



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

Pension Trust Funds of the State of New Mexico



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023**

Public Employees Retirement Association *of New Mexico*

Annual Comprehensive Financial Report **Year ended June 30, 2023**

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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PERA

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Retirement Association
of New Mexico

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INTRODUCTORY SECTION

Public Employees Retirement Association of New Mexico



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023



MISSION STATEMENT AND GUIDING PRINCIPLES

Preserve and protect the PERA Trust to meet all current and future pension obligations.

PERA Guiding principles:

- **Meet fiduciary and financial obligations**
- **Manage assets and liabilities with prudence and due diligence**
- **Timely provide quality services to all Association members**
- **Build and maintain a collegial environment for Board and staff development and growth**



PERA BOARD CHAIR LETTER

November 22, 2023

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, 2023. This report provides information about the financial and actuarial status of PERA along with information regarding our membership.

Some of the market volatility continued from the prior year, with this market environment PERA's defined benefit fund net position increased by \$247 million to \$16.8 billion for the fiscal year end June 30, 2023. The increase in PERA's defined benefit fund net position was aided by PERA's investments generating a gain of 4.2% net of fees lagged for the year ending June 30, 2023. While this investment return is positive, it is below PERA's expected return assumption of 7.25%. The difference between the actual return and the expected return assumption impacted the PERA Fund's funded status, which dropped slightly by 2.3% to 67.7% at June 30, 2023. Also contributing to the PERA Fund's funded status was salary increases larger than expected during the year. However, it should be noted that PERA's amortization period also decreased from 59 years in 2022 to 53 years in 2023.

Approximately 94% 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 2023, PERA paid \$1.42 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 PERA Trust and the benefits provided to our members. The Board is committed to the long-term sustainability of all 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 all of PERA's funds.

Sincerely,



Diana Rosales-Ortiz

PERA BOARD OF TRUSTEES



Claudia Armijo
*State Treasurer's
Office*

State Member



Valerie Barela
*City of
Albuquerque*

Municipal Member



Paula Fisher
*Children, Youth
and Families Dept.*

State Member



Tony Garcia
*Law Offices of the
Public Defender*

State Member



**Laura M.
Montoya**
State Treasurer

Ex-Officio Member



**Loretta Naranjo
Lopez**

Retiree Member



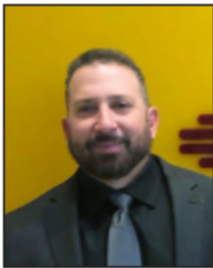
Francis Page

Retiree Member



Shirley Ragin
*County of
Bernalillo*

County Member



Roberto Ramirez
ABCWUA

Municipal Member



**Augustine
Romero**
City of Albuquerque

Municipal Member



**Diana Rosales
Ortiz**
*Office of the
Attorney General*
Acting Chair
StateMember



**Maggie
Toulouse Oliver**
Secretary of State

Ex-Officio Member

EXECUTIVE DIRECTOR'S LETTER



INVESTED IN TOMORROW.

November 22, 2023

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, 2023 (FY 23).

At PERA our primary mission is to preserve and protect the PERA Trust to meet all current and future pension obligations.



PERA staff worked together to compile this Annual Comprehensive Financial Report 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 created by legislation enacted in 1947 and is the administrator of four retirement funds, offering an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. For further detail of the background of PERA, see Note 1 to the 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 a list of trustees serving on the Public Employees Retirement Association Board.

EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

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 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 Statement No. 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

Markets for fiscal year 2023 continued some of the volatility from the prior year. PERA's investment strategy positioned the Fund to take advantage of some of the upside in equity markets, but not fully participate due to the Fund's holding in fixed income and commercial real estate. This is intentional, PERA's investment strategy is to generate narrower and steadier returns than the market through all economic environments. During FY 23 PERA's defined benefit fund generated a time-weighted return of 4.2%, net of fees lagged. While this gain was positive, it was below the actuarial return target of 7.25%. PERA 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, 2023 and June 30, 2022 (excluding the Deferred Compensation Plan and Social Security Administration Program).

