State Police	State Corrections	Municipal Detention	Municipal Police	Municipal Fire
ALL	1	8.00%	20.00%	22.00%	14.00%	10.00%
	3	7.00%	16.00%	16.00%	9.50%	7.50%
	5	4.00%	9.00%	10.00%	6.80%	5.00%
	7	4.00%	8.00%	10.00%	5.15%	3.30%
	10+	4.00%	5.75%	6.00%	3.50%	2.75%

**MEMBER AND EMPLOYER CONTRIBUTION RATES**

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
State General	2012 (2)					10.67%	13.34%				
	2013 (1)					8.92%	15.09%				
	2014					8.92%	16.59%				
	2015					8.92%	16.99%				
	2016					8.92%	16.99%				
	2017					8.92%	16.99%				
	2018					8.92%	16.99%				
	2019					8.92%	16.99%				
	2020					8.92%	17.24%				
	2021					9.42%	17.74%				
State Police and Adult Corrections Plan 1	2012 (2)	10.85%	21.85%								
	2013 (1)	9.10%	23.60%								
	2014	9.10%	25.10%								
	2015	9.10%	25.50%								
	2016	9.10%	25.50%								
	2017	9.10%	25.50%								
	2018	9.10%	25.50%								
	2019	9.10%	25.50%								
	2020	9.10%	25.50%								
	2021	9.10%	25.50%								
Juvenile Corrections (Plan 2)	2012 (2)			8.03%	22.47%						
	2013 (1)			6.28%	24.22%						
	2014			6.28%	25.72%						
	2015			6.28%	26.12%						
	2016			6.28%	26.12%						
	2017			6.28%	26.12%						
	2018			6.28%	26.12%						
	2019			6.28%	26.12%						
	2020			6.28%	26.12%						
	2021			6.28%	26.12%						
Municipal General	2012	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2013	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2014	8.50%	7.00%	10.65%	9.15%	14.65%	9.15%	17.15%	11.65%		
	2015	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
	2016	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
	2017	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
	2018	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		

## MEMBER AND EMPLOYER CONTRIBUTION RATES (CONTINUED)

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
Municipal	2019	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
General	2020	8.50%	7.65%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
(Cont)	2021	8.50%	7.65%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
Detention	2012	16.65%	16.65%								
Officers	2013	16.65%	16.65%								
(Plan 1)	2014	18.15%	16.65%								
	2015	18.15%	17.05%								
	2016	18.15%	17.05%								
	2017	18.15%	17.05%								
	2018	18.15%	17.05%								
	2019	18.15%	17.05%								
	2020	18.15%	17.05%								
	2021	18.15%	17.05%								
Municipal	2012	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
Police	2013	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2014	8.50%	10.00%	8.50%	15.00%	8.50%	18.50%	13.85%	18.50%	17.80%	18.50%
	2015	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2016	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2017	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2018	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2019	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2020	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2021	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
Municipal	2012	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
Fire	2013	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2014	9.50%	11.00%	9.50%	17.50%	9.50%	21.25%	14.30%	21.25%	17.70%	21.25%
	2015	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2016	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2017	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2018	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2019	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2020	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2021	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
Judicial	2012 (2)	10.75%	8.75%	*							
	2013 (1)	9.00%	10.50%	*							
	2014	7.50%	12.00%	*							
	2015	10.50%	15.00%	*							
	2016	10.50%	15.00%	*							
	2017	10.50%	15.00%	*							

## MEMBER AND EMPLOYER CONTRIBUTION RATES (CONTINUED)

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
Judicial (Cont')	2018	10.50%	15.00%		*						
	2019	10.50%	15.00%		*						
	2020	10.50%	15.00%		*						
	2021	10.50%	15.00%		*						
Magistrate	2012 (2)	10.75%	7.75%		*						
	2013 (1)	9.00%	9.50%		*						
	2014	7.50%	11.00%		*						
	2015	10.50%	11.00%		*						
	2016	10.50%	15.00%		*						
	2017	10.50%	15.00%		*						
	2018	10.50%	15.00%		*						
	2019	10.50%	15.00%		*						
	2020	10.50%	15.00%		*						
	2021	10.50%	15.00%		*						

NOTE: Legislative member contribution for the Legislative Division is \$100, \$200 or \$500 for every year of credited service

\*Employers are also required to remit a portion of docket fees

(1) Includes a temporary 1.5% of pay shift from the employer statutory rate effective July 1, 2009. This contribution shift was effective for 4 fiscal years

(2) Includes Note #1 plus also includes a temporary 1.75% of pay shift from the employer statutory rate effective July 1, 2011. This contribution shift was effective for 1 fiscal year



## ACTIVE MEMBER VALUATION

AS OF June 30, 2021

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
State General	2012	123	19,325	\$ 803,873,875	\$ 41,598	(0.31)%
	2013	123	19,980	835,817,618	41,833	0.57 %
	2014	123	20,015	863,797,166	43,157	3.17 %
	2015	129	20,253	938,168,776	46,322	7.33 %
	2016	122	19,655	904,829,688	46,036	(0.62)%
	2017	121	19,213	928,864,843	48,346	5.02 %
	2018	121	19,114	900,513,193	47,113	(2.55)%
	2019	122	18,923	935,478,450	49,436	4.93 %
	2020	121	19,065	1,002,475,715	52,582	6.36 %
	2021	122	18,672	989,784,230	53,009	0.81 %
	State Police/ Hazardous Duty	2012	3	1,916	87,137,037	45,479
2013		3	1,956	90,225,253	46,127	1.43 %
2014		3	1,951	91,551,934	46,926	1.73 %
2015		3	1,880	97,352,917	51,783	10.35 %
2016		3	1,866	78,225,782	41,922	(19.04)%
2017		3	1,907	87,941,130	46,115	10.00 %
2018		3	1,928	84,845,998	44,007	(4.57)%
2019		3	1,863	88,220,403	47,354	7.60 %
2020		3	2,294	113,842,830	49,414	4.35 %
2021		3	2,277	116,842,280	51,314	3.85 %
Municipal General		2012	169	21,434	791,529,406	36,929
	2013	169	22,123	803,398,205	36,315	(1.66)%
	2014	187	21,480	814,827,128	37,934	4.46 %
	2015	190	21,217	857,243,239	40,404	6.51 %
	2016	190	21,274	845,735,646	39,754	(1.61)%
	2017	192	21,673	871,633,574	40,217	1.16 %
	2018	193	21,511	901,617,649	41,914	4.22 %
	2019	195	21,198	901,598,748	42,532	1.47 %
	2020	195	21,137	924,361,625	43,732	2.82 %
	2021	191	20,592	912,307,045	44,304	1.31 %
	Municipal Police	2012	98	3,660	196,453,568	53,676
2013		98	3,744	201,525,064	53,826	0.28 %
2014		102	3,685	209,092,483	56,742	5.42 %
2015		102	3,647	222,085,818	60,895	7.32 %
2016		102	3,708	192,670,656	51,961	(14.67)%
2017		102	3,726	196,767,735	52,809	1.63 %
2018		102	3,748	206,898,932	55,202	4.53 %
2019		102	3,687	214,508,600	58,180	5.39 %

## ACTIVE MEMBER VALUATION (CONTINUED)

AS OF JUNE 30, 2020

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
	2020	102	3,773	\$ 229,730,475	\$ 60,888	4.65 %
	2021	100	3,724	229,410,194	61,603	1.17 %
Municipal Fire	2012	35	2,148	115,286,221	53,671	4.45 %
	2013	35	2,209	118,771,370	53,767	0.18 %
	2014	43	2,157	122,996,614	57,022	6.05 %
	2015	43	2,176	133,403,526	61,307	7.51 %
	2016	44	2,190	113,709,690	51,922	(15.31)%
	2017	44	2,232	119,207,608	53,408	2.86 %
	2018	44	2,309	127,203,502	55,090	3.15 %
	2019	45	2,389	131,964,078	55,238	0.27 %
	2020	45	2,431	139,540,121	57,400	3.91 %
	2021	48	2,414	140,174,634	58,067	1.16 %
Legislative	2012	1	106	N/A	N/A	N/A
	2013	1	111	N/A	N/A	N/A
	2014	1	119	N/A	N/A	N/A
	2015	1	126	N/A	N/A	N/A
	2016	1	121	N/A	N/A	N/A
	2017	1	122	N/A	N/A	N/A
	2018	1	111	N/A	N/A	N/A
	2019	1	120	N/A	N/A	N/A
	2020	1	118	N/A	N/A	N/A
	2021	1	114	N/A	N/A	N/A
Judicial	2012	16	118	12,690,503	107,547	(0.05)%
	2013	16	123	13,226,142	107,530	(0.02)%
	2014	16	121	13,163,305	108,788	1.17 %
	2015	16	127	15,084,263	118,774	9.18 %
	2016	16	127	15,078,274	118,727	(0.04)%
	2017	16	124	14,721,304	118,720	(0.01)%
	2018	16	125	15,817,424	126,539	6.59 %
	2019	16	124	15,621,802	125,982	(0.44)%
	2020	16	123	16,490,136	134,066	6.42 %
	2021	15	128	17,165,992	134,109	0.03 %
Magistrate	2012	9	42	3,213,712	76,517	1.12 %
	2013	9	41	3,136,834	76,508	(0.01)%
	2014	1	45	3,515,567	78,124	2.11 %
	2015	1	60	5,065,798	84,430	8.07 %
	2016	1	65	5,482,360	84,344	(0.10)%

**ACTIVE MEMBER VALUATION (CONTINUED)**

AS OF JUNE 30, 2020

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
	2017	1	65	\$ 5,487,517	\$ 84,423	0.09 %
	2018	1	65	5,849,815	89,997	6.60 %
	2019	1	65	5,849,795	89,997	— %
	2020	1	62	5,914,106	95,389	5.99 %
	2021	1	64	6,106,006	95,406	0.02 %
Volunteer	2012	363	5,065	N/A	N/A	N/A
Firefighter	2013	363	6,461	N/A	N/A	N/A
	2014	365	7,499	N/A	N/A	N/A
	2015	365	8,136	N/A	N/A	N/A
	2016	368	7,823	N/A	N/A	N/A
	2017	402	7,491	N/A	N/A	N/A
	2018	364	7,939	N/A	N/A	N/A
	2019	364	8,182	N/A	N/A	N/A
	2020	367	8,014	N/A	N/A	N/A
	2021	363	7,830	N/A	N/A	N/A

\* Actual payroll is projected to a full-year salary for actuarial calculations

## SCHEDULE OF RETIREES AND BENEFICIARIES

AS OF June 30, 2021

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increase Annual Allowance	Number Removed	Decrease Annual Allowance	Net Change Annual Allowance	Total Retirees & Beneficiaries	Annual Allowance	Increase in Annual Allowances	Average Annual Allowances	% Change in Average Allowances
State General										
2012	1,075	\$ 35,697,983	323	\$ 5,911,795	\$ 29,786,188	14,391	\$ 371,929,875	8.71 %	\$ 25,845	3.03 %
2013	1,285	43,656,998	358	7,006,726	36,650,272	15,318	408,580,147	9.85 %	26,673	3.21 %
2014	1,150	37,217,020	379	7,574,003	29,643,017	16,089	438,223,164	7.26 %	27,237	2.12 %
2015	1,499	32,859,803	418	8,741,632	24,118,171	17,170	462,341,335	5.50 %	26,927	(1.14) %
2016	1,105	30,796,909	440	9,067,427	21,729,482	17,835	484,070,817	4.70 %	27,142	0.80 %
2017	912	31,124,051	536	11,387,703	19,736,348	18,211	503,807,165	4.08 %	27,665	1.93 %
2018	986	35,111,580	427	9,977,306	25,134,274	18,770	528,941,439	4.99 %	28,180	1.86 %
2019	1,017	38,014,119	537	12,503,719	25,510,400	19,250	554,451,839	4.82 %	28,803	2.21 %
2020	1,229	43,864,347	492	11,705,908	32,158,439	19,987	586,610,278	5.80 %	29,350	1.90 %
2021	930	29,992,401	543	13,445,780	16,546,621	20,374	603,156,899	2.82 %	29,604	0.87 %
State Police/Hazardous Duty										
2012	83	3,323,294	21	561,598	2,761,696	1,289	37,657,885	7.91 %	29,215	2.72 %
2013	60	2,706,075	23	725,085	1,980,990	1,326	39,638,875	5.26 %	29,894	2.32 %
2014	110	4,049,560	34	937,729	3,111,831	1,402	42,750,706	7.85 %	30,493	2.00 %
2015	108	3,301,453	40	1,047,237	2,254,216	1,470	45,004,922	5.27 %	30,616	0.40 %
2016	65	2,479,773	26	578,925	1,900,848	1,509	46,905,770	4.22 %	31,084	1.53 %
2017	51	2,309,111	38	882,314	1,426,797	1,522	48,332,567	3.04 %	31,756	2.16 %
2018	62	2,532,699	31	992,132	1,540,567	1,553	49,873,134	3.19 %	32,114	1.13 %
2019	58	2,826,753	44	1,195,773	1,630,980	1,567	51,504,114	3.27 %	32,868	2.35 %
2020	52	2,615,081	29	809,380	1,805,701	1,590	53,309,815	3.51 %	33,528	2.01 %
2021	87	2,998,169	52	1,425,116	1,573,053	1,625	54,882,868	2.95 %	33,774	0.73 %
Municipal General										
2012	761	23,166,131	240	3,984,904	19,181,230	10,059	236,317,389	8.83 %	23,493	3.20 %
2013	933	29,438,538	281	4,828,481	24,610,057	10,711	260,927,446	10.41 %	24,361	3.69 %
2014	849	24,476,772	268	4,923,518	19,553,254	11,292	280,480,700	7.49 %	24,839	1.96 %
2015	1066	24,563,648	331	6,177,685	18,385,963	12,027	298,866,663	6.56 %	24,850	0.04 %
2016	933	24,135,156	342	6,564,419	17,570,737	12,618	316,437,400	5.88 %	25,078	0.92 %
2017	717	21,257,836	418	7,607,253	13,650,583	12,917	330,087,983	4.31 %	25,555	1.90 %
2018	911	27,278,930	313	6,346,069	20,932,861	13,515	351,020,844	6.34 %	25,973	1.64 %
2019	946	29,052,180	426	8,634,982	20,417,198	14,035	371,438,042	5.82 %	26,465	1.89 %
2020	725	25,400,841	385	8,249,790	17,151,051	14,375	388,589,093	4.62 %	27,032	2.14 %
2021	932	27,175,951	506	11,177,142	15,998,809	14,801	404,587,902	4.12 %	27,335	1.12 %
Municipal Police										
2012	183	8,670,002	30	967,950	7,702,049	2,724	94,829,561	8.84 %	34,813	2.85 %
2013	177	8,276,701	46	1,276,954	6,999,747	2,855	101,829,308	7.38 %	35,667	2.45 %
2014	222	10,277,993	34	988,805	9,289,188	3,043	111,118,496	9.12 %	36,516	2.38 %
2015	204	8,516,186	37	994,098	7,522,088	3,210	118,640,584	6.77 %	36,960	1.21 %

**SCHEDULE OF RETIREES AND BENEFICIARIES (CONTINUED)****AS OF June 30, 2021**

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increased Annual Allowance	Number Removed	Decreased Annual Allowance	Net Change Annual Allowance	Total Retirees & Beneficiaries	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances	% Change in Average Allowances
<b>Municipal Police (Cont)</b>										
2016	211	\$ 9,918,243	49	\$ 1,493,127	\$ 8,425,116	3,372	\$ 127,065,700	7.10 %	\$ 37,683	1.96 %
2017	166	8,150,488	61	1,633,073	6,517,415	3,477	133,583,115	5.13 %	38,419	1.95 %
2018	165	8,523,713	44	1,491,360	7,032,353	3,598	140,615,468	5.26 %	39,082	1.72 %
2019	177	9,107,704	70	2,029,823	7,077,881	3,705	147,693,349	5.03 %	39,863	2.00 %
2020	71	5,531,990	52	1,634,353	3,897,637	3,724	151,590,986	2.64 %	40,706	2.11 %
2021	209	9,736,112	69	2,271,953	7,464,159	3,864	159,055,145	4.92 %	41,163	1.12 %
<b>Municipal Fire</b>										
2012	86	4,861,646	31	901,384	3,960,262	1,603	57,808,312	7.35 %	36,063	3.67 %
2013	70	4,239,651	20	590,379	3,649,272	1,653	61,457,584	6.31 %	37,179	3.10 %
2014	112	5,738,384	29	946,274	4,792,110	1,736	66,249,694	7.80 %	38,162	2.64 %
2015	93	4,762,883	34	1,134,858	3,628,025	1,795	69,877,719	5.48 %	38,929	2.01 %
2016	110	5,799,234	33	1,012,932	4,786,302	1,872	74,664,021	6.85 %	39,885	2.45 %
2017	34	2,496,048	22	816,881	1,679,167	1,884	76,343,188	2.25 %	40,522	1.60 %
2018	81	4,982,102	27	1,063,296	3,918,806	1,938	80,261,994	5.13 %	41,415	2.20 %
2019	95	5,867,307	40	1,447,080	4,420,227	1,993	84,682,221	5.51 %	42,490	3.37 %
2020	61	4,093,428	34	1,423,643	2,669,785	2,020	87,352,006	3.15 %	43,244	1.77 %
2021	97	4,994,296	38	1,486,039	3,508,257	2,079	90,860,263	4.02 %	43,704	1.06 %
<b>Legislative</b>										
2012	4	64,427	6	40,989	23,438	163	1,309,874	1.82 %	8,036	3.07 %
2013	24	334,780	8	66,916	267,864	179	1,577,738	20.45 %	8,814	9.68 %
2014	6	58,860	7	89,045	(30,185)	178	1,547,553	-1.91 %	8,694	(1.36)%
2015	20	281,735	12	94,011	187,724	186	1,735,277	12.13 %	9,329	7.31 %
2016	3	59,052	7	44,779	14,273	182	1,749,550	0.82 %	9,613	3.04 %
2017	14	218,597	10	83,281	135,316	186	1,884,866	7.73 %	10,134	5.42 %
2018	5	95,699	8	112,239	(16,540)	183	1,868,326	(0.88)%	10,209	0.75 %
2019	17	255,728	6	48,710	207,018	194	2,075,344	11.08 %	10,698	4.79 %
2020	6	87,219	5	44,912	42,307	195	2,117,651	2.04 %	10,860	1.51 %
2021	17	285,334	8	139,483	145,851	204	2,263,502	6.89 %	11,096	2.17 %
<b>Judicial</b>										
2012	12	774,812	3	234,997	539,815	127	7,759,289	7.48 %	61,097	(0.14)%
2013	12	935,944	6	396,548	539,396	133	8,298,685	6.95 %	62,396	2.13 %
2014	10	687,978	2	108,230	579,748	141	8,878,433	6.99 %	62,968	0.92 %
2015	14	759,235	3	136,169	623,066	152	9,501,499	7.02 %	62,510	(0.73)%
2016	14	768,805	6	390,090	378,715	160	9,880,214	3.99 %	61,751	(1.21)%
2017	7	504,314	4	242,548	261,766	163	10,141,980	2.65 %	62,221	0.76 %
2018	14	890,836	3	261,534	629,302	174	10,771,282	6.20 %	61,904	(0.51)%
2019	24	1,758,836	12	814,665	944,171	186	11,715,453	8.77 %	62,986	1.75 %

## SCHEDULE OF RETIREES AND BENEFICIARIES (CONTINUED)

AS OF June 30, 2021

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increased Annual Allowance	Number Removed	Decreased Annual Allowance	Net Change Annual Allowances	Total Retirees & Beneficiaries	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances	% Changes in Average Allowances
Judicial (Cont)										
2020	11	\$ 580,112	4	\$ 166,902	\$ 413,210	193	\$ 12,128,663	3.53 %	\$62,843	(0.23)%
2021	14	936,811	5	319,857	616,954	202	12,745,617	5.09 %	63,097	0.40 %
Magistrate										
2012	10	411,841	3	187,934	223,908	85	3,278,678	7.33 %	38,573	(1.51)%
2013	4	240,678	3	89,904	150,774	86	3,429,452	4.60 %	39,877	3.38 %
2014	9	543,699	1	59,234	484,466	94	3,913,918	14.13 %	41,637	4.41 %
2015	9	132,776	1	34,707	98,069	102	4,011,987	2.51 %	39,333	(5.53)%
2016	4	93,126	6	211,449	(118,323)	100	3,893,664	(2.95)%	38,937	(1.01)%
2017	8	188,602	6	191,813	(3,211)	102	3,890,453	(0.08)%	38,142	(2.04)%
2018	4	127,328	2	117,673	9,655	104	3,900,108	0.25 %	37,501	(1.68)%
2019	6	255,565	5	146,339	109,226	105	4,009,334	2.80 %	38,184	1.82 %
2020	7	321,327	4	143,286	178,041	108	4,187,375	4.44 %	38,772	1.54 %
2021	6	273,918	3	128,573	145,345	111	4,332,720	3.47 %	39,034	0.68 %
Volunteer Firefighter										
2012	72	92,400	14	17,592	74,810	667	896,753	9.10 %	1,344	(0.39)%
2013	109	399,400	14	17,600	381,800	762	1,278,553	42.58 %	1,678	24.80 %
2014	139	262,048	8	11,300	250,750	893	1,529,301	19.61 %	1,713	2.07 %
2015	127	226,500	16	28,300	198,200	1,004	1,727,501	12.96 %	1,721	0.47 %
2016	126	238,500	17	26,300	212,200	1,113	1,939,701	12.28 %	1,743	1.29 %
2017	123	231,999	25	41,300	190,700	1,211	2,130,400	9.83 %	1,759	0.94 %
2018	164	290,000	21	33,100	256,900	1,354	2,387,300	12.06 %	1,763	0.22 %
2019	103	166,999	28	45,300	121,699	1,429	2,508,999	5.10 %	1,756	(0.40)%
2020	131	229,000	23	40,500	188,500	1,537	2,697,499	7.51 %	1,755	(0.06)%
2021	92	159,999	39	60,700	99,299	1,590	2,796,798	3.68 %	1,759	0.23 %