	June 30, 2023	June 30, 2022
Additions	\$ 1,752,866,431	\$ 4,338,300
Deductions	(1,505,398,355)	(1,461,784,001)
Net Change	\$ 247,468,076	\$ (1,457,445,701)

EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

Additions increased from FY 22 to FY 23 by \$1,748,528,131 primarily due to a net investment loss reported in FY 22 and a net investment gain in FY23 and an increase in contributions. Deductions increased by \$43,614,354 primarily due to an increase in benefit payments for the year due to more retirees receiving benefits.

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 are made up of benefit payments to members and administrative expenses. On June 30, 2023 PERA's funded ratio decreased in comparison to last fiscal year as we ended the fiscal year at 67.7%, a 2.3% decrease. However, it should be noted that PERA's amortization period has decreased significantly over the last few years, in 2021 the amortization period was 72 years and in 2023 the amortization period was 53 years. The actuarial value of the plan assets as of June 30, 2023 was \$17,058,022,761.

PERA has worked on long-term sustainability of all plans and in 2020 Senate Bill 72 went into law. This legislation increased PERA contributions for state general plans for both employees and employers by .5% each year for four years starting in FY 21. This also increased contributions for Municipal plans for both employees and employers by .5% each year for four years starting in FY 23. The bill also made changes to the COLA structure. Retirees who were 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 receive a 2.5% COLA increase. For all other retirees who are COLA -eligible, they receive a 2% non-compounding additional payment for 2020, 2021 and 2022. In 2023 and thereafter, 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 committee and their responsibilities. In FY 23, the defined benefit funds had a net investment gain of \$910.1 million. This resulted in PERA's investment portfolio producing a total return of 4.2%, net of fees lagged, for the year ended June 30, 2023. This return is less than the assumed actuarial investment return of 7.25%.

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 did not adopt changes in assumptions for the June 30, 2023 actuarial valuations. The actuarial reports are prepared by Gabriel, Roeder, Smith & Company based on data provided by PERA. They also serve

EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

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 Statement No. 67 Financial Reporting for Pension Plans

PERA implemented GASB Statement No. 67 in FY 14. The Net Pension Liability (NPL) for the Public Employees Retirement Fund (multi-employer cost sharing fund) for FY 23 is \$8.1 billion, a \$900 million increase compared to FY 22 of approximately \$7.2 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 13 of the Financial Statements and in the Required Supplementary Information.

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 23 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 Comprehensive Financial Report for the year ended June 30, 2022. This is the 21st 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 Comprehensive Financial 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. We believe that this year's Annual Comprehensive Financial 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, 2022. The Award for

EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

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 6th 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 reader appeal, understandability, distribution methods, creativity and other elements.

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

Additionally, the Public Pension Coordinating Council (PPCC) awarded the Public Pension Standards Award for Funding and Administration certificate to PERA for the fiscal year ended June 30, 2023. This award signifies that the PERA complies with the standard benchmarks for public defined benefit systems in the United States. The standards require a high level for the following: comprehensive benefit program, funding adequacy, accepted actuarial and audit practices, investment policy and evaluation, and member communications.

The Public Pension Standards Award for Funding and Administration certificate is valid for a period of one year. PERA is confident the Fund will continue to meet the standards award requirements and will apply to the PPCC for consideration in 2024.

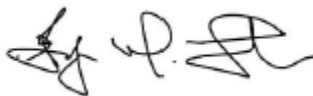
Independent Audit

An annual audit of PERA's Financial Statements has been performed this year by the independent accounting firm of Moss Adams LLP. The auditors' report on the financial statements is included in the financial section of this report.

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 PERA's funds.