## SOLVENCY TEST

June 30, 2021

DIVISION/ PLAN	Year	-----Aggregate Accrued Liabilities-----					Portion of Accrued Liabilities Covered by Reported Assets			
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	TOTAL (4)	Reported Assets	(1)	(2)	(3)	(4)
State General	2012	\$ 787,435,758	\$ 5,117,428,346	\$ 1,914,051,334	\$ 7,818,915,438	\$ 4,724,562,943	100%	77%	—%	60%
	2013	841,174,061	5,064,595,209	1,617,991,066	7,523,760,336	4,996,425,681	100%	82%	—%	66%
	2014	826,785,813	5,390,816,297	1,568,388,787	7,785,990,897	5,334,025,804	100%	84%	—%	69%
	2015	849,806,169	5,646,053,464	1,705,146,120	8,201,005,753	5,549,137,149	100%	83%	—%	68%
	2016	853,069,949	6,055,630,306	1,620,222,312	8,528,922,567	5,720,834,981	100%	80%	—%	67%
	2017	878,994,137	6,218,179,179	1,714,643,642	8,811,816,958	5,831,916,099	100%	80%	—%	66%
	2018	892,279,750	6,620,228,801	1,682,936,866	9,195,445,417	5,799,854,720	100%	74%	—%	63%
	2019	896,762,967	6,893,274,726	1,746,565,214	9,536,602,907	5,805,041,751	100%	71%	—%	61%
	2020	924,990,774	6,884,617,226	1,880,098,094	9,689,706,094	5,807,551,328	100%	71%	—%	61%
	2021	963,306,737	7,114,191,110	1,801,019,142	9,878,516,989	5,981,582,669	100%	71%	—%	61%
State Police/ Hazardous Duty	2012	54,156,044	561,452,471	278,404,119	894,012,634	851,976,386	100%	100%	85%	95%
	2013	58,260,570	525,211,454	246,248,914	829,720,938	926,108,695	100%	100%	100%	112%
	2014	57,705,918	569,659,307	222,557,567	849,922,792	1,016,533,008	100%	100%	100%	120%
	2015	58,543,902	595,623,306	236,967,557	891,134,765	1,075,204,637	100%	100%	100%	121%
	2016	59,921,229	635,036,352	180,402,152	875,359,733	1,136,076,589	100%	100%	100%	130%
	2017	64,332,242	645,636,929	199,904,014	909,873,185	1,196,338,715	100%	100%	100%	131%
	2018	67,111,945	677,224,121	201,630,652	945,966,718	1,231,975,474	100%	100%	100%	130%
	2019	69,799,978	695,901,232	219,280,926	984,982,136	1,282,058,570	100%	100%	100%	130%
	2020	72,530,634	666,980,924	308,639,531	1,048,151,089	1,332,772,683	100%	100%	100%	130%
	2021	75,673,068	694,754,994	340,603,067	1,111,031,129	1,434,367,187	100%	100%	100%	130%
Municipal General	2012	949,311,379	3,336,286,064	1,192,111,747	5,477,709,190	3,808,143,673	100%	86%	—%	70%
	2013	1,000,561,795	3,309,385,678	1,005,890,251	5,315,837,724	4,108,957,408	100%	94%	—%	77%
	2014	1,023,202,668	3,548,792,552	965,182,192	5,537,177,412	4,515,120,417	100%	98%	—%	82%
	2015	1,033,953,619	3,756,083,836	1,069,558,300	5,859,595,755	4,696,871,223	100%	98%	—%	80%
	2016	1,053,649,176	4,071,034,047	1,035,772,981	6,160,456,204	4,916,985,846	100%	95%	—%	80%
	2017	1,104,575,618	4,191,453,200	1,099,006,703	6,395,035,521	5,106,489,938	100%	95%	—%	80%
	2018	1,137,899,276	4,528,287,174	1,131,956,929	6,798,143,379	5,184,797,302	100%	89%	—%	76%
	2019	1,161,061,009	4,771,658,727	1,124,215,032	7,056,934,768	5,301,086,178	100%	87%	—%	75%
	2020	1,199,236,797	4,682,479,829	1,173,089,522	7,054,806,148	5,410,004,791	100%	87%	—%	75%
	2021	1,232,683,304	4,939,793,901	1,109,067,019	7,281,544,224	5,679,750,605	100%	90%	—%	75%
Municipal Police	2012	231,924,646	1,488,001,979	566,994,541	2,286,921,166	1,504,516,513	100%	86%	—%	66%
	2013	247,882,167	1,413,249,313	485,163,146	2,146,294,626	1,627,455,783	100%	98%	—%	76%
	2014	249,816,375	1,551,716,281	462,032,152	2,263,564,808	1,772,210,104	100%	98%	—%	78%
	2015	258,992,011	1,649,950,363	493,438,566	2,402,380,940	1,865,190,859	100%	97%	—%	78%
	2016	260,474,657	1,810,426,144	382,129,648	2,453,030,449	1,952,310,191	100%	93%	—%	80%
	2017	275,702,207	1,882,156,157	404,904,171	2,562,762,535	2,027,593,334	100%	93%	—%	79%
	2018	289,967,593	2,011,087,857	449,322,578	2,750,378,028	2,058,403,842	100%	88%	—%	75%
	2019	303,167,527	2,095,697,284	485,333,068	2,884,197,879	2,109,268,722	100%	86%	—%	73%

## SOLVENCY TEST (CONTINUED)

June 30, 2021

DIVISION/ PLAN	Year	←-----Aggregate Accrued Liabilities-----→					Portion of Accrued Liabilities Covered by Reported Assets			
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	TOTAL (4)	Reported Assets	(1)	(2)	(3)	(4)
Municipal	2020	\$ 327,110,526	\$ 1,993,453,153	\$ 565,984,579	\$ 2,886,548,258	\$ 2,161,723,690	100%	92%	—%	73%
Police (Cont')	2021	340,676,470	2,108,040,665	547,207,468	2,995,924,603	2,283,030,585	100%	92%	—%	73%
Municipal	2012	147,973,606	875,612,944	286,898,869	1,310,485,419	722,847,504	100%	66%	—%	55%
Fire	2013	163,287,521	822,738,793	255,740,084	1,241,766,398	779,204,098	100%	75%	—%	63%
	2014	162,999,130	893,055,155	291,666,492	1,347,720,777	844,926,189	100%	76%	—%	63%
	2015	171,569,805	934,914,512	325,885,020	1,432,369,337	888,515,174	100%	77%	—%	62%
	2016	175,510,949	1,026,377,371	254,584,111	1,456,472,431	928,606,766	100%	73%	—%	64%
	2017	194,507,068	1,033,070,516	287,632,507	1,515,210,091	961,829,211	100%	74%	—%	63%
	2018	205,989,875	1,099,223,887	318,303,879	1,623,517,641	977,829,334	100%	70%	—%	60%
	2019	214,452,786	1,158,090,653	327,737,219	1,700,280,658	1,002,875,446	100%	68%	—%	59%
	2020	227,986,295	1,107,995,694	373,677,291	1,709,659,280	1,025,786,446	100%	72%	—%	59%
	2021	238,294,797	1,163,350,094	373,807,993	1,775,452,884	1,081,479,512	100%	72%	—%	59%
Legislative	2012	794,178	13,223,056	13,412,029	27,429,263	25,168,813	100%	100%	83%	92%
	2013	704,324	15,121,069	9,301,918	25,127,311	28,939,243	100%	100%	100%	115%
	2014	765,491	14,602,470	10,465,381	25,833,342	33,392,919	100%	100%	100%	129%
	2015	744,611	16,230,264	9,635,456	26,610,331	36,868,121	100%	100%	100%	139%
	2016	808,856	16,858,156	10,275,939	27,942,951	40,450,852	100%	100%	100%	145%
	2017	753,758	18,105,164	9,197,764	28,056,686	42,479,371	100%	100%	100%	151%
	2018	808,527	18,493,679	11,637,539	30,939,745	42,602,900	100%	100%	100%	138%
	2019	751,334	21,102,594	9,666,906	31,520,834	43,139,113	100%	100%	100%	137%
	2020	823,365	20,052,792	11,269,908	32,146,065	44,466,366	100%	100%	100%	137%
	2021	772,206	21,486,872	10,507,454	32,766,532	46,180,779	100%	100%	100%	137%
Judicial	2012	9,430,314	102,121,251	36,371,278	147,922,843	75,506,702	100%	65%	—%	51%
	2013	10,484,159	99,609,628	33,652,184	143,745,971	80,007,287	100%	70%	—%	56%
	2014	10,878,347	93,176,816	29,291,252	133,346,415	85,577,431	100%	80%	—%	64%
	2015	11,063,301	97,761,695	32,456,159	141,281,155	88,249,418	100%	79%	—%	62%
	2016	11,641,376	103,610,547	31,682,987	146,934,910	90,471,110	100%	76%	—%	62%
	2017	12,589,634	106,164,363	30,658,789	149,412,786	92,137,316	100%	75%	—%	62%
	2018	12,916,868	116,119,124	34,347,300	163,383,292	92,022,272	100%	68%	—%	56%
	2019	11,618,040	125,839,968	29,740,527	167,198,535	92,081,178	100%	64%	—%	55%
	2020	12,600,961	129,838,667	28,316,019	170,755,647	91,269,164	100%	61%	—%	55%
	2021	12,643,172	138,728,163	25,164,155	176,535,490	94,024,914	100%	59%	—%	55%
Magistrate	2012	3,014,932	43,497,240	11,524,903	58,037,075	30,878,948	100%	64%	—%	53%
	2013	3,309,456	41,374,066	9,815,124	54,498,646	31,813,605	100%	69%	—%	58%
	2014	2,913,700	40,865,470	7,361,245	51,140,415	32,970,978	100%	74%	—%	64%
	2015	3,073,097	41,845,485	7,662,180	52,580,762	32,803,715	100%	71%	—%	62%
	2016	3,654,856	41,202,695	8,689,309	53,546,860	33,059,864	100%	71%	—%	62%



**SOLVENCY TEST (CONTINUED)**

June 30, 2021

DIVISION/ PLAN	Year	<-----Aggregate Accrued Liabilities----->				Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets			
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	TOTAL (4)		(1)	(2)	(3)	(4)
	2017	\$ 4,156,427	\$ 40,691,805	\$ 9,238,834	\$ 54,087,066	\$ 33,162,734	100 %	71 %	— %	61 %
	2018	4,681,462	41,973,554	11,444,465	58,099,481	32,331,750	100 %	66 %	— %	56 %
	2019	4,992,710	45,004,313	8,726,054	58,723,077	31,882,687	100 %	60 %	— %	54 %
	2020	5,068,019	45,542,311	7,980,475	58,590,805	31,274,386	100 %	58 %	— %	54 %
	2021	5,566,695	46,125,208	8,663,710	60,355,613	32,644,797	100 %	59 %	— %	54 %
Volunteer Firefighter	2012	—	18,133,190	10,086,158	28,219,348	47,382,330	N/A	100%	100%	168%
	2013	—	23,246,567	14,519,733	37,766,300	52,179,180	N/A	100%	100%	138%
	2014	—	25,218,910	14,519,733	39,738,643	52,179,180	N/A	100%	100%	131%
	2015	—	26,280,594	17,635,798	43,916,392	61,575,304	N/A	100%	100%	140%
	2016	—	27,259,993	17,996,285	45,256,278	64,899,802	N/A	100%	100%	143%
	2017	—	28,060,938	18,327,515	46,388,453	67,985,320	N/A	100%	100%	147%
	2018	—	30,285,764	18,950,008	49,235,772	69,674,334	N/A	100%	100%	142%
	2019	—	31,110,078	19,408,782	50,518,860	72,011,279	N/A	100%	100%	143%
	2020	—	32,829,521	17,510,145	50,339,666	73,916,369	N/A	100%	100%	143%
	2021	—	32,855,811	17,295,152	50,150,963	78,490,185	N/A	100%	100%	143%

## ANALYSIS OF FINANCIAL EXPERIENCE

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

### Experience Gain (or Loss) for Year (in Thousands)

PERA Fund	2021	2020	2019	2018	2017	2016	2015	2014	2013
UAAL at Beginning of Year	\$ 6,151,000	\$ 6,662,600	\$ 6,060,500	\$ 5,070,600	\$ 4,819,500	\$ 4,711,600	\$ 4,301,700	\$ 4,619,200	\$ 6,176,000
Normal Cost for Year	403,700	380,500	379,400	358,000	352,500	385,700	372,500	403,300	431,900
Contributions (net of Refunds)	(688,700)	664,500	(621,200)	(602,200)	(604,200)	(587,900)	(573,600)	(544,300)	(516,900)
Interest Accrual and other income/exp	482,900	(485,800)	442,400	369,600	351,500	355,800	309,600	352,700	475,200
Expected UAAL before Non-Recurring Adjust	6,848,900	6,848,900	6,261,100	5,196,000	4,919,300	4,865,200	4,410,200	4,830,900	6,566,200
Effect of Assumption Changes	—	—	—	564,000	—	468,000	—	(30,800)	—
Effect of New Employers, Benefit Changes & Plan Coverage Shifts	—	(788,500)	—	—	—	(373,300)	—	—	(1,690,100)
Expected UAAL after Audit Adjustment	6,848,900	6,076,000	6,261,100	5,760,000	4,919,300	4,959,900	4,410,200	4,800,100	4,876,100
Actual UAAL	6,582,200	6,651,000	6,662,600	6,060,500	5,070,600	4,819,500	4,711,600	4,301,700	4,619,200
Gain (Loss)	\$ 266,700	\$ (575,100)	\$ (401,500)	\$ (300,500)	\$ (151,300)	\$ 140,400	\$ (301,400)	\$ 498,400	\$ 256,900

### Experience Gain (or Loss) for Year (in Thousands)

Legislative Fund	2021	2020	2019	2018	2017	2016	2015	2014	2013
UAAL at Beginning of Year	\$ (12,320,301)	\$ (11,618,279)	\$ (11,663,155)	\$ (14,422,685)	\$ (12,507,901)	\$ (10,257,790)	\$ (7,559,577)	\$ (3,811,932)	\$ 2,260,450
Normal Cost for Year	988,578	815,910	931,257	739,695	802,336	786,119	749,175	661,821	548,797
Contributions (net of Refunds)	(70,800)	(967,200)	(72,000)	(66,600)	(73,200)	(72,600)	(117,474)	(343,284)	(737,687)
Interest Accrual and other Income/exp	(828,791)	(811,040)	(780,959)	(990,613)	(848,376)	(771,879)	(603,008)	(283,081)	167,865
Expected UAAL before Non-Recurring Adjust	(12,231,314)	(12,580,609)	(11,584,857)	(14,740,203)	(12,627,141)	(10,316,150)	(7,530,884)	(3,776,476)	2,239,425
Effect of Assumption Changes	—	—	—	—	—	—	—	—	—
Expected UAAL after Audit Adjustment	(12,231,314)	(12,580,609)	(11,584,857)	(14,740,203)	(12,627,141)	(10,316,150)	(7,530,884)	(3,776,476)	2,239,425
Actual UAAL	(13,414,247)	(12,320,301)	(11,618,279)	(11,663,155)	(14,422,685)	(12,507,901)	(10,257,790)	(7,559,577)	(3,811,932)
Gain (Loss)	\$ 1,182,933	\$ (260,308)	\$ 33,422	\$ (3,077,048)	\$ 1,795,544	\$ 2,191,751	\$ 2,726,906	\$ 3,783,101	\$ 6,051,357

**ANALYSIS OF FINANCIAL EXPERIENCE (CONTINUED)**

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

**Experience Gain (or Loss) for Year (in Thousands)**

<b>Judicial Fund</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
UAAL at Beginning of Year	\$ 79,486,483	\$ 75,117,357	\$ 71,361,020	\$ 57,275,470	\$ 56,463,800	\$ 53,031,737	\$ 47,768,984	\$ 63,738,684	\$ 72,416,141
Normal Cost for Year	\$3,625,435	3,264,394	3,339,293	2,991,527	3,139,091	3,287,278	3,083,765	3,656,173	3,907,766
Contributions (net of Refunds)	(7,641,728)	(7,734,474)	(7,590,872)	(6,495,531)	(6,601,548)	(6,455,003)	(5,873,849)	(7,174,481)	(7,905,061)
Interest Accrual and other Income/exp	5,690,721	5,368,843	5,091,143	4,103,302	4,039,679	3,979,726	3,621,948	4,803,414	5,457,356
Expected UAAL before Non-Recurring Adjust	81,160,911	76,016,120	72,200,584	57,874,768	57,041,022	53,843,738	48,600,848	65,023,790	73,876,202
Effect of Assumption Changes	—	532,716	—	5,072,854	—	3,423,578	—	(18,732,751)	(14,130,428)
Expected UAAL after Audit Adjustment	81,160,911	76,548,836	72,200,584	62,947,622	57,041,022	57,267,316	48,600,848	46,291,039	59,745,774
Actual UAAL	82,510,576	79,486,483	75,117,357	71,361,020	57,275,470	56,463,800	53,031,737	47,768,984	63,738,684
Gain (Loss)	\$ (1,349,665)	\$ (2,937,647)	\$ (2,916,773)	\$ (8,413,398)	\$ (234,448)	\$ 803,516	\$ (4,430,889)	\$ (1,477,945)	\$ (3,992,910)

**Experience Gain (or Loss) for Year (in Thousands)**

<b>Magistrate Fund</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
UAAL at Beginning of Year	\$ 27,316,419	\$ 26,840,390	\$ 25,767,731	\$ 20,924,332	\$ 20,486,996	\$ 19,777,047	\$ 18,169,437	\$ 22,685,041	\$ 27,158,127
Normal Cost for Year	1,151,145	956,706	958,605	899,592	911,388	834,750	733,255	883,328	983,930
Contributions (net of Refunds)	(1,745,055)	(2,719,554)	(2,494,519)	(2,180,208)	(2,167,739)	(2,013,479)	(1,794,493)	(2,135,518)	(2,483,030)
Interest Accrual and other Income/exp	1,984,568	1,911,380	1,841,233	1,484,046	1,462,528	1,483,773	1,410,788	1,709,568	2,046,665
Expected UAAL before Non-Recurring Adjust	28,707,077	26,988,922	26,073,050	21,127,762	20,693,173	20,082,091	18,518,987	23,142,419	27,705,692
Effect of Assumption Changes	—	(36,649)	—	1,689,577	—	1,454,465	—	(7,960,815)	(5,286,884)
Expected UAAL after Audit Adjustment	28,707,077	26,952,273	26,073,050	22,817,339	20,693,173	21,536,556	18,518,987	15,181,604	22,418,808
Actual UAAL	27,710,816	27,316,419	26,840,390	25,767,731	20,924,332	20,486,996	19,777,047	18,169,437	22,685,041
Gain (Loss)	\$ 996,261	\$ (364,146)	\$ (767,340)	\$ (2,950,392)	\$ (231,159)	\$ 1,049,560	\$ (1,258,060)	\$ (2,987,833)	\$ (266,233)

## ANALYSIS OF FINANCIAL EXPERIENCE (CONTINUED)

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

### Experience Gain (or Loss) for Year (in Thousands)

<b>Volunteer Firefighters Fund</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
UAALat Beginning of Year	\$ (23,576,703)	\$ (21,492,419)	\$ (20,438,562)	\$ (21,596,867)	\$ (19,643,524)	\$ (17,658,912)	\$ (16,480,497)	\$ (14,412,880)	\$ (19,162,982)
Normal Cost for Year	1,927,238	2,220,228	2,159,827	2,022,277	2,111,322	1,490,704	1,433,147	1,208,648	785,758
Contributions (net of Refunds)	—	(549,550)	(573,276)	(289,024)	(565,979)	(60,072)	(55,987)	(4,264)	—
Interest Accrual and other Income/exp	(1,577,195)	(1,427,995)	(1,360,121)	(1,444,026)	(1,315,944)	(1,317,787)	(1,192,301)	(1,070,328)	(1,454,683)
Expected UAAL before Non-Recurring Adjust	(23,226,660)	(21,249,736)	(20,212,132)	(21,307,640)	(19,414,125)	(17,546,067)	(16,295,638)	(14,278,824)	(19,831,907)
Effect of Assumption Changes	—	(1,390,154)	—	1,330,595.00	—	1,201,717	—	405,028	7,495,792
Expected UAAL after Audit Adjustment	(23,226,660)	(22,639,890)	(20,212,132)	(19,977,045)	(19,414,125)	(16,344,350)	(16,295,638)	(13,873,796)	(12,336,115)
Actual UAAL	(28,339,222)	(23,576,703)	(21,492,419)	(20,438,562)	(21,596,867)	(19,643,524)	(17,658,912)	(16,480,497)	(14,412,880)
Gain (Loss)	\$ 5,112,562	\$ 936,813	\$ 1,280,287	\$ 461,517	\$ 2,182,742	\$ 3,299,174	\$ 1,363,274	\$ 2,606,701	\$ 2,076,765

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS**

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>All PERA Divisions</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>	
Total Annual Payroll	\$	2,388,518,383	\$	2,409,950,766	\$	2,271,770,279
Total Valuation Payroll		2,460,173,934		2,482,249,289		2,339,923,387
Actuarial Accrued Liability						
Active and Deferred Vested Members		7,628,431,322		7,542,860,001		7,073,283,818
Retired Members and Survivors		15,414,038,507		14,846,010,868		15,089,714,530
Total	\$	23,042,469,829	\$	22,388,870,869	\$	22,162,998,348
Actuarial Value of Assets	\$	16,460,210,558	\$	15,737,838,938	\$	15,500,330,667
Funded Ratio		71.40 %		70.30 %		69.90 %
Unfunded Actuarial Accrued Liability	\$	6,582,259,271	\$	6,651,031,931	\$	6,662,667,681

**Calculation of Required Contribution**

## Statutory Contribution Rate

Employer Contribution Rate		15.73 %		15.50 %		15.12 %
Member Contribution Rate		12.41 %		12.20 %		12.01 %
Total		28.14 %		27.70 %		27.13 %
Less Normal Cost:						
Retirement		10.67 %		10.74 %		10.74 %
Termination		3.81 %		3.78 %		3.82 %
Pre-Retirement Survivors		0.85 %		0.85 %		0.84 %
Disability		0.91 %		0.90 %		0.86 %
Total Normal Cost		16.24 %		16.27 %		16.27 %
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		11.40 %		10.93 %		10.37 %
Amortization Period		72 years		106 years		Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		5.87 %		6.37 %		6.27 %

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

PERA Division - State General	2021	2020	2019
Total Annual Payroll	\$ 989,784,230	\$ 1,002,475,715	\$ 935,478,450
Total Valuation Payroll	1,019,477,757	1,032,549,986	963,542,804
Actuarial Accrued Liability			
Active and Deferred Vested Members	3,087,468,686	3,082,550,456	2,932,732,812
Retired Members and Survivors	6,791,048,303	6,607,155,638	6,603,870,095
Total	\$ 9,878,516,989	\$ 9,689,706,094	\$ 9,536,602,907
Actuarial Value of Assets	\$ 5,981,582,669	\$ 5,807,551,328	\$ 5,805,041,751
Funded Ratio	60.60 %	59.90 %	60.90 %
Unfunded Actuarial Accrued Liability	\$ 3,896,934,320	\$ 3,882,154,766	\$ 3,731,561,156

### Calculation of Required Contribution

Statutory Contribution Rate			
Employer Contribution Rate	18.24 %	17.74 %	17.24 %
Member Contribution Rate	9.92 %	9.42 %	8.92 %
Total	28.16 %	27.16 %	26.16 %
Less Normal Cost:			
Retirement	9.50 %	9.66 %	9.75 %
Termination	3.65 %	3.62 %	3.68 %
Pre-Retirement Survivors	0.84 %	0.84 %	0.82 %
Disability	1.09 %	1.08 %	1.05 %
Total Normal Cost	15.08 %	15.20 %	15.30 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	12.58 %	11.46 %	10.36 %
Amortization Period	Infinite	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	12.1 %	12.81 %	12.27 %

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>PERA Division - State Police/Corrections</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>	
Total Annual Payroll	\$	116,842,280	\$	113,842,830	\$	88,220,403
Total Valuation Payroll		120,347,548		117,258,115		90,867,015
Actuarial Accrued Liability						
Active and Deferred Vested Members		427,473,543		388,547,885		299,347,891
Retired Members and Survivors		683,557,586		659,603,204		685,634,245
Total	\$	1,111,031,129	\$	1,048,151,089	\$	984,982,136
Actuarial Value of Assets	\$	1,282,058,570	\$	1,123,975,474	\$	1,136,076,589
Funded Ratio		129.10%		127.20%		130.20%
Unfunded Actuarial Accrued Liability	\$	(323,336,058)	\$	(284,621,594)	\$	(297,076,434)

**Calculation of Required Contribution**

<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		25.59%		25.56%		25.58%
Member Contribution Rate		9.01%		8.99%		8.74%
Total		34.60%		34.55%		34.32%
<b>Less Normal Cost:</b>						
Retirement		16.06%		14.96%		15.98%
Termination		4.30%		4.29%		4.08%
Pre-Retirement Survivors		0.71%		0.68%		0.71%
Disability		1.74%		1.69%		1.60%
Total Normal Cost		22.81%		21.62%		22.37%
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		11.29%		12.43%		11.45%
Amortization Period		—		—		—
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		N/A		N/A		N/A

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>PERA Division - Municipal General</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>	
Total Annual Payroll	\$	912,307,045	\$	924,361,625	\$	901,598,748
Total Valuation Payroll		939,676,256		952,092,474		928,646,710
Actuarial Accrued Liability						
Active and Deferred Vested Members		2,576,082,656		2,548,387,539		2,477,879,338
Retired Members and Survivors		4,705,461,568		4,506,418,609		4,579,055,430
Total	\$	7,281,544,224	\$	7,054,806,148	\$	7,056,934,768
Actuarial Value of Assets	\$	5,679,750,605	\$	5,410,004,791	\$	5,301,086,178
Funded Ratio		78.00 %		76.70 %		75.10 %
Unfunded Actuarial Accrued Liability	\$	1,601,793,619	\$	1,644,801,357	\$	1,755,848,590

### Calculation of Required Contribution

Statutory Contribution Rate						
Employer Contribution Rate		10.01 %		10.03 %		10.02 %
Member Contribution Rate		13.53 %		13.53 %		13.49 %
Total		23.54 %		23.56 %		23.51 %
Less Normal Cost:						
Retirement		7.95 %		8.04 %		8.13 %
Termination		4.05 %		4.04 %		4.08 %
Pre-Retirement Survivors		0.93 %		0.93 %		0.91 %
Disability		0.76 %		0.76 %		0.73 %
Total Normal Cost		13.69 %		13.77 %		13.85 %
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		9.35 %		9.29 %		9.16 %
Amortization Period		34 years		35 years		49 years
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years						
		1.65 %		1.86 %		1.89 %



**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>PERA Division - Municipal Police</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>
Total Annual Payroll	\$	229,410,194	\$	229,730,475	\$ 214,508,600
Total Valuation Payroll		236,292,500		236,622,389	220,943,858
Actuarial Accrued Liability					
Active and Deferred Vested Members		913,240,294		912,825,415	808,317,496
Retired Members and Survivors		2,082,684,309		1,973,722,843	2,075,880,383
Total	\$	2,995,924,603	\$	2,886,548,258	\$ 2,884,197,879
Actuarial Value of Assets	\$	2,283,030,585	\$	2,161,723,690	\$ 2,109,268,722
Funded Ratio		76.20 %		74.90 %	73.10 %
Unfunded Actuarial Accrued Liability	\$	712,894,018	\$	724,824,568	\$ 774,929,157

**Calculation of Required Contribution**

<b>Statutory Contribution Rate</b>					
Employer Contribution Rate		18.96 %		18.93 %	18.91 %
Member Contribution Rate		17.30 %		17.28 %	17.24 %
Total		36.26 %		36.21 %	36.15 %
<b>Less Normal Cost:</b>					
Retirement		17.51 %		17.75 %	17.55 %
Termination		3.77 %		3.73 %	3.77 %
Pre-Retirement Survivors		0.67 %		0.68 %	0.68 %
Disability		0.54 %		0.54 %	0.53 %
Total Normal Cost		22.49 %		22.70 %	22.53 %
Less Administrative Expenses		0.50 %		0.50 %	0.50 %
Amount Remaining to Amortize UAAL		13.27 %		13.01 %	13.12 %
Amortization Period		59 years		70 years	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		6.21 %		6.77 %	7.38 %

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>PERA Division - Municipal Fire</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total Annual Payroll	\$ 140,174,634	\$ 139,540,121	\$ 131,964,078
Total Valuation Payroll	144,379,873	143,726,325	135,923,000
Actuarial Accrued Liability			
Active and Deferred Vested Members	624,166,143	610,548,706	555,006,281
Retired Members and Survivors	1,151,286,741	1,099,110,574	1,145,274,377
Total	\$ 1,775,452,884	\$ 1,709,659,280	\$ 1,700,280,658
Actuarial Value of Assets	\$ 1,081,479,512	\$ 1,025,786,446	\$ 1,002,875,446
Funded Ratio	60.90 %	60.00 %	59.00 %
Unfunded Actuarial Accrued Liability	\$ 693,973,372	\$ 683,872,834	\$ 697,405,212
 Calculation of Required Contribution			
<hr/>			
Statutory Contribution Rate			
Employer Contribution Rate	21.79 %	21.81 %	21.80 %
Member Contribution Rate	17.57 %	17.57 %	17.56 %
Total	39.36 %	39.38 %	39.11 %
Less Normal Cost:			
Retirement	21.08 %	21.31 %	21.06 %
Termination	2.98 %	2.92 %	2.92 %
Pre-Retirement Survivors	0.75 %	0.75 %	0.75 %
Disability	0.55 %	0.53 %	0.52 %
Total Normal Cost	25.36 %	25.51 %	25.25 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	13.50 %	13.37 %	13.36 %
Amortization Period	Infinite	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	17.53 %	17.35 %	16.37 %

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>PERA Division - Legislative</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>	
Total Annual Payroll	\$	—	\$	—	\$	—
Total Valuation Payroll		—		—		—
Actuarial Accrued Liability						
Active and Deferred Vested Members		11,897,546		12,675,870		11,322,019
Retired Members and Survivors		20,868,986		19,470,195		20,198,815
Total	\$	32,766,532	\$	32,146,065	\$	31,520,834
Actuarial Value of Assets	\$	46,180,779	\$	44,466,366	\$	43,139,113
Funded Ratio		140.90%		138.30%		136.90%
Unfunded Actuarial Accrued Liability	\$	(13,414,247)	\$	(12,320,301)	\$	(11,618,279)

**Calculation of Required Contribution**

<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		0.00%		0.00%		0.00%
Member Contribution Rate		0.00%		0.00%		0.00%
Total		0.00%		0.00%		0.00%
<b>Less Normal Cost:</b>						
Retirement	\$	903,878	\$	728,503	\$	796,628
Pre-Retirement Survivors		27,379		11,192		19,282
Disability						
Total Normal Cost	\$	1,010,430	\$	988,578	\$	815,910
Less Expected Member Contribution		68,400		70,800		67,200
Employer Normal Cost	\$	728,503	\$	728,503	\$	728,503
Expected Administrative Expenses		40,000		40,000		6,000
UAAL Amortization Amount (25 Years)	\$	(1,137,339)	\$	(1,044,588)	\$	(985,067)
Total Employer Contribution	\$	—	\$	—	\$	—

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

Judicial Fund	2021	2020	2019
Total Annual Payroll	\$ 17,165,992	\$ 16,490,136	\$ 15,621,802
Total Valuation Payroll	17,680,972	16,984,840	16,090,456
Actuarial Accrued Liability			
Active and Deferred Vested Members	45,975,720	48,544,753	47,413,874
Retired Members and Survivors	130,559,770	122,210,894	119,784,661
Total	\$ 176,535,490	\$ 170,755,647	\$ 167,198,535
Actuarial Value of Assets	\$ 94,024,914	\$ 91,269,164	\$ 92,081,178
Funded Ratio	53.30%	53.50%	55.10%
Unfunded Actuarial Accrued Liability	\$ 82,510,576	\$ 79,486,483	\$ 75,117,357
<b>Calculation of Required Contribution</b>			
<b>Statutory Contribution Rate</b>			
Employer Contribution Rate	15.00%	15.00%	15.00%
Expected Docket Fees	14.85%	14.71%	14.76%
Member Contribution Rate	10.50%	10.50%	10.50%
Total	40.35%	40.21%	40.26%
<b>Less Normal Cost:</b>			
Retirement	16.23%	16.76%	15.99%
Termination	3.40%	3.56%	3.25%
Pre-Retirement Survivors	0.99%	1.03%	1.05%
Disability	0.00%	0.00%	0.00%
Total Normal Cost	20.62%	21.35%	20.29%
Administrative Expenses	0.50%	0.50%	0.50%
UAAL 25 Year Amortization Rate	23.34%	23.14%	30.14%
Total Required Contribution Rate	44.46%	44.99%	50.93%
Total Required Contribution Amount	\$ 7,861,005	\$ 7,641,728	\$ 7,734,474
Expected Statutory Amount	\$ 7,134,272	\$ 6,829,604	\$ 6,478,018
Deficiency in Statutory Rate	4.11%	4.78%	10.67%
Deficiency in Expected Statutory Amount	\$ 726,733	\$ 812,124	\$ 1,716,141

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>Magistrate Fund</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>	
Total Annual Payroll	\$	6,106,006	\$	5,914,106	\$	5,849,795
Total Valuation Payroll		6,289,187		6,091,529		6,025,289
Actuarial Accrued Liability						
Active and Deferred Vested Members		17,406,822		16,443,088		18,745,945
Retired Members and Survivors		42,948,791		42,147,717		39,977,132
Total	\$	60,355,613	\$	58,590,805	\$	58,723,077
Actuarial Value of Assets	\$	32,644,797	\$	31,274,386	\$	31,882,687
Funded Ratio		54.10 %		53.40 %		54.30%
Unfunded Actuarial Accrued Liability	\$	27,710,816	\$	27,316,419	\$	26,840,390
<b>Calculation of Required Contribution</b>						
<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		15.00 %		15.00 %		15.00%
Expected Docket Fees		3.44 %		5.97 %		5.77%
Member Contribution Rate		10.50 %		10.50 %		10.50%
Total		28.94 %		31.47 %		31.27%
Less Normal Cost:						
Retirement		13.03 %		12.60 %		10.97%
Termination		5.86 %		5.58 %		4.28%
Pre-Retirement Survivors		0.76 %		0.72 %		0.63%
Disability		0.00 %		0.00 %		0.00%
Total Normal Cost		19.65 %		18.90 %		15.88%
Administrative Expenses		0.50 %		0.50 %		0.50%
UAAL 25 Year Amortization Rate		9.36 %		9.25 %		28.76%
Total Required Contribution Rate		29.51 %		28.65 %		42.41%
Total Required Contribution Amount	\$	1,856,377	\$	1,745,055	\$	2,719,554
Expected Statutory Amount	\$	1,820,091	\$	1,917,004	\$	1,884,108
Deficiency in Statutory Rate		0.57 %		0.28 %		13.87%
Deficiency in Expected Statutory Amount	\$	36,286		N/A	\$	835,446

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

<b>Volunteer Firefighters Fund</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>	
Total Annual Payroll	\$	—	\$	—	\$	—
Total Valuation Payroll		—		—		—
Actuarial Accrued Liability						
Active and Deferred Vested Members	\$	21,894,376	\$	22,331,698	\$	24,226,222
Non-Vested Inactive Members *		244,699		718,655		627,940
Retired Members and Survivors		28,011,888		27,289,313		25,664,698
Total	\$	50,150,963	\$	50,339,666	\$	50,518,860
Actuarial Value of Assets	\$	78,490,185	\$	73,916,369	\$	72,011,279
Funded Ratio		156.5%		146.80%		142.5%
Unfunded Actuarial Accrued Liability	\$	(28,339,222)	\$	(23,576,703)	\$	(21,492,419)
<b>Calculation of Required Contribution</b>						
<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		0.00%		0.00%		0.00%
Member Contribution Rate		0.00%		0.00%		0.00%
Total		0.00%		0.00%		0.00%
<b>Less Normal Cost:</b>						
Retirement	\$	1,449,121	\$	1,477,389	\$	1,703,488
Termination		406,994		415,597		480,885
Pre-Retirement Survivors		33,556		34,252		35,855
Disability						
Total Normal Cost	\$	1,889,671	\$	1,927,238	\$	2,220,228
<b>Less Expected Member Contribution</b>						
Employer Normal Cost	\$	1,889,671	\$	1,927,238	\$	2,220,228
Expected Administrative Expenses		60,000		60,000		45,000
UAAL Amortization Amount (25 Years)		(2,402,767)		(1,998,973)		(1,822,255)
Total Employer Contribution	\$	—	\$	—	\$	(442,973)

\* Members with at least 5 years of service and a last reported date within the last 5 years are valued similarly to deferred vested members in order to recognize potential liability these members hold.

## SUMMARY OF PERA PLAN PROVISIONS

### Membership Eligibility

The Public Employees Retirement Association of New Mexico includes employees of the State of New Mexico and employees of affiliated public employers. Effective July 1, 2013, legislation established two benefit tiers under each PERA coverage plan. A member is in Tier 1 if they were hired for the first time on or before June 30, 2013; had member contributions on account as of June 30, 2013 or was retired as of June 30, 2013. A member is in Tier 2 if they were hired for the first time on or after July 1, 2013; or refunded their employee contributions on or before June 30, 2013, and returned to work for a PERA affiliate on or after July 1, 2013. Employees excluded from PERA membership include: seasonal employees; student employees; part-time employees who work less than 20 hours per week; independent contractors; and retirees of the Educational (ERA), Judicial (JRA) or Magistrate (MRA) Retirement Systems. Elected officials become members unless they submit a written application for exemption from membership.

### Vesting

Retirement benefits become vested upon member's completion of the following years of qualifying service with accumulated member contributions remaining on deposit with the Association: five years for Tier 1 members, eight years for Tier 2 general members (non-public safety employees), and six years for Tier 2 public safety members.

#### Retirement Eligibility - Tier 1 Members

<u>Age</u>	<u>Years of Credited Service</u>
Any	25 or more
60+	20 or more
61+	17 or more
62+	14 or more
63+	11 or more
64+	8 or more
65+	5 or more

#### Retirement Eligibility - Tier 2 Members

Rule of 85 – members must have eight or more years of service credit and age at time of retirement and years of service credit must equal 85

Age 65 with 5 or more years of service credit.

The municipal police and fire coverage plans 3, 4, and 5 require any age with 20 or more years of credited service for Tier 1 members and any age with 25 or more years of credited service for Tier 2 members.

The service credit for Tier 1 members of State Police and Adult Correctional Officer Member Coverage Plan 1 shall be increased by twenty percent for service credit earned while under the plan. To qualify for retirement under the plan, adult correctional officers were required to contribute 18 months under the plan beginning July 1, 2004 and ending December 31, 2005 for those first eligible.

The service credit for Tier 1 members of Municipal Detention Officer Member Coverage Plan 1 shall be increased by twenty percent for service credit earned while under the plan. To qualify for retirement under the plan, municipal detention officers are required to contribute a minimum of 18 months under the plan. Members employed by municipalities which adopted the plan effective July 1, 2004 were first eligible after December 31, 2005.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Service Benefit Formula

For Tier 1 members, the final average salary is calculated with highest 36 consecutive month's salary, multiplied by years of service, multiplied by the applicable plan pension factor, up to the maximum allowable pension. For Tier 2 members the final average salary is calculated with the highest 60 consecutive month's salary, multiplied by years of service, multiplied by the applicable plan pension factor, up to the maximum allowable pension.

### Cost of Living Adjustment

Effective July 1, 2020, PERA provides a COLA as follows:

- Retirees under normal retirement will receive a COLA with a of .50% floor beginning in 2023 and 3% maximum until 100% funded.
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$25,000 and recipients age 75 years on or before June 30, 2020.

COLA eligibility period for members who retire under normal retirement:

- Effective July 1, 2020 retirees are eligible to receive a COLA after they have been retired two full calendar years.

### Death Benefits

PERA death benefits depend on whether or not the death occurred in the line of duty.

*Death in the Line-of-Duty* – A survivor pension is paid to the eligible spouse and children if the member has not designated a different survivor beneficiary under the “Elective Survivor Pension Beneficiary” provision. The amount of pension payable for life to an eligible spouse is the greater of 1) 50% of final average salary, or 2) the accrued normal retirement pension reduced for option B election. The amount of pension payable to each eligible child is an equal share of 25% of final average salary. If there is not an eligible spouse or the eligible spouse dies, and if there are 2 or more eligible children, the amount of pension payable to each eligible child is an equal share of 50% of final average salary.

*Death NOT in the Line-of-Duty* –Member must be vested for eligibility. A survivor pension is paid to the eligible spouse or children if the member has not designated a different survivor beneficiary under the “Elective Survivor Pension Beneficiary” provision. The amount of pension payable for life of an eligible spouse is the greater of 1) 30% of final average salary, or 2) accrued normal retirement pension reduced for option B election. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share of 25% of final average salary or if greater, 50% of accrued normal retirement pension.

### Disability Retirement

Applicable to vested members and vested former members. The vesting requirement is waived if the disability is incurred in the line of duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.



## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Refunds

A terminated member is eligible for a 100% refund of member contributions plus interest after being unemployed by an affiliated public employer for 30 days or more. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

### Purchase of Service Credit

A PERA member or current contributing member of ERA, JRA, or MRA may purchase previously refunded service credit by paying a lump sum amount plus interest.

### Contribution Rates

Applicable member and employer contribution rates are dependent on the plan adopted by the affiliated public employer.

## JUDICIAL PLAN

### Membership Eligibility

The Judicial Retirement Plan of New Mexico includes all justices of the Supreme Court and judges of district courts, metropolitan courts and the Court of Appeals.

### Retirement Eligibility

A judge or justice may retire at: 1) Age 64 with five or more years of service, or 2) Age 60 with fifteen or more years of service. For judges or justices hired after July 1, 2005: 1) Age 64 with five or more years of service, or 2) Age 55 with sixteen or more years of service.

### Service Benefit Formula

Final average salary (calculated using the last 12 months of salary received in office prior to retirement) multiplied by a minimum of 37.50% up to a maximum of 75%, depending on years of service.

### Early Retirement Pension

Applicable to judges or justices between the ages of 50 and 60, with 18 or more years of service. The pension is 70% of final average salary (received during the last year in office prior to retirement) plus 0.5% of final average salary multiplied by the number of complete years the age at retirement exceeds age 50. Members hired after July 1, 2005 are not eligible for early retirement.

### Cost of Living Adjustment

Pensions are increased each July 1 by 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Death Benefits

The surviving beneficiary of an active or retired member would receive 75% of the member's vested pension until death. The pension is payable to the deceased member's minor and dependent children if there is no eligible surviving spouse or designated survivor beneficiary.

### Refunds

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

### Purchase of Service Credit

A JRA member or current contributing member of PERA, ERA, or MRA may purchase previously refunded service credit by paying a lump sum amount plus interest.

### Other Service

PERA, MRS and ERA service may be combined with Judicial service for purposes of satisfying age and service requirements once a member has attained one month of Judicial service. When combining service, members may retire under the JRA after satisfying either the JRA or PERA age and service requirements for immediate benefits.

### Contribution Rates

The contribution rate for judges and justices from July 1, 2005 is 7.5% of salary. For fiscal years 2010 and 2011, the member contribution rate is 9%. For fiscal years 2012 and 2013, the member contribution rate is 10.75%. From July 1, 2005, the employer contributes 12% plus \$38 from each civil case docket fee paid in district court, \$25 from each civil case docket fee paid in metropolitan court and \$10 from each jury fee paid in metropolitan court. For fiscal years 2010 and 2011, the employer contribution was 10.5% and thereafter the rate is 12% with the docket fees charges remaining the same.

## MAGISTRATE PLAN

### Membership Eligibility

The Magistrate Retirement Plan of New Mexico includes all magistrate court judges.

### Retirement Eligibility

A judge may retire at: 1) Age 64 with five or more years of service, or 2) Age 60 with fifteen or more years of service, or 3) Any age with twenty-four or more years of service. Magistrates with one or more years of service in PERA, ERA or JRA may combine service credits to satisfy these voluntary retirement conditions.

### Service Benefit Formula

Final average salary (calculated using the last 12 months of salary received in office prior to retirement) multiplied by a minimum of 37.5% up to a maximum of 75%, depending on years of service.

### Cost of Living Adjustment

Pensions are increased each July 1, 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Death Benefits

The surviving beneficiary of an active or retired member would receive 75% of the member's vested pension until death. The pension is payable to the deceased member's minor and dependent children if there is no eligible surviving spouse or designated survivor beneficiary.

### Disability Retirement

Applicable if magistrate has five or more years of magistrate service and becomes incapacitated to perform duties of office. Magistrate would receive vested pension. Five year service requirement is waived if the disability is duty-related.

### Refunds

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

### Purchase of Service Credit

A MRA member or current contributing member of PERA, ERA, or JRA may purchase previously refunded service credit if employed by an affiliated public employer at the time of purchase by paying a lump sum amount plus interest.

### Contribution Rates

The contribution rate for judges and justices from July 1, 2005 is 7.5% of salary. For fiscal years 2010 and 2011, the member contribution rate is 9.0%. For fiscal years 2012 and 2013, the member contribution rate is 10.75%. From July 1, 2005, the employer contributes 11% plus \$25 from each civil case docket fee paid and \$10 from each jury fee paid in magistrate or metropolitan court. For fiscal years 2010 and 2011, the employer contribution was 9.5% and thereafter the rate is 11% with the docket fees charges remaining the same.

## VOLUNTEER FIREFIGHTERS PLAN

### Membership Eligibility

The Volunteer Firefighter Retirement Plan of New Mexico includes any active volunteer non-salaried firefighter whose first year of service credit was earned during or after the year turning age 16.

### Retirement Eligibility

A member may retire at: 1) a full retirement annuity at age 55 with 25 or more years of service, or 2) with a reduced retirement annuity at age 55 with at least 10 but less than 25 years of service credit.

### Service Credit

A year of service credit may be granted upon required certification for each year the member: 1) attended 50% of all scheduled fire drills; 2) attended 50% of all scheduled business meetings; and 3) participated in at least 50% of all emergency response calls which the fire department held him/her responsible to attend.

### Service Benefit Formula

The full retirement annuity is \$250 per month. The reduced retirement annuity is \$150 per month.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Vested Retirement Annuity

Any member with at least 10 years of service credit who ceases to be a volunteer non-salaried firefighter is eligible for a deferred retirement annuity commencing at age 55. The monthly amount is \$250 if the member has at least 25 years of service credit and \$125 if the member has between 10 and 25 years of service credit.

### Cost of Living Adjustment

Retired volunteer firefighters are not eligible for a Cost of Living Adjustment.

### Death Benefits

- 1) The surviving spouse of a deceased annuitant receives a pension equal to two-thirds of the retirement annuity being paid at the time of death. The annuity ceases upon the surviving spouse's marriage or death.
- 2) If there is no surviving spouse, then a surviving depended child will receive an annuity equal to two-thirds of the retirement annuity being paid at the time of the member's death. The annuity will cease upon the earlier of the dependent child's 18th birthday or death.

### Contribution Rates

Funding from the New Mexico State's Fire Protection Fund is transferred annually to the Volunteer Firefighter Retirement Fund. The amount transferred in FY 2021 was \$750,000.

## LEGISLATIVE PLAN

### Membership Eligibility

The New Mexico Legislative Retirement Plan includes any state legislators and lieutenant governors.

#### State Legislator Member Coverage Plan 1 and Plan 1 Enhanced

Age	Years of Credited Service
Any	14 or more
60+	12 or more
63+	11 or more
64+	8 or more
65+	5 or more

#### **State Legislator Member Coverage Plan 2**

- Any age with 10 or more years of service credit; or
- Age 65 with 5 or more years of service credit.

### Service Benefit Formula

The annual pension for State Legislator Member Coverage Plan 1 is \$250 multiplied by the years of credited service.

The annual pension for State Legislator Member Coverage Plan 1 Enhanced is \$500 multiplied by the years of credited service.

The annual pension for State Legislator Member Coverage Plan 2 is 11% of the per diem rate in effect multiplied by 60 and further multiplied by the member's service credit.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Cost of Living Adjustment

Pensions are increased each July 1 by 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

### Death Benefits

Legislative death benefits depend on whether or not the death occurred in the line of duty.

*Death in the Line-of-Duty* – A survivor pension is paid to the eligible spouse and children if the member has not designated a different survivor beneficiary under the “Designated Survivor Pension Beneficiary” provision. The pension payable for life to an eligible beneficiary is 80% of the accrued normal retirement pension.

*Death NOT in the Line-of-Duty* – Requires five years of credited service for eligibility. A survivor pension is paid to the eligible spouse or children if the member has not designated a different survivor beneficiary under the “Designated Survivor Pension Beneficiary” provision. The pension payable for life to an eligible spouse is 80% of accrued normal retirement pension. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share, with each other child, of 50% of accrued normal retirement pension. An eligible child is an unmarried natural or adopted child who is under age 18 years. A child’s pension terminates upon death, marriage or reaching age 18. The pension of any remaining eligible children is recalculated whenever a child’s pension is terminated.

### Disability Retirement

Applicable to members and vested former members with five or more years of credited service. The five year credited service requirement is waived if the disability is incurred in the line of duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

### Contribution Rates

Members contribute \$100 for each year of credited service under State Legislator Member Coverage Plan 1, \$200 for each year of credited service under State Legislator Member Coverage Plan 1 Enhanced and \$500 for each year of credited service prior to 2012 and \$600 for each year of service beginning with the 2012 legislative session for the State Legislator Member Coverage Plan 2. An additional annual appropriation to the Legislative Retirement Fund is determined by the actuarial valuation. Effective 2019 the annual contributions amount under Legislative Retirement Plan 2 increased to \$1,000.



Public Employees Retirement Association

# STATISTICAL SECTION



ANNUAL COMPREHENSIVE FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2021

## CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

PERA Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Additions:</b>										
Contributions:										
Employers	\$ 274,906	\$ 285,561	\$ 296,409	\$ 314,764	\$ 322,352	\$ 332,473	\$ 319,499	\$ 339,676	\$ 367,525	\$ 379,185
Members	248,070	226,165	240,180	253,637	260,025	264,939	273,680	271,489	289,777	298,573
Appropriations / Legislative	—	—	—	—	—	—	—	—	—	2,400
Purchased service credits by members	10,150	9,133	8,214	7,682	7,904	7,890	9,167	7,617	7,376	10,979
<b>Total contributions</b>	<b>533,126</b>	<b>520,859</b>	<b>544,803</b>	<b>576,083</b>	<b>590,281</b>	<b>605,302</b>	<b>602,346</b>	<b>618,782</b>	<b>720,578</b>	<b>691,137</b>
Investment income:										
Interest	112,835	118,160	122,474	294,214	115,151	121,571	137,920	154,891	121,302	61,154
Dividends	135,833	175,225	174,628	191,912	170,644	162,384	161,066	151,500	119,568	112,706
Net change in fair value of investments	(341,657)	1,222,052	1,860,874	(205,270)	(249,588)	1,240,714	694,887	581,382	(457,795)	3,478,447
Securities lending income (loss)	3,392	(13,764)	(8,311)	(1,264)	2,551	3,965	68,554	3,351	3,072	2,017
Other investment income (loss)	(4,925)	—	—	—	30,586	29,145	3,462	108,877	55,079	230,805
	(94,522)	1,501,673	2,149,665	279,592	69,344	1,557,779	1,065,891	1,000,002	(158,774)	3,885,129
Less investment expenses										
Securities lending expenses	(350)	(357)	(335)	(368)	(353)	(633)	(530)	(497)	(455)	(297)
Brokerage fees and other investment expenses	(24,619)	(27,743)	(31,422)	(27,735)	(21,547)	(56,387)	(61,134)	(63,943)	(64,316)	(85,691)
<b>Net investment income</b>	<b>(119,491)</b>	<b>1,473,573</b>	<b>2,117,908</b>	<b>251,489</b>	<b>47,444</b>	<b>1,500,759</b>	<b>1,004,227</b>	<b>935,561</b>	<b>(223,545)</b>	<b>3,799,141</b>
Other income(loss) and special item	27,691	9,795	17,390	25,296	12,318	451	2,110	2,047	1,645	1,991
<b>Total additions</b>	<b>441,326</b>	<b>2,004,227</b>	<b>2,680,101</b>	<b>852,868</b>	<b>650,043</b>	<b>2,106,512</b>	<b>1,608,683</b>	<b>1,556,390</b>	<b>498,678</b>	<b>4,492,269</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	708,187	760,632	905,329	966,236	1,024,399	1,084,818	1,133,418	1,193,944	1,255,018	1,314,820
Death Benefits/Survivors	59,531	67,102	—	—	—	—	—	—	—	—
Disability	12,427	14,977	—	—	—	—	—	—	—	—
Refunds to terminated employees	45,771	45,114	47,377	46,010	44,937	44,396	50,288	54,337	44,903	40,354
Administrative expenses	9,841	8,612	10,417	9,886	10,754	11,486	12,667	13,583	14,319	12,731
<b>Total deductions</b>	<b>835,757</b>	<b>896,437</b>	<b>963,123</b>	<b>1,022,132</b>	<b>1,080,090</b>	<b>1,140,700</b>	<b>1,196,373</b>	<b>1,261,864</b>	<b>1,314,240</b>	<b>1,367,905</b>
Net increase(decrease) in plan net position	(394,431)	1,107,790	1,716,978	(169,264)	(430,047)	965,812	412,310	297,063	(815,562)	3,124,364
<b>Net position held in trust for pension benefits</b>										
Beginning of year	11,994,455	11,600,024	12,707,814	14,424,792	14,255,528	13,826,658	14,798,918	15,210,483	15,507,546	14,691,984
Prior Period Adjustment						6,447	6447	—	—	—
<b>End of year</b>	<b>\$11,600,024</b>	<b>\$12,707,814</b>	<b>\$14,424,792</b>	<b>\$ 14,255,528</b>	<b>\$13,826,658</b>	<b>\$14,798,918</b>	<b>\$15,210,482</b>	<b>\$15,507,546</b>	<b>\$14,691,984</b>	<b>\$ 17,816,348</b>



**CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS (CONTINUED)**

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

Judicial Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Additions:</b>										
Contributions:										
Employers	\$ 3,266	\$ 3,527	\$ 3,741	\$ 4,196	\$ 4,237	\$ 4,524	\$ 4,723	\$ 4,731	\$ 4,683	\$ 4,426
Members	1,348	1,424	1,085	1,546	1,582	1,636	1,580	1,649	1,783	1,838
Purchased service credits by members	16	15	—	33	—	—	52	—	—	—
<b>Total contributions</b>	<b>4,630</b>	<b>4,966</b>	<b>4,826</b>	<b>5,775</b>	<b>5,819</b>	<b>6,160</b>	<b>6,355</b>	<b>6,422</b>	<b>6,466</b>	<b>7,464</b>
Investment income:										
Interest	954	752	757	1,825	705	738	841	949	723	347
Dividends	861	1,110	1,081	1,178	1,037	975	958	893	693	638
Net change in fair value of investments	(2,266)	7,723	11,605	(1,312)	(1,580)	7,450	4,159	3,400	(2,637)	19,682
Securities lending income (loss)	22	(82)	(51)	(7)	16	24	407	20	322	1,306
(loss)	—	—	—	—	186	175	21	642	18	11
	(429)	9,503	13,392	1684	364	9,363	6,386	5904	(881)	21,984
less investment expenses										
Securities lending expenses	(2)	(2)	(2)	(2)	(2)	(4)	(3)	(3)	(3)	(1)
Brokerage fees and other investment expenses	(160)	(177)	(193)	(170)	(130)	(347)	(363)	(373)	(368)	(481)
<b>Net investment income</b>	<b>(591)</b>	<b>9,324</b>	<b>13,197</b>	<b>1512</b>	<b>232</b>	<b>9,012</b>	<b>6,020</b>	<b>5528</b>	<b>(1,252)</b>	<b>21,502</b>
Other income and special item										
	184	171	486	33	72	—	—	10	—	—
<b>Total additions</b>	<b>4,223</b>	<b>14,461</b>	<b>18,509</b>	<b>7,320</b>	<b>6,123</b>	<b>15,172</b>	<b>12,375</b>	<b>11,960</b>	<b>5,214</b>	<b>28,966</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	6,401	6,787	8,770	9,373	9,813	10,096	10,585	11,352	12,013	12,538
Death Benefits/Survivors	1,225	1,407	—	—	—	11	—	—	—	—
Disability	30	31	—	—	—	—	—	—	—	—
Refunds to terminated employees	10	52	52	40	45	—	—	100	8	1
Administrative expenses	23	26	64	60	64	69	75	79	82	71
<b>Total deductions</b>	<b>7,689</b>	<b>8,303</b>	<b>8,886</b>	<b>9,473</b>	<b>9,922</b>	<b>10,176</b>	<b>10,660</b>	<b>11,532</b>	<b>12,103</b>	<b>12,610</b>
Net increase (decrease) in plan net position	(3,466)	6,158	9,623	(2,153)	(3,799)	4,996	1,714	429	(6,889)	16,356
<b>Net position held in trust for pension benefits</b>										
Beginning of year	78,826	75,360	81,518	91,141	88,988	84,932	89,616	91,331	91,759	84,870
Prior Period Adjustment	—	—	—	—	(257)	(312)	—	—	—	—
<b>End of year</b>	<b>\$ 75,360</b>	<b>\$ 81,518</b>	<b>\$ 91,141</b>	<b>\$ 88,988</b>	<b>\$ 84,932</b>	<b>\$ 89,616</b>	<b>\$ 91,331</b>	<b>\$ 91,759</b>	<b>\$ 84,870</b>	<b>\$ 101,226</b>

## CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

Magistrates Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Additions:</b>										
Contributions:										
Employers	\$ 676	\$ 805	\$ 793	\$ 936	\$ 1280	\$ 1282	\$ 1232	\$ 1,236	\$ 1,293	\$ 1,148
Members	350	353	266	490	587	603	580	640	650	652
Purchased service credits by members	—	—	—	—	—	—	—	—	—	1200
<b>Total contributions</b>	<b>1,026</b>	<b>1,158</b>	<b>1,059</b>	<b>1,426</b>	<b>1,867</b>	<b>1,886</b>	<b>1,812</b>	<b>1,876</b>	<b>1,943</b>	<b>3,000</b>
Investment income:										
Interest	400	298	296	675	262	268	297	328	248	120
Dividends	360	441	423	443	386	356	342	314	241	222
Net change in fair value of investments	(920)	3,173	4,574	(471)	(605)	2,721	1,495	1,196	(916)	6,832
Securities lending income (loss)	9	(34)	(19)	(3)	6	9	146	7	112	453
Other investment income (loss)	—	—	—	—	69	64	7	226	6	4
	(151)	3,878	5,274	644	118	3,417	2,287	2,070	(309)	7,631
less investment expenses										
Securities lending expenses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Brokerage fees and other investment expenses	(65)	(67)	(74)	(64)	(48)	(126)	(130)	(130)	(127)	(168)
<b>Net investment income</b>	<b>(217)</b>	<b>3,810</b>	<b>5,199</b>	<b>579</b>	<b>69</b>	<b>3,290</b>	<b>2,156</b>	<b>1,938</b>	<b>(437)</b>	<b>7,462</b>
Other income (loss) and special item	75	67	217	(19)	27	3	14	—	—	—
<b>Total additions</b>	<b>884</b>	<b>5,035</b>	<b>6,475</b>	<b>1,986</b>	<b>1,963</b>	<b>5,178</b>	<b>3,982</b>	<b>3,814</b>	<b>1,506</b>	<b>10,462</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	2,753	2,886	3,690	3,956	3,976	3,966	3,951	4,026	4,204	4,294
Death Benefits/Survivors	386	413	—	—	—	—	—	—	—	—
Disability	79	81	—	—	—	—	—	—	—	—
Refunds to terminated employees	—	54	16	5	14	—	63	56	—	50
Administrative expenses	12	14	24	23	24	25	27	28	28	25
<b>Total deductions</b>	<b>3,230</b>	<b>3,448</b>	<b>3,730</b>	<b>3,984</b>	<b>4,014</b>	<b>3,991</b>	<b>4,041</b>	<b>4,109</b>	<b>4,232</b>	<b>4,369</b>
Net increase (decrease) in plan net position	(2,346)	1,587	2,745	(1,998)	(2,051)	1,187	(59)	(295)	(2,726)	6,093
<b>Net position held in trust for pension benefits</b>										
Beginning of year	33,198	30,852	32,439	35,184	33,186	31,038	32,225	32,092	31,797	29,071
Prior Period Adjustment	—	—	—	—	—	—	—	—	—	—
<b>End of year</b>	<b>\$ 30,852</b>	<b>\$ 32,439</b>	<b>\$ 35,184</b>	<b>\$ 33,186</b>	<b>\$ 31,038</b>	<b>\$ 32,225</b>	<b>\$ 32,092</b>	<b>\$ 31,797</b>	<b>\$ 29,071</b>	<b>\$ 35,164</b>

**CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS (CONTINUED)**

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

<b>Volunteer Firefighter Fund</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Additions:</b>										
Contributions:										
Employers	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Members	—	—	—	—	—	—	—	—	—	—
Appr from the State of NM	750	750	750	750	750	750	750	750	750	750
Purchased service credits	—	—	—	—	—	—	—	—	—	—
<b>Total contributions</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>
Investment income:										
Interest	603	494	519	1,278	507	544	628	720	573	289
Dividends	547	730	738	831	750	724	727	694	558	532
Net change in fair value of investments	(1,343)	5,024	7,834	(888)	(1,099)	5,528	3,111	2,687	(2,154)	16,437
Securities lending income (loss)	14	(62)	(36)	(5)	11	18	310	15	14	10
Other investment income (loss)	—	—	—	—	134	130	16	499	256	1,091
	(179)	6,186	9,055	1,216	303	6,943	4,790	4,616	(753)	18,359
less investment expenses										
Securities lending expenses	(1)	(2)	(1)	(2)	(1)	(3)	(2)	(2)	(2)	(1)
Brokerage fees and other investment expenses	(100)	(118)	(135)	(120)	(95)	(258)	(276)	(296)	(302)	(408)
<b>Net investment income</b>	<b>(280)</b>	<b>6,066</b>	<b>8,919</b>	<b>1,094</b>	<b>207</b>	<b>6,682</b>	<b>4,512</b>	<b>4,318</b>	<b>(1,057)</b>	<b>17,950</b>
Other income (loss) and special item	109	102	405	12	51	1	1	1	—	125
<b>Total additions</b>	<b>579</b>	<b>6,918</b>	<b>10,074</b>	<b>1,856</b>	<b>1,008</b>	<b>7,434</b>	<b>5,263</b>	<b>5,069</b>	<b>(307)</b>	<b>18,700</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	829	935	1,419	1,633	1,835	2,031	2,319	2,457	2,626	2,758
Death Benefits/Survivors	28	34	—	—	—	—	—	—	—	—
Disability	—	—	—	—	—	—	—	—	—	—
Administrative expenses	—	—	44	43	47	52	58	63	67	60
<b>Total deductions</b>	<b>857</b>	<b>969</b>	<b>1,463</b>	<b>1,676</b>	<b>1,882</b>	<b>2,083</b>	<b>2,377</b>	<b>2,520</b>	<b>2,693</b>	<b>2,818</b>
Net increase (decrease) in plan net position	(278)	5,949	8,611	180	(874)	5,351	2,886	2,549	(3,000)	15,882
<b>Net position held in trust for pension benefits</b>										
Beginning of year	47,641	47,363	53,312	61,923	62,103	61,050	66,401	69,287	71,836	68,836
<b>End of year</b>	<b>\$ 47,363</b>	<b>\$ 53,312</b>	<b>\$ 61,923</b>	<b>\$ 62,103</b>	<b>\$ 61,050</b>	<b>\$ 66,401</b>	<b>\$ 69,287</b>	<b>\$ 71,836</b>	<b>\$ 68,836</b>	<b>\$ 84,718</b>

## CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS (CONTINUED)

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

Deferred Comp Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Additions:</b>										
Contributions:										
Employers	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Members	33,869	35,921	35,911	34,628	35,261	47,753	40,032	43,135	41,705	42,905
Purchased service credits by members	—	—	—	—	—	—	—	—	—	—
<b>Total contributions</b>	<b>33,869</b>	<b>35,921</b>	<b>35,911</b>	<b>34,628</b>	<b>35,261</b>	<b>47,753</b>	<b>40,032</b>	<b>43,135</b>	<b>41,705</b>	<b>42,905</b>
Investment income:										
Interest	2,497	2,597	427	450	502	58,957	3,055	3,077	8,946	17,949
Dividends	—	—	—	—	—	—	—	—	—	—
Net change in fair value of investments	(11)	37,604	59,543	18,933	994	—	44,426	34,479	14,657	145,258
Securities lending income (loss)	—	—	—	—	—	—	—	—	—	—
Other investment income (loss)	(1,040)	(11)	—	—	—	—	—	—	708	841
	1,446	40,190	59,970	19,383	1,496	58,957	47,481	37,556	24,311	164,048
less investment expenses										
Securities lending expenses	—	—	—	—	—	—	—	—	—	—
Brokerage fees and other investment expenses	—	—	—	—	—	—	—	—	—	—
<b>Net investment income</b>	<b>1,446</b>	<b>40,190</b>	<b>59,970</b>	<b>19,383</b>	<b>1,496</b>	<b>58,957</b>	<b>47,481</b>	<b>37,556</b>	<b>24,311</b>	<b>164,048</b>
Other income	—	—	—	—	—	—	82	107	108	105
<b>Total additions</b>	<b>35,315</b>	<b>76,111</b>	<b>95,881</b>	<b>54,011</b>	<b>36,757</b>	<b>106,710</b>	<b>87,595</b>	<b>80,798</b>	<b>66,124</b>	<b>207,058</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	29,960	36,194	37,303	38,954	34,153	39,511	48,221	41,198	47,481	55,089
Life insurance premiums	112	92	76	62	55	42	34	25	18	13
Administrative expenses	956	918	930	996	1,055	1,165	1,317	1,458	1,558	1,791
<b>Total deductions</b>	<b>31,028</b>	<b>37,204</b>	<b>38,309</b>	<b>40,012</b>	<b>35,263</b>	<b>40,718</b>	<b>49,572</b>	<b>42,681</b>	<b>49,057</b>	<b>56,893</b>
<b>Net increase (decrease) in plan net position</b>	<b>4,287</b>	<b>38,907</b>	<b>57,572</b>	<b>13,999</b>	<b>1,494</b>	<b>65,993</b>	<b>38,023</b>	<b>38,117</b>	<b>17,067</b>	<b>150,165</b>
<b>Net position held in trust for pension benefits</b>										
Beginning of year	388,534	392,821	429,775	487,347	501,346	502,840	568,833	606,898	645,015	662,082
Prior Period Adjustment	—	—	—	—	—	—	—	—	44,603	—
<b>End of year</b>	<b>\$ 392,821</b>	<b>\$ 431,728</b>	<b>\$ 487,347</b>	<b>\$ 501,346</b>	<b>\$ 502,840</b>	<b>\$ 568,833</b>	<b>\$ 606,898</b>	<b>\$ 645,015</b>	<b>\$ 662,082</b>	<b>\$ 812,247</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

PERA Fund Benefit Option	2017			2018		
	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
death	14,404	\$ 426,262,930	\$ 29,593	15,042	\$ 451,190,431	\$ 29,995
Two Life 100% survivor pension						
Retired member recipient	12,742	393,244,230	30,862	13,214	415,937,183	31,477
Survivor member recipient	2,293	52,370,761	22,839	2,409	56,816,564	23,585
Two life 50% survivor pension						
Retired member recipient	4,751	154,216,776	32,460	4,771	157,631,492	33,040
Survivor member recipient	905	11,973,711	13,231	932	12,664,539	13,589
Single Life with temporary child survivor pension						
Retired member recipient	215	8,498,507	39,528	193	7,919,309	41,033
Child recipient	6	147,907	24,651	7	157,186	22,455
<b>Total Normal Retirement Pensions</b>	<b>35,316</b>	<b>\$ 1,046,714,822</b>	<b>\$ 29,639</b>	<b>36,568</b>	<b>\$ 1,102,316,704</b>	<b>\$ 30,144</b>
<b>DISABILITY RETIREMENT PENSIONS:</b>						
death	407	\$ 7,081,485	\$ 17,399	464	\$ 8,258,856	\$ 17,799
Two Life 100% survivor pension						
Retired member recipient	751	12,681,154	16,886	771	13,408,112	17,391
Survivor member recipient	195	3,016,340	15,468	202	3,168,006	15,683
Two life 50% survivor pension						
Retired member recipient	162	3,077,199	18,995	170	3,280,877	19,299
Survivor member recipient	23	200,451	8,715	25	212,726	8,509
Single Life with temporary child survivor pension						
Retired member recipient	8	115,407	14,426	8	123,712	15,464
Child recipient	1	6,363	6,363	1	6,490	6,490
<b>Total Disability Retirement Pensions</b>	<b>1,547</b>	<b>\$ 26,178,399</b>	<b>\$ 16,922</b>	<b>1,641</b>	<b>\$ 28,458,779</b>	<b>\$ 17,342</b>
<b>PRE-RETIREMENT SURVIVOR PENSIONS:</b>						
Pre-retirement survivor pension						
Spouse recipient	1,103	18,806,996	\$17,051	1,122	\$19,496,306	\$17,376
Child recipient	45	453,801	10,084	43	441,090	10,258
<b>Total Pre-Retirement Survivor Pensions</b>	<b>1,148</b>	<b>\$ 19,260,797</b>	<b>\$16,778</b>	<b>1,165</b>	<b>\$ 19,937,396</b>	<b>\$17,114</b>
<b>LEGISLATIVE RETIREMENT PENSIONS:</b>						
Legislative retirement						
Retired member recipient	156	\$1,615,853	\$10,358	150	\$ 1,559,216	\$30,083
Survivor member recipient	30	269,013	8,967	33	309,110	25,511
<b>Pensions</b>	<b>186</b>	<b>\$ 1,884,866</b>	<b>\$10,134</b>	<b>183</b>	<b>\$ 1,868,326</b>	<b>\$ 10,209</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>38,197</b>	<b>\$1,094,038,884</b>	<b>\$28,642</b>	<b>39,557</b>	<b>\$ 1,152,581,205</b>	<b>\$29,137</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2019			2020			2021		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
15,571	\$ 475,991,087	\$ 30,569	16,107	\$ 502,570,678	31,202	16,601	\$ 524,964,669	\$ 31,622
13,562	434,725,915	32,055	13,802	450,128,365	\$32613	14,085	461,789,561	32,786
2,476	60,647,476	24,494	2,586	65,204,638	\$25214	2,721	69,831,668	25,664
4,930	166,585,035	33790	5,092	174,975,685	34,363	5,164	178,929,585	34,649
951	13,150,784	13828	990	14,074,515	14,217	1,028	15,268,891	14,853
189	7,870,229	41,641	177	7,464,072	\$42170	181	7,760,638	42,846
6	152,792	25,465	6	155,847	\$25,975	7	207,318	29,617
<b>37,685</b>	<b>\$ 1,159,123,318</b>	<b>\$ 30,758</b>	<b>38,760</b>	<b>\$ 1,214,573,800</b>	<b>\$ 31,336</b>	<b>39,787</b>	<b>\$ 1,258,752,330</b>	<b>\$ 31,637</b>
487	\$ 8,882,199	\$ 18,239	503	\$ 9,326,815	\$ 18,542	506	\$ 9,370,634	\$ 18,519
774	13,787,766	17,814	788	14,357,427	18,220	786	14,495,893	18,443
205	3,295,869	16,077	220	3,533,326	16,061	218	3,527,785	16,183
186	3,719,808	19,999	187	3,836,939	20,518	189	3,937,191	20,832
27	226,014	8,371	28	238,262	8,509	28	243,286	8,689
9	143,358	15,929	10	161,954	16,195	9	159,737	17,749
—	—	N/A	—	—	N/A	1	10,401	\$10,401
<b>1,688</b>	<b>\$ 30,055,014</b>	<b>\$ 17,805</b>	<b>1,736</b>	<b>\$ 31,454,723</b>	<b>\$ 18,119</b>	<b>1,737</b>	<b>\$ 31,744,927</b>	<b>\$ 18,276</b>
1,137	20,173,213	\$ 17,742	1,163	\$2,103,261	\$18,085	1,187	\$21,732,573	\$ 18,309
40	418,020	10,451	37	390,394	10,551	32	313,247	9,789
<b>1,177</b>	<b>\$ 20,591,233</b>	<b>\$ 17,495</b>	<b>1,200</b>	<b>\$ 21,423,655</b>	<b>\$ 17,853</b>	<b>1,219</b>	<b>\$ 22,045,820</b>	<b>\$ 18,085</b>
185	\$1,966,525	\$10,630	157	\$1,713,418	\$11,622	193	\$2,104,736	\$ 10,905
9	108,819	12,091	38	404,233	9,702	11	158,766	14,333
<b>194</b>	<b>\$ 2,075,344</b>	<b>\$ 10,698</b>	<b>195</b>	<b>\$ 2,117,651</b>	<b>\$ 10,860</b>	<b>195</b>	<b>\$ 2,117,651</b>	<b>\$ 10,860</b>
<b>40,744</b>	<b>\$ 1,211,844,909</b>	<b>\$ 29,743</b>	<b>41,891</b>	<b>\$ 1,269,569,829</b>	<b>\$ 30,307</b>	<b>42,938</b>	<b>\$ 1,314,660,728</b>	<b>\$ 30,618</b>

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)**

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

Judicial Fund Benefit Option	2017			2018		
	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
Regular Benefit - 75% joint and survivor	119	\$ 8,220,174	\$ 69,077	125	\$ 8,604,718	\$ 68,838
Survivor/co-payee beneficiary recipient	36	1,562,387	43,400	41	1,807,145	44,077
<b>Total Normal Retirement Pensions</b>	<b>155</b>	<b>\$ 9,782,561</b>	<b>\$ 63,113</b>	<b>166</b>	<b>\$ 10,411,863</b>	<b>\$ 62,722</b>
<b>DISABILITY RETIREMENT PENSIONS:</b>						
Duty Disability	1	\$ 31,797	\$ 31,797	1	\$ 31,797	\$ 31,797
Survivor/co-payee Recipient	-	—	n/a	-	-	n/a
Non-Duty Disability	1	41,398	41,398	1	41,398	41,398
<b>Total Disability Retirement Pensions</b>	<b>2</b>	<b>\$ 73,195</b>	<b>\$ 36,598</b>	<b>2</b>	<b>\$ 73,195</b>	<b>\$ 36,598</b>
<b>PRE-RETIREMENT SURVIVOR PENSIONS:</b>						
Pre-retirement survivor pension						
Spouse recipient	6	\$ 286,224	\$ 47,704	6	\$ 286,224	\$ 47,704
Child recipient	-	—	n/a	—	-	n/a
<b>Total Pre-Retirement Survivor Pensions</b>	<b>6</b>	<b>\$ 286,224</b>	<b>\$ 47,704</b>	<b>6</b>	<b>\$ 286,224</b>	<b>\$ 47,704</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>163</b>	<b>\$ 10,141,980</b>	<b>\$ 62,221</b>	<b>174</b>	<b>\$ 10,771,282</b>	<b>\$ 61,904</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2019			2020			2021		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
133	\$ 9,402,971	\$ 70,699	136	\$ 9,642,817	\$ 70,903	143	\$ 10,186,346	\$ 71,233
45	1,945,874	43,242	49	2,119,238	35,984	51	2,177,669	42,699
<b>178</b>	<b>\$ 11,348,845</b>	<b>\$ 63,758</b>	<b>185</b>	<b>\$ 11,762,055</b>	<b>\$ 63,578</b>	<b>194</b>	<b>\$ 12,364,015</b>	<b>\$ 63,732</b>
1	\$ 32,433	\$ 32,433	2	\$ 74,659	\$ 37,330	2	\$ 74,659	\$ 37,330
	—	n/a	—	—	n/a	—	—	n/a
1	42,226	\$ 42,226	1	42,226	\$ 42,226	—	\$0	\$ —
<b>2</b>	<b>\$ 74,659</b>	<b>\$ 37,330</b>	<b>2</b>	<b>\$ 74,659</b>	<b>\$ 37,330</b>	<b>2</b>	<b>\$ 74,659</b>	<b>\$ 37,330</b>
6	\$ 291,949	48,658	6	\$ 291,949	\$ 48,658	6	\$ 306,943	\$ 51,157
—	—	n/a	—	—	n/a	—	—	n/a
<b>6</b>	<b>\$ 291,949</b>	<b>\$ 48,658</b>	<b>6</b>	<b>\$ 291,949</b>	<b>\$ 48,658</b>	<b>6</b>	<b>\$ 306,943</b>	<b>\$ 51,157</b>
<b>186</b>	<b>\$ 11,715,453</b>	<b>\$ 62,986</b>	<b>193</b>	<b>\$ 12,128,663</b>	<b>\$ 62,843</b>	<b>202</b>	<b>\$ 12,745,617</b>	<b>\$ 63,097</b>



**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)**

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

<b>Magistrate Fund</b>						
Benefit Option	2017			2018		
	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
Regular Benefit - 75% joint and survivor	78	\$ 3,104,997	\$ 39,808	78	\$ 3,032,173	\$ 38,874
Survivor/co-payee beneficiary recipient	20	597,580	29,879	22	680,059	49,238
<b>Total Normal Retirement Pensions</b>	<b>98</b>	<b>\$ 3,702,577</b>	<b>\$ 37,781</b>	<b>100</b>	<b>\$ 3,712,232</b>	<b>\$ 37,122</b>
<b>DISABILITY RETIREMENT PENSIONS:</b>						
Duty Disability	1	\$ 46,177	\$ 46,177	1	\$ 46,177	\$ 46,177
Survivor/co-payee Recipient	—	—	n/a	-	-	n/a
Non-Duty Disability	2	95,362	47,681	2	95,362	47,681
<b>Total Disability Retirement Pensions</b>	<b>3</b>	<b>\$ 141,539</b>	<b>\$ 47,180</b>	<b>3</b>	<b>\$ 141,539</b>	<b>\$ 47,180</b>
<b>PRE-RETIREMENT SURVIVOR PENSIONS:</b>						
Pre-retirement survivor pension						
Spouse recipient	1	\$ 46,337	\$ 46,337	1	\$ 46,337	\$ 46,337
Child recipient	—	—	n/a	-	-	n/a
<b>Total Pre-Retirement Survivor Pensions</b>	<b>1</b>	<b>\$ 46,337</b>	<b>\$ 46,337</b>	<b>1</b>	<b>\$ 46,337</b>	<b>\$ 46,337</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>102</b>	<b>\$ 3,890,453</b>	<b>\$ 38,142</b>	<b>104</b>	<b>\$ 3,900,108</b>	<b>\$ 37,501</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2019			2020			2021		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
77	\$ 306,7438	\$ 39,837	81	\$ 3,348,233	\$ 41,336	80	\$ 3,341,807	\$ 41,773
24	750,262	49,685	24	694,608	28,942	27	811,887	30,070
<b>101</b>	<b>\$ 3,817,700</b>	<b>\$ 37,799</b>	<b>105</b>	<b>\$ 4,042,841</b>	<b>\$ 38,503</b>	<b>107</b>	<b>\$ 4,153,694</b>	<b>\$ 38,820</b>
1	\$ 47,100	\$ 47,100	—	\$ —	n/a	—	—	n/a
—	—	n/a	—	—	n/a	—	—	n/a
2	97,270	\$ 48,635	2	97,270	48,635	2	99,214	49,607
<b>3</b>	<b>\$ 144,370</b>	<b>\$ 48,123</b>	<b>2</b>	<b>\$ 97,270</b>	<b>\$ 48,635</b>	<b>2</b>	<b>\$ 99,214</b>	<b>\$ 49,607</b>
1	\$ 47,264	\$ 47,264	1	\$ 47,264	\$ 47,264	2	\$ 79,812	\$ 39,906
—	—	n/a	—	—	n/a	—	—	n/a
<b>1</b>	<b>\$ 47,264</b>	<b>\$ 47,264</b>	<b>1</b>	<b>\$ 47,264</b>	<b>\$ 47,264</b>	<b>2</b>	<b>\$ 79,812</b>	<b>\$ 39,906</b>
<b>105</b>	<b>\$ 4,009,334</b>	<b>\$ 38,184</b>	<b>108</b>	<b>\$ 4,187,375</b>	<b>\$ 38,772</b>	<b>111</b>	<b>\$ 4,332,720</b>	<b>\$ 39,034</b>

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)**

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

<b>Volunteer Firefighters Fund</b>		<b>2017</b>		<b>2018</b>		
Benefit Option	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
Regular Benefit - 66 2/3% joint and survivor	1,139	\$ 2,063,250	\$ 1,811	1,274	\$ 2,310,750	\$ 1,814
Survivor/co-payee Recipient	72	67,150	933	80	76,550	957
Total Normal Retirement Pensions	<b>1,211</b>	<b>\$ 2,130,400</b>	<b>\$ 1,759</b>	<b>1,354</b>	<b>\$ 2,387,300</b>	<b>\$ 1,763</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>1,211</b>	<b>\$ 2,130,400</b>	<b>\$ 1,759</b>	<b>1,354</b>	<b>\$ 2,387,300</b>	<b>\$ 1,763</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2019			2020			2021		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
1,330	\$ 2,411,250	\$ 1,813	1,423	\$ 2,583,750	\$ 1,816	1,467	\$ 2,672,250	\$ 1,822
99	97,749	987	114	113,749	998	123	124,548	1013
<b>1,429</b>	<b>\$ 2,508,999</b>	<b>\$ 1,756</b>	<b>1537</b>	<b>\$ 2,697,499</b>	<b>\$ 1,755</b>	<b>1,590</b>	<b>\$ 2,796,798</b>	<b>\$ 1,759</b>
<b>1,429</b>	<b>\$ 2,508,999</b>	<b>\$ 1,756</b>	<b>1537</b>	<b>\$ 2,697,499</b>	<b>\$ 1,755</b>	<b>1,590</b>	<b>\$ 2,796,798</b>	<b>\$ 1,759</b>

# SCHEDULE OF AVERAGE BENEFIT PAYMENT

FISCAL YEAR ENDED JUNE 30, 2021

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

## Years of Credited Service

Div/Plan		Under 5	5-9	10-14	15-19	20-24	25-29	30+	Total
<b>State General</b>									
2012	Average Monthly Benefit	\$ 1,475	\$ 802	\$ 1,189	\$ 1,706	\$ 2,361	\$ 2,862	\$ 2,608	\$ 2,161
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	176	1,453	1,700	1,759	2,179	5,283	918	13,468
2013	Average Monthly Benefit	\$ 1,622	\$ 822	\$ 1,242	\$ 1,784	\$ 2,471	\$ 2,954	\$ 2,692	\$ 2,231
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	187	1,617	1,826	1,863	2,321	5,611	903	14,328
2014	Average Monthly Benefit	\$ 1,730	\$ 848	\$ 1,280	\$ 1,822	\$ 2,534	\$ 3,021	\$ 2,784	\$ 2,277
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	233	1,774	1,989	1,953	2,482	5,962	904	15,297
2015	Average Monthly Benefit	\$ 605	\$ 899	\$ 1,420	\$ 2,012	\$ 2,738	\$ 3,194	\$ 3,132	\$ 2,431
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	520	1,484	1,605	1,593	2,147	5,734	677	13,760
2016	Average Monthly Benefit	\$ 475	\$ 831	\$ 1,390	\$ 2,005	\$ 2,776	\$ 3,261	\$ 3,203	\$ 2,449
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	539	1,577	1,686	1,658	2,222	6,057	660	14,399
2017	Average Monthly Benefit	\$ 443	\$ 842	\$ 1,431	\$ 2,075	\$ 2,824	\$ 3,326	\$ 3,282	\$ 2,483
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	597	1,680	1,755	1,718	2,212	6,235	644	14,841
2018	Average Monthly Benefit	\$ 495	\$ 858	\$ 1,455	\$ 2,114	\$ 2,880	\$ 3,392	\$ 3,364	\$ 2,529
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	628	1,760	1,853	1,767	2,301	6,499	619	15,427
2019	Average Monthly Benefit	\$ 843	\$ 885	\$ 1,492	\$ 2,163	\$ 2,943	\$ 3,465	\$ 3,514	\$ 2,583
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	748	1,825	1,922	1,818	2,294	6,661	595	15,863
2020	Average Monthly Benefit	\$ 967	\$ 906	\$ 1,521	\$ 2,212	\$ 2,996	\$ 3,530	\$ 3,608	\$ 2,637
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	797	1,867	1,962	1,883	2,370	6,872	583	16,334
2021	Average Monthly Benefit	\$ 963	\$ 913	\$ 1,547	\$ 2,227	\$ 3,028	\$ 3,560	\$ 3,687	\$ 2,658
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	809	1,920	2,003	1,993	2,406	6,976	582	16,629

\*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Excludes 923 members who did not have service reported
- (b) Excludes 990 members who did not have service reported
- (c) Excludes 792 members who did not have service reported
- (d) Excludes 488 members who did not have service reported
- (e) Excludes 403 members who did not have service reported

- (f) Excludes 278 members who did not have service reported
- (g) Excludes 113 members who did not have service reported
- (h) Excludes 93 members who did not have service reported
- (i) Excludes 184 members who did not have service reported
- (j) Excludes 173 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>State Police</b>									
2012	Average Monthly Benefit	\$ 1,422	\$ 1,435	\$ 1,439	\$ 1,990	\$ 2,701	\$ 3,148	\$ 3,443	\$ 2,495
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	48	96	108	115	212	327	72	978
2013	Average Monthly Benefit	\$ 1,454	\$ 1,430	\$ 1,475	\$ 2,034	\$ 2,704	\$ 3,171	\$ 3,502	\$ 2,542
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	45	98	108	121	242	357	74	1,045
2014	Average Monthly Benefit	\$ 1,482	\$ 1,404	\$ 1,411	\$ 2,038	\$ 2,771	\$ 3,217	\$ 3,559	\$ 2,601
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	44	104	110	124	258	413	79	1,132
2015	Average Monthly Benefit	\$ 1,205	\$ 1,717	\$ 1,579	\$ 2,251	\$ 2,845	\$ 3,305	\$ 3,822	\$ 2,855
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	33	59	64	83	226	434	62	961
2016	Average Monthly Benefit	\$ 1,339	\$ 1,701	\$ 1,556	\$ 2,255	\$ 2,857	\$ 3,315	\$ 3,816	\$ 2,885
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	35	54	66	86	252	476	67	1,036
2017	Average Monthly Benefit	\$ 1,433	\$ 1,720	\$ 1,606	\$ 2,281	\$ 2,912	\$ 3,352	\$ 3,925	\$ 2,952
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	31	55	63	84	237	500	67	1,037
2018	Average Monthly Benefit	\$ 1,465	\$ 1,610	\$ 1,626	\$ 2,276	\$ 2,858	\$ 3,406	\$ 3,913	\$ 2,954
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	31	59	63	85	348	528	64	1,178
2019	Average Monthly Benefit	\$ 1,774	\$ 1,606	\$ 1,738	\$ 2,352	\$ 2,891	\$ 3,459	\$ 4,002	\$ 3,023
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	36	58	61	81	348	557	64	1,205
2020	Average Monthly Benefit	\$ 1,841	\$ 1,667	\$ 1,766	\$ 2,344	\$ 2,921	\$ 3,512	\$ 4,029	\$ 3,077
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	38	58	57	79	347	583	65	1,227
2021	Average Monthly Benefit	\$ 1,804	\$ 1,641	\$ 1,764	\$ 2,390	\$ 2,952	\$ 3,501	\$ 4,091	\$ 3,107
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	35	53	55	77	346	611	67	1,244

\*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Excludes 311 members who did not have service reported
- (b) Excludes 281 members who did not have service reported
- (c) Excludes 270 members who did not have service reported
- (d) Excludes 202 members who did not have service reported
- (e) Excludes 160 members who did not have service reported

- (f) Excludes 158 members who did not have service reported
- (g) Excludes 34 members who did not have service reported
- (h) Excludes 13 members who did not have service reported
- (i) Excludes 7 members who did not have service reported.
- (j) Excludes 7 members who did not have service reported.

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2021**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

**Years of Credited Service**

<b>Div/Plan</b>		<b>Under 5</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30+</b>	<b>Total</b>
<b>Municipal General</b>									
2012	Average Monthly Benefit	\$ 1,398	\$ 664	\$ 1,053	\$ 1,624	\$ 2,302	\$ 2,771	\$ 2,582	\$ 1,970
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	198	1,217	1,332	1,330	1,496	3,305	393	9,271
2013	Average Monthly Benefit	\$ 1,538	\$ 680	\$ 1,086	\$ 1,698	\$ 2,382	\$ 2,864	\$ 2,677	\$ 2,040
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	207	1,323	1,415	1,431	1,607	3,557	415	9,955
2014	Average Monthly Benefit	\$ 1,466	\$ 687	\$ 1,104	\$ 1,720	\$ 2,429	\$ 2,924	\$ 2,815	\$ 2,078
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	226	1,429	1,531	1,508	1,736	3,823	430	10,683
2015	Average Monthly Benefit	\$ 854	\$ 736	\$ 1,189	\$ 1,839	\$ 2,619	\$ 3,078	\$ 3,145	\$ 2,270
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	278	1,078	1,189	1,195	1,485	3,724	363	9,312
2016	Average Monthly Benefit	\$ 714	\$ 723	\$ 1,171	\$ 1,837	\$ 2,630	\$ 3,147	\$ 3,261	\$ 2,289
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	296	1,148	1,282	1,253	1,514	3,945	377	9,815
2017	Average Monthly Benefit	\$ 654	\$ 725	\$ 1,202	\$ 1,878	\$ 2,672	\$ 3,204	\$ 3,365	\$ 2,322
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	332	1,191	1,322	1,282	1,523	4,052	388	10,090
2018	Average Monthly Benefit	\$ 710	\$ 727	\$ 1,230	\$ 1,898	\$ 2,725	\$ 3,259	\$ 3,447	\$ 2,360
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	355	1,267	1,404	1,340	1,619	4,256	410	10,651
2019	Average Monthly Benefit	\$ 1,192	\$ 751	\$ 1,258	\$ 1,957	\$ 2,767	\$ 3,306	\$ 3,528	\$ 2,400
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	462	1,329	1,473	1,396	1,643	4,380	428	11,111
2020	Average Monthly Benefit	\$ 1,236	\$ 769	\$ 1,278	\$ 2,003	\$ 2,832	\$ 3,372	\$ 3,637	\$ 2,450
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	505	1,368	1,513	1,429	1,661	4,499	457	11,432
2021	Average Monthly Benefit	\$ 1,217	\$ 776	\$ 1,291	\$ 2,013	\$ 2,837	\$ 3,406	\$ 3,748	\$ 2,475
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	518	1,409	1,555	1,469	1,700	4,649	482	11,782

\*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Excludes 788 members who did not have service reported
- (b) Excludes 756 members who did not have service reported
- (c) Excludes 609 members who did not have service reported
- (d) Excludes 319 members who did not have service reported
- (e) Excludes 269 members who did not have service reported

- f) Excludes 226 members who did not have service reported
- (g) Excludes 134 members who did not have service reported
- (h) Excludes 106 members who did not have service reported
- (i) Excludes 31 members who did not have service reported
- (j) Excludes 29 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Municipal Police</b>									
2012	Average Monthly Benefit	\$ 1,716	\$ 1,425	\$ 1,719	\$ 2,774	\$ 3,227	\$ 3,199	\$ 3,391	\$ 2,964
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	51	80	126	514	1,483	142	41	2,437
2013	Average Monthly Benefit	\$ 1,869	\$ 1,470	\$ 1,747	\$ 2,822	\$ 3,310	\$ 3,293	\$ 3,375	\$ 3,043
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	60	78	130	525	1,596	147	43	2,579
2014	Average Monthly Benefit	\$ 1,918	\$ 1,481	\$ 1,789	\$ 2,878	\$ 3,370	\$ 3,511	\$ 3,456	\$ 3,119
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	58	82	139	547	1,771	155	44	2,796
2015	Average Monthly Benefit	\$ 2,054	\$ 1,589	\$ 2,080	\$ 3,167	\$ 3,584	\$ 3,925	\$ 3,657	\$ 3,413
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	42	49	81	467	1,702	133	35	2,509
2016	Average Monthly Benefit	\$ 2,020	\$ 1,573	\$ 2,125	\$ 3,190	\$ 3,635	\$ 4,081	\$ 3,781	\$ 3,475
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	42	50	81	462	1,869	143	36	2,683
2017	Average Monthly Benefit	\$ 1,851	\$ 1,404	\$ 2,136	\$ 3,253	\$ 3,680	\$ 4,157	\$ 3,848	\$ 3,531
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	36	47	81	443	1,968	148	38	2,761
2018	Average Monthly Benefit	\$ 2,090	\$ 1,433	\$ 2,167	\$ 3,277	\$ 3,731	\$ 4,344	\$ 4,181	\$ 3,595
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	36	49	83	450	2,063	155	41	2,877
2019	Average Monthly Benefit	\$ 2,610	\$ 1,597	\$ 2,148	\$ 3,313	\$ 3,796	\$ 4,457	\$ 4,364	\$ 3,647
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	62	59	88	457	2,137	153	40	2,996
2020	Average Monthly Benefit	\$ 2,768	\$ 1,649	\$ 2,158	\$ 3,355	\$ 3,858	\$ 4,484	\$ 4,584	\$ 3,708
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	78	59	84	440	2,176	155	41	3,033
2021	Average Monthly Benefit	\$ 2,779	\$ 1,689	\$ 2,184	\$ 3,404	\$ 3,890	\$ 4,638	\$ 4,600	\$ 3,755
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	82	61	85	432	2,261	172	42	3,135

\*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Excludes 276 members who did not have service reported
- (b) Excludes 247 members who did not have service reported
- (c) Excludes 136 members who did not have service reported
- (d) Excludes 136 members who did not have service reported
- (e) Excludes 88 members who did not have service reported

- (f) Excludes 87 members who did not have service reported
- (g) Excludes 53 members who did not have service reported
- (h) Excludes 36 members who did not have service reported
- (i) Excludes 12 members who did not have service reported
- (j) Excludes 12 members who did not have service reported



**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2021**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Municipal Fire</b>									
2012	Average Monthly Benefit	\$ 1,950	\$ 1,683	\$ 2,187	\$ 2,843	\$ 3,269	\$ 2,886	\$ 2,594	\$ 3,045
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	10	32	85	279	963	73	45	1,487
2013	Average Monthly Benefit	\$ 1,760	\$ 1,746	\$ 2,278	\$ 2,915	\$ 3,366	\$ 3,031	\$ 2,705	\$ 3,143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	11	34	84	281	1,014	71	44	1,539
2014	Average Monthly Benefit	\$ 1,883	\$ 1,776	\$ 2,358	\$ 2,976	\$ 3,441	\$ 3,315	\$ 2,835	\$ 3,232
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	12	34	84	292	1,083	74	46	1,625
2015	Average Monthly Benefit	\$ 2,229	\$ 2,032	\$ 2,767	\$ 3,247	\$ 3,692	\$ 3,694	\$ 3,400	\$ 3,547
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	10	23	48	220	1,027	57	35	1,420
2016	Average Monthly Benefit	\$ 2,308	\$ 2,116	\$ 2,760	\$ 3,341	\$ 3,756	\$ 3,981	\$ 3,419	\$ 3,625
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	11	24	50	225	1,089	62	36	1,497
2017	Average Monthly Benefit	\$ 2,346	\$ 2,170	\$ 2,750	\$ 3,380	\$ 3,821	\$ 4,070	\$ 3,440	\$ 3,689
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	11	25	50	205	1,127	62	36	1,516
2018	Average Monthly Benefit	\$ 2,381	\$ 2,206	\$ 2,822	\$ 3,427	\$ 3,892	\$ 4,317	\$ 3,580	\$ 3,765
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	10	25	54	212	1,169	60	38	1,568
2019	Average Monthly Benefit	\$ 3,473	\$ 2,411	\$ 2,883	\$ 3,526	\$ 3,962	\$ 4,721	\$ 3,724	\$ 3,865
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	26	27	53	200	1,206	67	38	1,617
2020	Average Monthly Benefit	\$ 3,612	\$ 2,364	\$ 2,846	\$ 3,543	\$ 4,028	\$ 4,846	\$ 3,724	\$ 3,925
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	29	29	53	187	1,233	70	36	1,637
2021	Average Monthly Benefit	\$ 3,561	\$ 2,463	\$ 2,824	\$ 3,591	\$ 4,064	\$ 4,932	\$ 3,809	\$ 3,974
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	29	27	47	193	1,270	76	38	1,680

\*Information not available from PERA's actuarial in breakdown of years of service.

(a) Excludes 116 members who did not have service reported

(b) Excludes 114 members who did not have service reported

(c) Excludes 111 members who did not have service reported

(d) Excludes 54 members who did not have service reported

(e) Excludes 44 members who did not have service reported

(f) Excludes 32 members who did not have service reported

(g) Excludes 18 members who did not have service reported

(h) Excludes 13 members who did not have service reported

(i) Excludes 7 members who did not have service reported

(j) Excludes 7 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Legislative</b>									
2012	Average Monthly Benefit	\$ 445	\$ 415	\$ 600	\$ 687	\$ 493	\$ 449	\$ 1,110	\$ 635
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	4	29	24	24	15	6	21	123
2013	Average Monthly Benefit	\$ 763	\$ 410	\$ 771	\$ 820	\$ 748	\$ 462	\$ 1,254	\$ 762
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	4	30	40	26	22	6	22	150
2014	Average Monthly Benefit	\$ 772	\$ 422	\$ 760	\$ 800	\$ 759	\$ 471	\$ 1,231	\$ 750
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	4	30	41	24	22	6	20	147
2015	Average Monthly Benefit	\$ 332	\$ 422	\$ 770	\$ 896	\$ 1,092	\$ 582	\$ 1,538	\$ 800
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	8	38	42	24	18	4	16	150
2016	Average Monthly Benefit	\$ 337	\$ 420	\$ 782	\$ 904	\$ 1,195	\$ 610	\$ 1,614	\$ 819
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	8	36	42	25	18	5	15	149
2017	Average Monthly Benefit	\$ 185	\$ 441	\$ 797	\$ 1,023	\$ 1,250	\$ 622	\$ 1,701	\$ 876
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	6	35	41	28	20	5	15	150
2018	Average Monthly Benefit	\$ 188	\$ 449	\$ 802	\$ 1,024	\$ 1,271	\$ 635	\$ 1,659	\$ 866
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	6	34	43	26	19	5	13	146
2019	Average Monthly Benefit	\$ 256	\$ 462	\$ 816	\$ 1,052	\$ 1,345	\$ 886	\$ 1,747	\$ 903
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	7	36	44	28	19	6	14	154
2020	Average Monthly Benefit	\$ 536	\$ 452	\$ 823	\$ 1,080	\$ 1,338	\$ 897	\$ 1,805	\$ 921
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	9	32	45	25	18	6	13	148
2021	Average Monthly Benefit	\$ 540	\$ 465	\$ 848	\$ 1,117	\$ 1,387	\$ 1,166	\$ 1,707	\$ 929
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	9	34	47	24	20	7	10	151

\*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Excludes 40 members who did not have service reported
- (b) Excludes 29 members who did not have service reported
- (c) Excludes 31 members who did not have service reported
- (d) Excludes 4 members who did not have service reported
- (e) Excludes 2 members who did not have service reported

- (f) Excludes 3 members who did not have service reported
- (g) Excludes 3 members who did not have service reported
- (h) Excludes 3 members who did not have service reported
- (i) Excludes 5 members who did not have service reported
- (j) Excludes 5 members who did not have service reported

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2021**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

**Years of Credited Service**

<b>Div/Plan</b>		<b>Under 5</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30+</b>	<b>Total</b>
	<b>Judicial</b>								
2012	Average Monthly Benefit	\$ 5,851	\$ 2,987	\$ 4,464	\$ 6,333	\$ 5,293	\$ 5,091	\$ 5,587	\$ 5,152
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	1	17	20	35	8	7	18	106
2013	Average Monthly Benefit	\$ 6,026	\$ 3,075	\$ 4,537	\$ 6,375	\$ 5,204	\$ 5,686	\$ 5,898	\$ 5,280
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	1	19	20	39	11	9	17	116
2014	Average Monthly Benefit	\$ 6,147	\$ 3,127	\$ 4,834	\$ 6,615	\$ 5,528	\$ 5,225	\$ 6,016	\$ 5,406
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	1	19	25	39	10	10	17	121
2015	Average Monthly Benefit	\$ 5,945	\$ 3,287	\$ 5,185	\$ 6,847	\$ 5,528	\$ 5,320	\$ 6,988	\$ 5,823
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	1	12	24	37	8	10	13	105
2016	Average Monthly Benefit	\$ 3,285	\$ 3,148	\$ 5,140	\$ 6,745	\$ 5,897	\$ 5,556	\$ 6,988	\$ 5,733
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	2	14	24	39	9	11	13	112
2017	Average Monthly Benefit	\$ 3,285	\$ 3,157	\$ 5,213	\$ 6,793	\$ 6,187	\$ 5,519	\$ 6,988	\$ 5,769
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	2	15	25	40	10	12	13	117
2018	Average Monthly Benefit	\$ 3,285	\$ 3,206	\$ 5,329	\$ 6,828	\$ 6,573	\$ 5,519	\$ 6,975	\$ 5,803
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	2	17	27	41	12	12	12	123
2019	Average Monthly Benefit	\$ 2,566	\$ 3,299	\$ 5,594	\$ 6,977	\$ 7,085	\$ 5,965	\$ 7,267	\$ 5,929
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	6	18	29	44	15	10	10	132
2020	Average Monthly Benefit	\$ 2,342	\$ 3,492	\$ 5,462	\$ 6,924	\$ 6,739	\$ 6,223	\$ 7,267	\$ 5,909
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	7	16	30	46	16	11	10	136
2021	Average Monthly Benefit	\$ 2,500	\$ 3,454	\$ 5,395	\$ 6,984	\$ 7,030	\$ 6,223	\$ 7,267	\$ 5,936
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	8	17	31	48	18	11	10	143

\*Information not available from PERA's actuarial in breakdown of years of service.

(a) Excludes 21 members who did not have service reported

(b) Excludes 17 members who did not have service reported

(c) Excludes 20 members who did not have service reported

(d) Excludes 6 members who did not have service reported

(e) Excludes 4 members who did not have service reported

(f) Excludes 2 members who did not have service reported

(g) Excludes 2 members who did not have service reported

(h) Excludes 1 members who did not have service reported

(i) Excludes 0 members who did not have service reported

(j) Excludes 0 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Magistrate</b>									
2012	Average Monthly Benefit	\$ 3,019	\$ 2,976	\$ 3,607	\$ 3,434	\$ 3,031	\$ 3,275	\$ 4,604	\$ 3,255
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	8	28	18	13	8	5	2	82
2013	Average Monthly Benefit	\$ 3,288	\$ 3,056	\$ 3,616	\$ 3,600	\$ 3,121	\$ 3,205	\$ 4,320	\$ 3,359
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	7	28	18	14	8	6	4	85
2014	Average Monthly Benefit	\$ 3,354	\$ 3,117	\$ 3,769	\$ 3,872	\$ 3,183	\$ 3,352	\$ 4,321	\$ 3,504
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	7	28	20	19	8	7	4	93
2015	Average Monthly Benefit	\$ 3,359	\$ 2,936	\$ 4,011	\$ 4,046	\$ 3,665	\$ 3,016	\$ 2,898	\$ 3,477
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	5	24	15	18	6	7	5	80
2016	Average Monthly Benefit	\$ 3,165	\$ 2,954	\$ 3,868	\$ 3,849	\$ 3,665	\$ 3,016	\$ 2,898	\$ 3,398
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	4	24	14	19	6	7	5	79
2017	Average Monthly Benefit	\$ 1,768	\$ 3,313	\$ 4,175	\$ 3,478	\$ 3,182	\$ 3,904	\$ 2,898	\$ 3,331
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	8	20	13	19	7	4	5	76
2018	Average Monthly Benefit	\$ 1,680	\$ 3,283	\$ 4,087	\$ 3,857	\$ 2,825	\$ 3,463	\$ 2,228	\$ 3,255
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	12	21	16	17	6	2	3	77
2019	Average Monthly Benefit	\$ 1,187	\$ 3,335	\$ 4,189	\$ 3,977	\$ 2,882	\$ 4,072	\$ 2,272	\$ 3,358
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	9	22	17	16	6	3	3	76
2020	Average Monthly Benefit	\$ 1,539	\$ 3,232	\$ 4,235	\$ 4,023	\$ 2,964	\$ 4,598	\$ 2,421	\$ 3,429
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	10	20	18	17	7	3	2	77
2021	Average Monthly Benefit	\$ 1,569	\$ 3,122	\$ 4,354	\$ 4,241	\$ 3,325	\$ 4,398	\$ 2,470	\$ 3,488
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	10	20	17	16	6	3	2	74

\*Information not available from PERA's actuarial in breakdown of years of service.

(a) Excludes 1 member who did not have service reported

(b) Excludes 1 member who did not have service reported

(c) Excludes 1 member who did not have service reported

(d) Excludes 1 member who did not have service reported

(e) Excludes 1 member who did not have service reported

(f) Excludes 1 member who did not have service reported

(g) Excludes 1 member who did not have service reported

(h) Excludes 1 member who did not have service reported

(i) Excludes 4 member who did not have service reported

(j) Excludes 6 member who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

### FISCAL YEAR ENDED JUNE 30, 2021

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

#### Years of Credited Service

Div/Plan		Under 5	5-9	10-14	15-19	20-24	25-29	30+	Total
<b>Volunteer Firefighter</b>									
2012	Average Monthly Benefit	\$ 110	\$ 100	\$ 99	\$ 98	\$ 106	\$ 188	\$ 120	\$ 111
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	10	31	226	124	40	66	10	507
2013	Average Monthly Benefit	\$ 167	\$ 125	\$ 122	\$ 122	\$ 129	\$ 238	\$ 185	\$ 141
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	3	16	348	157	49	95	17	685
2014	Average Monthly Benefit	\$ 125	\$ 125	\$ 123	\$ 122	\$ 118	\$ 247	\$ 215	\$ 143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	1	8	450	210	57	125	31	882
2015	Average Monthly Benefit	\$ 188	\$ 125	\$ 125	\$ 125	\$ 128	\$ 242	\$ 250	\$ 148
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	6	2	505	201	56	147	29	946
2016	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 124	\$ 250	\$ 250	\$ 150
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	1	3	566	208	63	167	39	1,047
2017	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 151
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	2	6	605	217	64	194	43	1,131
2018	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 151
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	2	7	682	238	67	222	46	1,264
2019	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 151
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	3	11	716	240	71	233	46	1,320
2020	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 152
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	10	22	716	244	70	254	47	1,409
2021	Average Monthly Benefit	\$ —	\$ —	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 152
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	—	—	833	249	70	265	50	1,467

\*Information not available from PERA's actuarial in breakdown of years of service.

(a) Excludes 160 members who did not have service reported

(b) Excludes 77 members who did not have service reported

(c) Excludes 11 members who did not have service reported

(d) Excludes 6 members who did not have service reported

(e) Excludes 6 members who did not have service reported

(f) Excludes 6 members who did not have service reported

(g) Excludes 10 members who did not have service reported

(h) Excludes 10 members who did not have service reported

(i) Excludes 14 members who did not have service reported

(j) Excludes 14 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

As of June 30 - Nine Year Comparison of the Number of Retired Member, Disabled Benefit and Survivor Benefit receiving pensions and the total Annual Pension (including COLA) for the fiscal year.

		Retired Members		Disabled Benefit		Survivor Pension Benefit		Total		Annual Pension
		Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Percentage Change
2021	PERA	36,048	\$1,173,566,753	1,473	\$ 27,841,156	5,222	\$ 111,135,168	42,743	\$ 1,312,543,077	3.44 %
	Legislative	160	1,763,688	—	—	44	499,814	204	2,263,502	6.44 %
	Judicial	155	10,504,669	2	74,659	45	2,166,289	202	12,745,617	4.84 %
	Magistrate	84	3,390,699	2	99,215	25	842,806	111	4,332,720	3.35 %
	VFF	1,468	2,673,000	—	—	122	123,798	1,590	2,796,798	3.55 %
2020	PERA	35,193	1,135,235,631	1,473	27,586,302	5,030	104,630,245	41,696	1,267,452,178	4.55 %
	Legislative	157	1,713,418	—	—	38	404,233	195	2,117,651	2.00 %
	Judicial	146	9,879,887	2	74,659	45	2,174,117	193	12,128,663	3.41 %
	Magistrate	85	3,396,167	2	97,270	21	693,938	108	4,187,375	4.25 %
	VFF	1,423	2,583,750	—	—	114	113,749	1,537	2,697,499	6.99 %
2019	PERA	34,267	1,085,266,649	1,441	26,438,746	4,842	98,064,170	40,550	1,209,769,565	4.88 %
	Legislative	159	1,718,266	—	—	35	357,078	194	2,075,344	9.98 %
	Judicial	143	9,640,040	2	74,659	41	2,000,754	186	11,715,453	8.06 %
	Magistrate	80	3,116,294	3	144,370	22	748,670	105	4,009,334	2.72 %
	VFF	1,331	2,412,000	—	—	98	96,999	1,429	2,508,999	4.85 %
2018	PERA	33,237	1,032,780,770	1,396	24,969,203	4,741	92,962,906	39,374	1,150,712,879	5.09 %
	Legislative	150	1,559,216	—	—	33	309,110	183	1,868,326	(0.89)%
	Judicial	135	8,838,825	2	73,195	37	1,859,262	174	10,771,282	5.84 %
	Magistrate	81	3,080,071	3	141,539	20	678,498	104	3,900,108	0.25 %
	VFF	1,274	2,310,750	—	—	80	76,550	1,354	2,387,300	10.76 %
2017	PERA	32,123	982,322,863	1,310	22,854,825	4,571	86,976,330	38,004	1,092,154,018	3.94 %
	Legislative	156	1,615,854	—	—	30	269,012	186	1,884,866	7.18 %
	Judicial	127	8,405,673	2	73,195	34	1,663,112	163	10,141,980	2.58 %
	Magistrate	81	3,132,996	3	141,539	18	615,918	102	3,890,453	(0.08)%
	VFF	1,139	2,063,250	—	—	72	67,150	1,211	2,130,400	8.95 %
2016	PERA	31,473	945,331,280	1,236	20,973,020	4,497	82,839,408	37,206	1,049,143,708	5.19 %
	Legislative	174	1,663,539	—	—	8	86,011	182	1,749,550	0.82 %
	Judicial	152	9,520,795	2	73,195	6	286,224	160	9,880,214	3.83 %
	Magistrate	96	3,705,788	3	141,539	1	46,337	100	3,893,664	(3.04)%
	VFF	1,053	1,887,750	—	—	60	51,951	1,113	1,939,701	10.94 %
2015	PERA	30,183	897,846,722	1,142	18,962,651	4,347	77,921,850	35,672	994,731,223	5.62 %
	Legislative	178	1,650,952	—	—	8	84,325	186	1,735,277	10.82 %
	Judicial	144	9,142,080	2	73,195	6	286,224	152	9,501,499	6.56 %
	Magistrate	98	3,824,111	3	141,539	1	46,337	102	4,011,987	2.44 %
	VFF	953	1,684,500	—	—	51	43,001	1,004	1,727,501	11.47 %

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2021**

As of June 30 - Nine Year Comparison of the Number of Retired Member, Disabled Benefit and Survivor Benefit receiving pensions and the total Annual Pension (including COLA) for the fiscal year.

		Retired Members		Disabled Benefit		Survivor Pension Benefit		Total		Annual Pension
		Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Percentage Change
2014	PERA	28,390	\$ 849,916,611	1,072	\$ 17,208,549	4,100	\$ 71,697,600	33,562	\$ 938,822,760	7.07 %
	Legislative	146	1,300,073	—	—	32	247,480	178	1,547,553	(1.95)%
	Judicial	112	7,445,795	1	31,797	28	1,400,841	141	8,878,433	6.53 %
	Magistrate	78	3,293,401	3	141,539	13	478,978	94	3,913,918	12.38 %
	VFF	846	1,489,500	—	—	47	39,801	893	1,529,301	16.40 %
2013	PERA	26,949	790,582,225	958	14,976,974	3,956	66,874,161	31,863	872,433,360	8.47 %
	Legislative	149	1,350,169	—	—	30	227,569	179	1,577,738	16.98 %
	Judicial	104	6,860,436	1	31,173	28	1,407,076	133	8,298,685	6.50 %
	Magistrate	72	2,935,827	2	81,193	12	412,432	86	3,429,452	4.40 %
	VFF	721	1,245,000	—	—	41	33,553	762	1,278,553	29.86 %
2012	PERA	25,433	724,950,245	856	12,741,219	3,777	60,851,558	30,066	798,543,022	7.94 %
	Legislative	136	1,126,978	—	—	27	182,896	163	1,309,874	1.79 %
	Judicial	101	6,515,919	1	30,265	25	1,213,105	127	7,759,289	6.96 %
	Magistrate	71	2,797,478	2	78,828	12	402,372	85	3,278,678	6.83 %
	VFF	633	868,800	—	—	34	27,953	667	896,753	8.34 %

## DISTRIBUTION OF RECENT RETIREE AGES AT RETIREMENT

### FISCAL YEAR ENDED JUNE 30, 2021

Five year comparison showing the number of added retirees per fiscal year, their average monthly benefit and the average age the year of retirement.

	2017			2018			2019		
	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement
State General	680	\$ 2,188	61.19	729	\$ 2,393	60.70	800	\$ 2,557	60.56
State Police/ Corrections	26	3,082	51.75	43	2,757	54.05	37	3,489	51.47
Municipal General	492	1,950	61.85	650	2,196	60.57	716	2,178	61.27
Municipal Police	110	3,478	49.04	119	3,871	50.48	136	3,711	49.39
Municipal Fire	18	3,570	51.16	61	4,137	49.27	76	4,434	49.89
Legislative	11	1,117	67.70	3	1,435	68.33	12	1,648	64.42
Judicial	4	8,285	65.65	8	7,808	65.55	16	6,833	64.97
Magistrate	2	5,029	60.04	0	0	0.00	3	4,256	63.64
Volunteer Firefighter	115	162	62.44	148	160	62.01	79	215	62.83



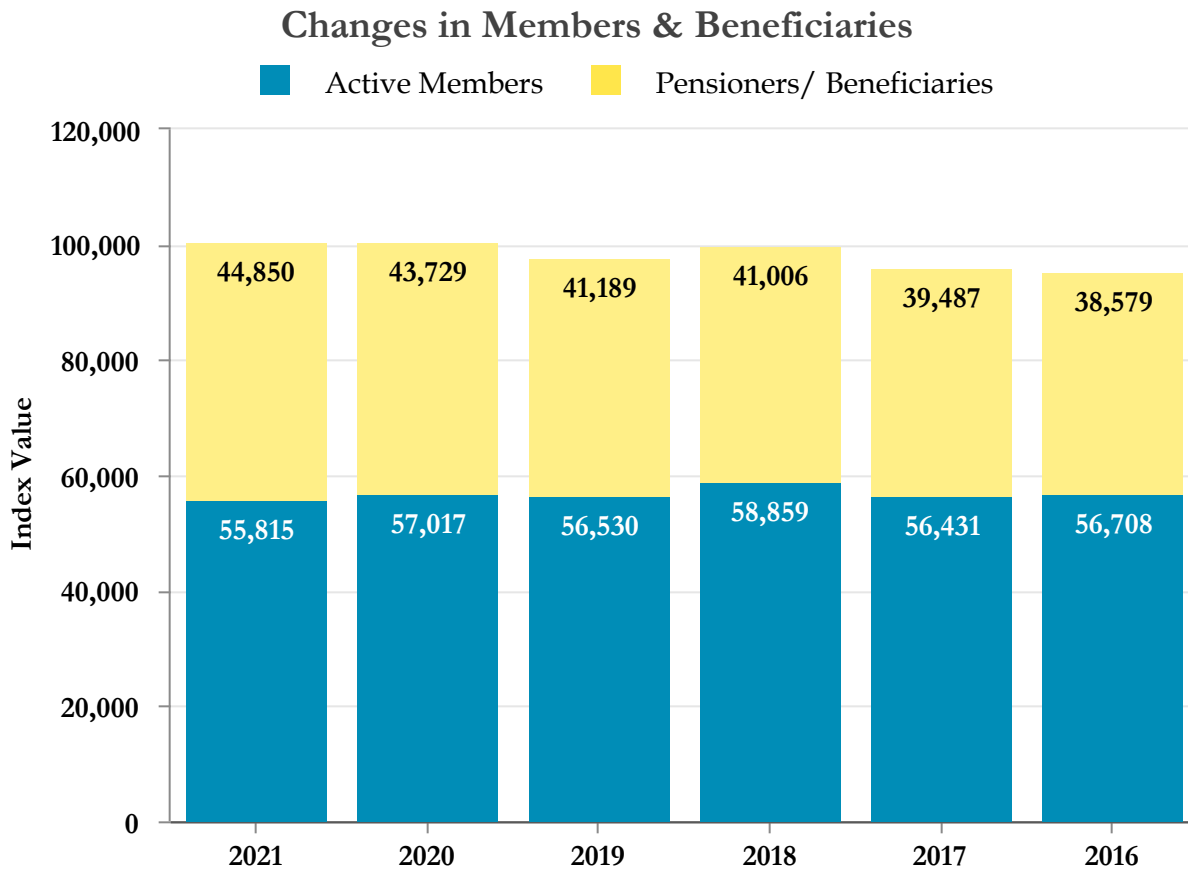
## DISTRIBUTION OF RECENT RETIREE AGES AT RETIREMENT

### FISCAL YEAR ENDED JUNE 30, 2021

Five year comparison showing the number of added retirees per fiscal year, their average monthly benefit and the average age the year of retirement.

	2020			2021			All Current Retirees & Beneficiaries		
	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Total Retirees	Average Monthly Benefit	Average Age At Retirement
State General	697	\$ 2,525	59.93	696	\$ 2,504	61.05	16,802	\$ 2,150	57.78
State Police/ Corrections	53	3,144	53.03	59	3,146	52.72	1,251	2,519	51.05
Municipal General	677	2,337	60.79	709	2,387	61.25	11,811	2,055	58.33
Municipal Police	106	3,745	50.17	106	4,248	50.15	3,147	3,073	47.81
Municipal Fire	62	3,913	50.59	72	4,679	48.31	1,687	3,164	47.92
Legislative	1	5,293	56.42	11	1,449	71.18	156	1,039	64.06
Judicial	6	5,928	65.14	10	6,266	63.84	143	5,912	62.70
Magistrate	5	5,461	62.60	2	3,670	60.79	90	3,223	60.77
Volunteer Firefighter	79	215	62.83	115	151	65.13	1,423	142	61.39

## COMBINED SYSTEM PARTICIPANTS FOR THE LAST FIVE YEARS



Five Year Comparison of change in members and pensioners as of June 30th.

Fiscal Year	Active Members (1)	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
2021	55,815	(2.11)%	44,850	2.56 %	100,665	(0.08)%
2020	57,017	0.86 %	43,729	6.17 %	100,746	3.10 %
2019	56,530	(4.12)%	41,189	3.43 %	97,719	1.14 %
2018	58,859	4.13 %	41,006	3.70 %	97,865	1.99 %
2017	56,431	(0.49)%	39,487	2.30 %	95,918	0.66 %
2016	56,708	(1.39)%	38,579	4.27 %	95,287	0.90 %

(1) Excludes Inactive Members

**MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION**

Comparison at June 30, 2021 of Age Breakdown in 5 year increments to the Years of Service

Nearest Age	PERA							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 20	319	—	—	—	—	—	—	319
20 to 24	2,171	38	—	—	—	—	—	2,209
25 to 29	3,692	903	31	1	—	—	—	4,627
30 to 34	3,194	2,089	715	63	—	—	—	6,061
35 to 39	2,415	1,676	1,616	705	55	1	—	6,468
40 to 44	1,833	1,385	1,206	1,314	568	21	—	6,327
45 to 49	1,452	1,142	922	1,141	936	136	4	5,733
50 to 54	1,351	1,082	867	999	914	251	23	5,487
55 to 59	1,185	965	769	896	723	247	54	4,839
60 & Over	1,335	1,347	838	1,030	675	274	110	5,609
Total	18,947	10,627	6,964	6,149	3,871	930	191	47,679

Nearest Age	Legislative							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 30	1	—	—	—	—	—	—	1
30 to 34	1	2	—	—	—	—	—	3
35 to 39	5	—	—	—	—	—	—	5
40 to 44	4	2	1	—	—	—	—	7
45 to 49	4	3	2	—	—	—	—	9
50 to 54	6	3	5	—	—	—	—	14
55 to 59	6	2	1	2	—	—	—	11
60 & Over	23	14	8	10	4	7	2	68
Total	50	26	17	12	4	7	2	118

## MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION (CONTINUED)

Comparison at June 30, 2021 of Age Breakdown in 5 year increments to the Years of Service

Nearest Age	Judicial							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 20	—	—	—	—	—	—	—	—
20 to 24	—	—	—	—	—	—	—	—
25 to 29	—	—	—	—	—	—	—	—
30 to 34	—	1	—	—	—	—	—	1
35 to 39	3	2	—	—	—	—	—	5
40 to 44	8	2	3	—	—	—	—	13
45 to 49	10	5	5	0	0	—	—	20
50 to 54	4	7	4	3	2	1	—	21
55 to 59	2	5	7	4	1	2	—	21
60 & Over	7	9	15	6	4	1	—	42
Total	34	31	34	13	7	4	—	123

Nearest Age	Magistrate							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 20	—	—	—	—	—	—	—	—
20 to 24	—	—	—	—	—	—	—	—
25 to 29	—	—	—	—	—	—	—	—
30 to 34	1	—	—	—	—	—	—	1
35 to 39	4	—	1	—	—	—	—	5
40 to 44	1	1	—	—	1	—	—	3
45 to 49	4	2	2	2	1	1	—	12
50 to 54	3	1	—	—	—	2	—	6
55 to 59	4	2	—	2	2	2	—	12
60 & Over	12	6	1	2	2	—	—	23
Total	29	12	4	6	6	5	—	62

**MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION (CONTINUED)**

Comparison at June 30, 2021 of Age Breakdown in 5 year increments to the Years of Service

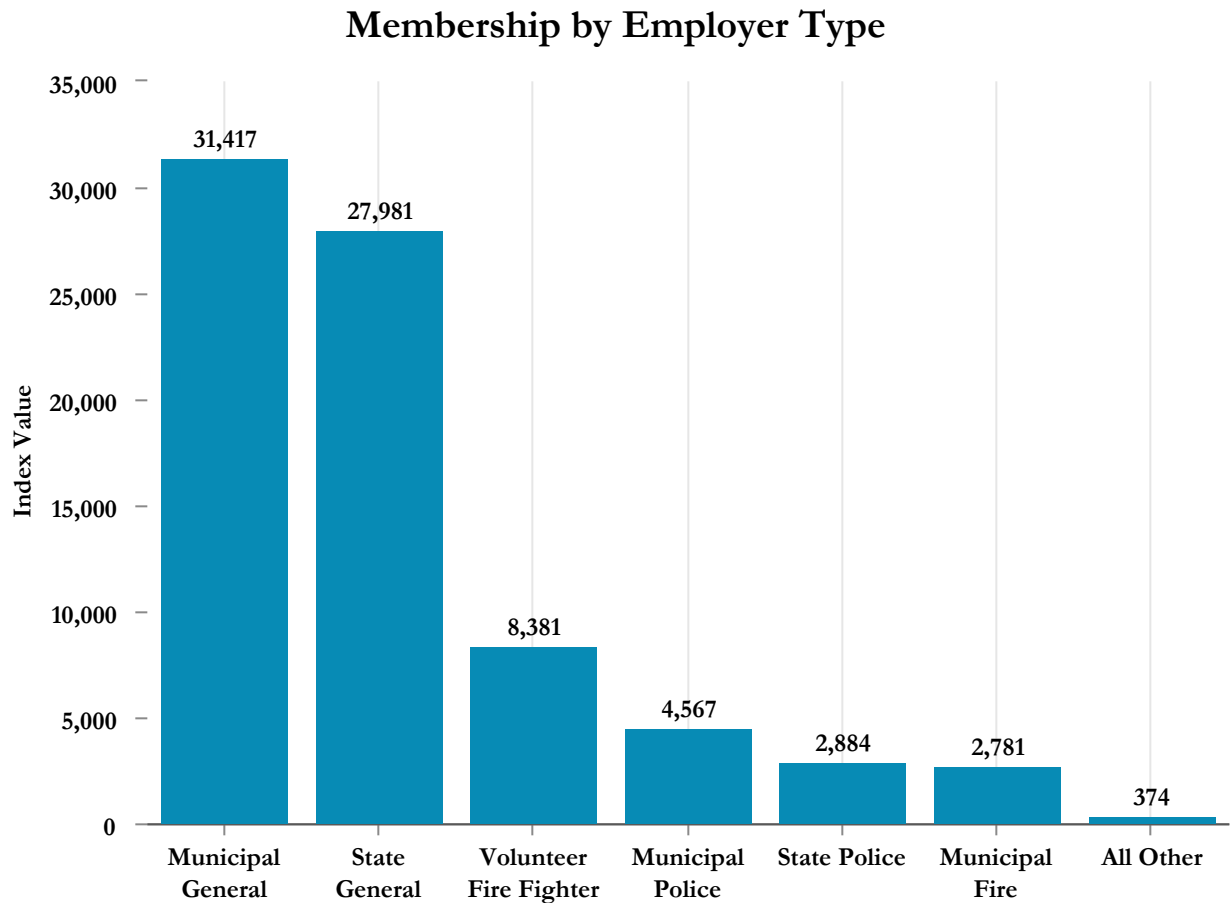
Nearest Age	Volunteer Firefighter Completed Years of Service							Total
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 30	2,016	141	5	—	—	—	—	2,162
30 to 34	812	202	44	7	—	—	—	1,065
35 to 39	601	163	59	24	1	—	—	848
40 to 44	508	166	80	33	13	2	—	802
45 to 49	336	115	59	33	15	11	—	569
50 to 54	309	127	76	37	23	12	5	589
55 to 59	269	125	69	34	17	7	4	525
60 & Over	712	338	127	46	29	14	4	1,270
Total	5,563	1,377	519	214	98	46	13	7,830

## MEMBERSHIP BY STATUS PER DIVISION

Six Year Comparison of active and inactive members per division.

<b>Division</b>				
<b>PERA</b>				
	<b>Active</b>	<b>Inactive</b>	<b>Total</b>	
2021	47,679	24,800	72,479	
2020	48,700	20,930	69,630	
2019	48,060	19,623	67,683	
2018	48,610	17,941	66,551	
2017	48,751	16,368	65,119	
2016	48,693	15,075	63,768	
<b>Legislative</b>				
	<b>Active</b>	<b>Inactive</b>	<b>Total</b>	
2021	118	25	143	
2020	118	25	143	
2019	99	29	128	
2018	120	12	132	
2017	111	16	127	
2016	122	16	138	
<b>Judicial</b>				
	<b>Active</b>	<b>Inactive</b>	<b>Total</b>	
2021	123	27	150	
2020	123	27	150	
2019	124	26	150	
2018	125	22	147	
2017	124	22	146	
2016	127	20	147	
<b>Magistrate</b>				
	<b>Active</b>	<b>Inactive</b>	<b>Total</b>	
2021	62	19	81	
2020	62	19	81	
2019	65	21	86	
2018	65	14	79	
2017	65	13	78	
2016	65	14	79	
<b>VFF</b>				
	<b>Active</b>	<b>Inactive</b>	<b>Total</b>	
2021	8,014	367	8,381	
2020	8,014	367	8,381	
2019	8,182	360	8,542	
2018	7,939	374	8,313	
2017	7,491	430	7,921	
2016	7,823	482	8,305	

## MEMBERSHIP BY EMPLOYER TYPE AS OF JUNE 30, 2021

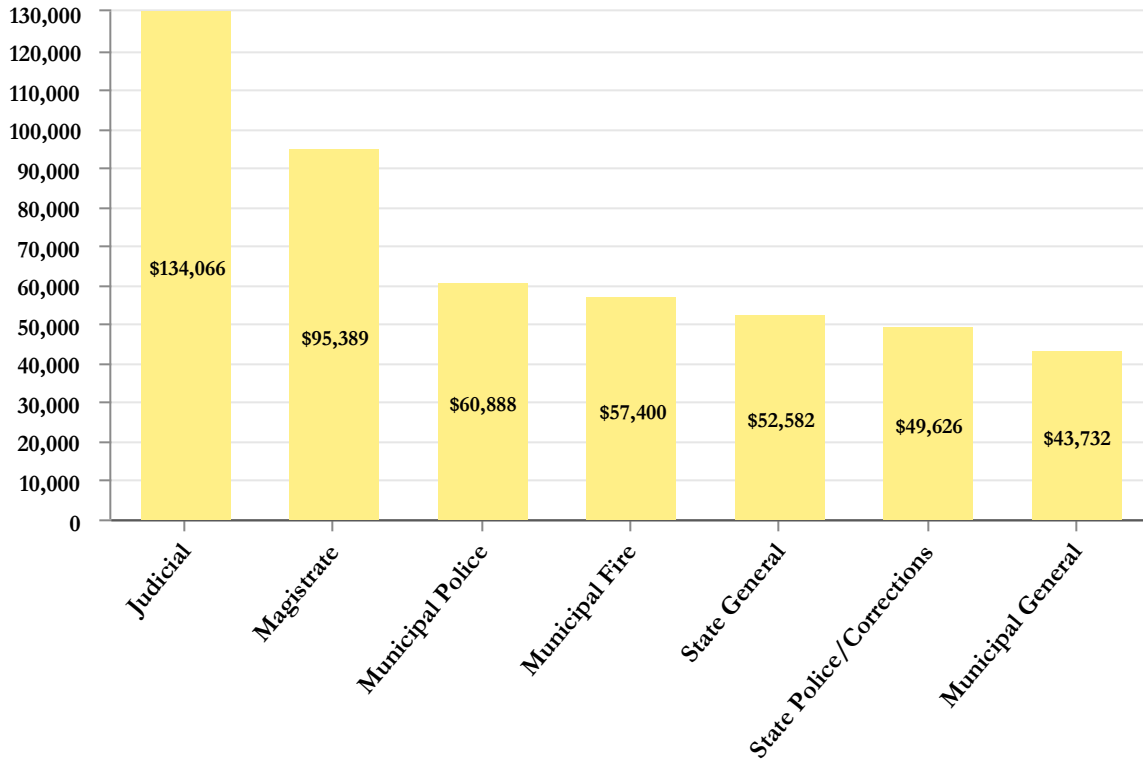


A summarized listing of members by employer type as of June 30, 2021

	<b>Total</b>	<b>Active</b>	<b>Inactive</b>
State General	28,991	18,672	10,319
State Police	2,991	2,277	714
Municipal General	32,977	20,592	12,385
Municipal Police	4,690	3,724	966
Municipal Fire	2,830	2,414	416
Judicial	150	123	27
Magistrate	81	62	19
Volunteer Fire Fighter	8,145	7,830	315
Legislative	143	118	25

## AVERAGE SALARY BY EMPLOYER TYPE AS OF JUNE 30, 2021

Average Salary



Average salary by employer type as of June 30, 2021.

	Average Salary	Members *	Total Salaries
State General	\$52,582	18,672	\$989,784,230
State Police/Corrections	51,314	2,277	116,842,280
Municipal General	43,732	20,592	912,307,045
Municipal Police	60,888	3,724	229,410,194
Municipal Fire	57,400	2,414	140,174,634
Judicial	134,066	123	16,490,136
Magistrate	95,389	62	5,914,106
Volunteer Fire Fighter	N/A **	7,830	N/A **
Legislative	N/A **	120	N/A **



## PARTICIPATING EMPLOYERS

### CURRENT YEAR AND TEN YEARS AGO

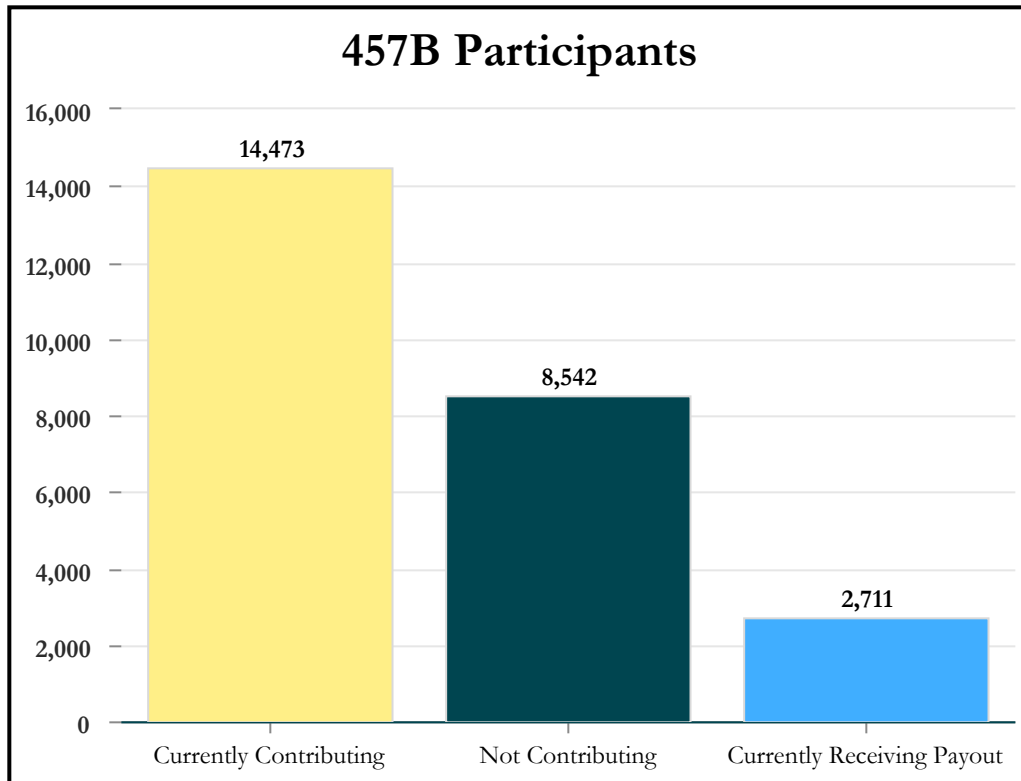
Ten year direct comparison of employers, active employees, and percentage of employees per division type.

	2021			2012		
	Employers	Active Employees	Percentage of Employees	Employers	Active Employees	Percentage of Employees
<b>Public Employees Retirement Fund:</b>						
State Agencies	122			125		
Subtotal State Division	122	21,359	37.66%	125	21,352	39.66%
Municipalities	92			88		
Counties	33			33		
Other local public bodies	51			47		
Housing Authorities	15			16		
Subtotal Municipal Division	191	27,341	48.20%	184	27,242	50.62%
<b>Judicial Retirement Fund</b>	15	128	0.23%	16	118	0.22%
<b>Magistrate Retirement Fund</b>	12	64	0.11%	9	42	0.08%
<b>Volunteer Firefighters Fund</b>	363	7,830	13.80%	363	5,065	9.41%
<b>TOTAL</b>	703	56,722	100.00%	697	53,819	100.00%

#### Principal employers:

State of New Mexico  
City of Albuquerque, NM  
County of Bernalillo in NM

## NEW MEXICO PERA SMART SAVE DEFERRED COMPENSATION PLAN



### Participants at June 30, 2021

Total Plan Participants	23,015
Currently Contributing	14,473
Not Contributing	8,542
Currently Receiving Payout	2,711

## NEW MEXICO PERA SMART SAVE DEFERRED COMPENSATION PLAN

### Asset Allocation by Asset Class for June 30 ,2021

	Assets as of June 30, 2021	% of Total Assets
Domestic Equity Funds:		
Large Cap Funds	\$ 240,156,474	29.57 %
Mid Cap Funds	67,469,079	8.31 %
Small Cap Funds	15,994,937	1.97 %
International Equity Funds	47,411,042	5.84 %
Global Real Estate Funds	1,724,838	0.21 %
Balanced Funds	22,196,974	2.73 %
Fixed Income Funds	48,454,744	5.97 %
Asset Allocation	217,150,317	26.74 %
Stable Value	131,465,317	16.19 %
Self-Directed Option	8,862,104	1.09 %
Contributions Receivable		0.00 %
Loans Receivable	11,294,340	1.39 %
<b>TOTAL</b>	<b>\$ 812,180,166</b>	<b>100.00 %</b>

## DEFERRED COMPENSATION PROGRAM COMPARATIVE INVESTMENT RESULTS

FISCAL YEAR ENDED JUNE 30, 2021

Manager	1-Year 2021	3-Year 20109-2021	5-year 2017-2021
<b>Large Cap Funds</b>			
Dodge & Cox Stock Fund	58.90 %	15.80 %	17.40 %
Vanguard Institutional Index	40.80 %	18.70 %	17.60 %
Fidelity Contrafund	38.60 %	20.90 %	21.80 %
<b>Mid Cap Funds</b>			
Principal MidCap Blend Fund	40.70 %	20.10 %	18.80 %
Fidelity Low-Priced Stock Fund	52.40 %	13.30 %	14.40 %
T. Rowe Price Mid Cap Growth	39.70 %	19.10 %	18.60 %
<b>Small Cap Funds</b>			
DFA US Small Cap Portfolio	65.00 %	11.20 %	14.00 %
<b>International Funds</b>			
Fidelity Diversified Int'l	29.60 %	12.90 %	12.50 %
American EuroPacific Growth Fund	40.10 %	13.80 %	14.50 %
Aberdeen Emerging Markets	(4.70)%	0.70 %	3.00 %
Vanguard Total International Stock Index	36.50 %	9.60 %	11.10 %
<b>Fixed Income Funds</b>			
Vanguard Inflation Protected Securities Fund	6.50 %	6.40 %	4.00 %
Vanguard Total Bond Market Index Fund	(0.40)%	5.40 %	3.00 %
Templeton Global Bond Fund	7.40 %	6.80 %	5.40 %
<b>Real Estate</b>			
Principal Diversified Real Asset Fund	24.40 %	6.40 %	6.20 %
INVESCO Global Real Estate Fund	26.70 %	5.10 %	4.70 %
<b>Balanced Funds</b>			
Oakmark Equity & Income Fund	42.10 %	12.10 %	12.00 %
<b>Stable Value Fund</b>			
New Mexico Stable Value Fund	2.10 %	2.30 %	2.10 %
<b>Asset Allocation</b>			
Conservative Portfolio	13.00 %	7.50 %	6.30 %
LifeCycle 2020 Portfolio	18.90 %	9.40 %	8.90 %
LifeCycle 2025 Portfolio	24.00 %	10.90 %	10.20 %
LifeCycle 2030 Portfolio	27.30 %	11.60 %	11.10 %
LifeCycle 2035 Portfolio	30.40 %	12.20 %	11.70 %
LifeCycle 2040 Portfolio	31.80 %	12.50 %	12.00 %
LifeCycle 2045 Portfolio	33.00 %	12.80 %	12.30 %
LifeCycle 2050 Portfolio	33.70 %	12.90 %	12.50 %
LifeCycle 2055 Portfolio	10.40 %	— %	— %

## SYSTEM AND PLANS STATISTICAL HIGHLIGHTS

### FISCAL YEAR ENDED JUNE 30, 2021

Provides summarized information regarding the pension plans in regards to membership, financial, and actuarial

	PERA Fund	Legislative Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighter Fund
<b>Membership Information</b>					
Total Membership	115,222	340	359	193	9,735
Active	47,679	114	128	64	7,830
Inactive	24,800	22	29	18	315
Retired	42,743	204	202	111	1,590
<b>Active Members</b>					
Average Age	45.13	58.25	54.73	56.00	42.03
Average Years of Service	9.07	8.44	9.05	9.47	3.71
Average Annual Salary	\$ 50,096	N/A (1)	\$ 134,109	\$ 95,406	N/A (1)
<b>Retirees</b>					
Average Age	68.41	76.78	72.93	72.32	70.36
Average Annual Benefit	\$ 30,708	\$ 11,096	\$ 63,097	\$ 39,034	\$ 1,759
<b>Financial Information</b>					
Change in Net Position	\$ 3,121,964,074	(2)	\$ 16,356,067	\$ 6,093,628	\$ 15,881,821
Net Assets at Fair Value	19,409,897,267	(2)	110,084,224	38,276,043	92,229,196
Liabilities	1,595,948,990	(2)	8,857,656	3,111,746	7,510,393
Totals for:					
Contributions	688,736,890	(2)	7,464,568	2,999,352	750,000
Investment Income	3,801,131,377	(2)	21,501,749	7,462,517	17,949,014
Pension Benefits	1,314,819,963	(2)	12,538,011	4,293,632	2,757,992
Refunds	40,353,832	(2)	1,273	49,849.00	—
Administrative Expenses	12,730,398	(2)	70,966	24,760	60,201

(1) Legislative and Volunteer Firefighters are not based on payroll contributions.

(2) Legislative Statutory Contribution is \$0 for 2021.

## SYSTEM AND PLANS STATISTICAL HIGHLIGHTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

### DEFERRED CONTRIBUTION FUND

#### Membership Information

Total Membership	23,265
Currently Contributing	17,465
Not Contributing	5,800
Currently Receiving Payout	4,444

#### Financial Information

Change in Net Position	\$ 150,164,774
Net Assets at Fair Value	800,939,084
Totals for:	
Contributions	42,905,382
Investment Income	164,046,966
Other Income	105,000
Pension Benefits	55,088,749
Life Insurance Benefits	12,678
Administrative Expenses	1,791,147

**Schedule of Asset Management Costs-Unaudited FY 2021**  
**Name of Agency: Public Employees Retirement Association of New Mexico**

**2.2.2.12(G)(1)**

**For all asset classes except private asset classes and alternative investment classes:**

<b>Consultant</b>	<b>Location</b>	<b>Description of Investments Subject to the Agreement</b>	<b>Fees</b>
Wilshire	Santa Monica, CA	General Consultant (Fixed Fee)	\$ 795,000

<b>Third-party marketers</b>	<b>Location</b>	<b>Description of Investments Subject to the Agreement</b>	<b>Fees, Commission or Retainers</b>
N/A	N/A	N/A	N/A

<b>Name of Investment</b>	<b>Asset Class</b>	<b>Value of the Investment at 6/30/21</b>	<b>Management Fees</b>	<b>Performance Fees</b>
STO	Cash		—	—
Cash and Suspense Account	Cash	86,261,173	—	—
DFA Small Cap	Liquid Global Equity: Domestic Equity	8,962	—	—
Kayne Anderson SCC	Liquid Global Equity: Domestic Equity	366,863,251	1,124,142	1,513,386
TimesSquare	Liquid Global Equity: Domestic Equity	248,275,971	416,776	149,259
Acadian Intl Equity	Liquid Global Equity: Global & International Equity	385,154,270	650,428	1,450,830
Axiom Investors	Liquid Global Equity: Global & International Equity	368,728,122	1,186,392	2,233,678
Blackrock Equity Transition	Liquid Global Equity: Global & International Equity	103,155	—	—
Blackrock Low Vol Intl Equity	Liquid Global Equity: Global & International Equity	1,238,741,231	741,634	—
KBI	Liquid Global Equity: Global & International Equity	1,325,506	—	—
LGIMA Global Equity Overlay	Liquid Global Equity: Global & International Equity	24,160,284	681,371	—
MFS	Liquid Global Equity: Global & International Equity	254,986,878	290,357	1,393,712
NTGI ACWI X US	Liquid Global Equity: Global & International Equity	3,088,177	—	—
Global Equity Portable Alpha	Liquid Global Equity: Global & International Equity	4,847,951	—	—
Principal	Liquid Global Equity: Global & International Equity	208,408,427	183,415	
Russell Transition	Liquid Global Equity: Global & International Equity	1,753,010	—	
Schroder	Liquid Global Equity: Global & International Equity	741,778	—	

Name of Investment	Asset Class	Value of the Investment at 6/30/21	Management Fees	Performance Fees
SSGA ACWI IMI	Liquid Global Equity: Global & International Equity	1,218,491,434	263,434	—
Parametric Global Equity Overlay	Liquid Global Equity: Global Equity Liquidity	137,604,164	50,402	—
Black Rock Core	Liquid Risk Reduction & Mitigation: Domestic Cored	1,090,313,444	650,822	—
MACKAY SHIELDS	Liquid Risk Reduction & Mitigation: Domestic Cored	(1)	—	—
Prudential	Liquid Risk Reduction & Mitigation: Domestic Cored	651,664,775	325,967	—
Parametric Bonds Plus	Liquid Risk Reduction & Mitigation: Domestic Cored	43,159,051	195,140	—
Blackrock Global Fixed Income	Liquid Risk Reduction & Mitigation: Global Core	418,788,967	251,676	—
Manulife	Liquid Risk Reduction & Mitigation: Global Core	—	—	—
LGIMA Overlay	Liquid Risk Reduction & Mitigation: Overlay Collateral	314,197	—	—
LGIMA TAA Overlay	Liquid Risk Reduction & Mitigation: TAA Overlay	128,929,098	—	51,367
Parametric Risk Mitigation Overlay	Liquid Risk Reduction & Mitigation: Risk Reduction	66,151,666	135,712	—
GUGGENHEIM GLOBAL HY	Liquid Credit: Global High Yield	722	—	—
LGIMA Credit Overlay	Liquid Credit: Global High Yield	8,040,066	67,996	—
PINEBRIDGE HY	Liquid Credit: Global High Yield	210,845,860	637,303	—
Parametric Credit Cash Overlay	Liquid Credit: Credit Liquidity	279,787,444	115,587	—
DFA REIT	Liquid Real Assets: Global Real Estate ("REIT")	170,040,685	244,900	—
Security Capital Alpha	Liquid Real Assets: Global Real Estate ("REIT")	51,909,082	—	2,810,475
Security Capital Beta	Liquid Real Assets: Global Real Estate ("REIT")	135,288,428	150,082	—
Deutsche Listed Infrastructure	Liquid Real Assets: Global Listed Infrastructure	108,762,482	629,469	—
PIMCO Commodities	Liquid Real Assets: Commodities	255,791,079	873,124	—
PIMCO TIPS	Liquid Real Assets: U.S. Inflation Linked Bonds	538,337,784	1,046,183	—
Harvest MLP	Liquid Real Assets: Master Limited Partnerships ("MLP")	292,658,292	1,555,960	—
Para RL AS CSH OVRLY	Liquid Real Assets: Real Assets Liquidity	87,515,930	58,444	—



2.2.2.12(G) (2)

For private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement	Fees
Albourne	San Francisco, CA	Selection Consultant (Fixed Fee)	961,129
Torrey Cove	San Diego, CA	Selection Consultant (Fixed Fee)	600,000
Third-party marketers		Description of Investments Subject to the Agreement	Fees, Commission or Retainers
N/A			

Asset Class *	Brief Description of Investments	Management Fees	Carried Interest
Illiquid Global Equity	Includes: Buyout Private Equity, Venture Private Equity, Secondary Private Equity, and Equity Long Short Hedge Funds	21,839,003	45,076,859
Illiquid Risk Reduction & Mitigation	Includes: Bonds Plus Alpha Engine (Hedge Funds)	8,590,176	11,397,847
Illiquid Credit	Includes: Private Debt, Distressed Debt, Hedged Credit, Leveraged/Structured Credit, and Emerging Market Debt	20,486,619	12,322,648
Illiquid Real Assets	Includes: Illiquid Real Estate (core, value-add, opportunistic), Illiquid Real Assets (energy, infrastructure, agriculture), and Market	27,886,139	8,398,941
Multi-Risk Allocation	Includes: Passive Risk Parity	1,939,212	

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**Public Employees  
Retirement Association  
of New Mexico**