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Public Pension Coordinating Council

***Recognition Award for Administration
2023***

Presented to

New Mexico Public Employees Retirement Association

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 cursive script 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*

INVESTMENTS BUREAU

Michael Shackelford- *Chief Investment Officer*
LeAnne Larrañaga-Ruffey - *Deputy Chief Investment Officer*
Katharine Brassington - *Senior Portfolio Manager – Global Equity*
Michael Killfoil - *Senior Portfolio Manager – Real Assets*
Sara Hume -*Senior Portfolio Manager – AA, Risk and Reporting*
Clayton Cleek - *Portfolio Manager – Credit Oriented Fixed Income*
Shaun Grady - *Investment Associate*
German Gutierrez-Cardoza - *Investment Associate*
Olasunkanmi I. Olaoye - *Investment Accountant*
Justin Deubel - *Data and Compliance Manager*
Jovanna Archuleta - *Investment Account Manager*
Laura Bechtel - *Financial Analyst*

DEFERRED COMPENSATION BUREAU

Karyn D. Lujan - *Deferred Compensation Administrator*

OFFICE OF GENERAL COUNSEL

Anthony Montoya - *General Counsel*
Misty M. Schoepner - *Attorney*
Geraldine Garduno - *Attorney*
Laura E. Archuleta - *Paralegal Assistant*
Anita Valdez - *Paralegal Assistant*

ADMINISTRATIVE SERVICES BUREAU

Jessica Trujillo - *Human Resources Manager*
Samantha Olivas - *Human Resources*
Lynette Kennard - *ASD Director/Chief Financial Officer*
Xochitl Gutierrez - *Financial Manager*
Tammy Kesler - *Financial Coordinator*
Christine B. Carrillo - *Accountant Auditor*
Heather Miller - *Accountant Auditor*
Rosemary Rodriguez - *Accountant Auditor*
Aji M. Lopez - *Contribution Accounting Manager*
Danielle Lovato - *Accountant Auditor*
Amanda Ortiz - *Accountant Auditor*
Nicole Tapia - *Accountant Auditor*
Robert Romero - *Building Services*

INFORMATION SYSTEMS BUREAU

Ronald Gallegos - *Chief Information Officer*
Joel Sanchez - *IT Systems Administrator*
Charles Burch - *IT Network Administrator*
Joe Vigil - *IT Network Administrator*
Steven Ayana - *IT End User Support*
Ivy Cordova - *IT End User Support*
Sarah Valdez - *IT End User Support*
Jessica A. Perea - *IT Business Analyst*
Leslie L. Miller - *IT End User Support*
Deborah Vigil - *IT End User Support*
Devi Viratapu - *IT End User Support*

INFORMATION SYSTEMS BUREAU (CONT.)

Miranda Montoya - *Technology Officer*
Alexander Lowe - *Business Operations Specialist O*
Deziree Lucero - *Business Operations Specialist A*
Shelia Martinez - *Records and Info Clerk AO-A*
Mariah Sedillo - *Business Operations Specialist-Basic*

MEMBER SERVICES

Melinda E. Marquez - *Bureau Chief*

CUSTOMER SERVICE

Marshal Romero - *Customer Service Supervisor*
Stephanie Archuleta - *Customer Service Specialist*
Rachael Baca - *Customer Service Specialist*
Higinia Hernandez - *Customer Service Specialist*
Chantel Larranaga - *Customer Service Specialist*
Theresa Marie Martinez - *Customer Service Specialist*

DEATH AND DISABILITIES

Greg D. Holmes - *Retirement Specialist Supervisor*
Arlene F. Coriz - *Retirement Specialist*
Monica Maes - *Retirement Specialist*
Janiell Royball - *Retirement Specialist*
Fatima Ruiz - *Retirement Specialist*

RETIREMENT

Sandra Mirabal - *Retirement Specialist Supervisor*
Keanna Apodaca - *Retirement Specialist*
Jessica Chavez-Lance - *Retirement Specialist*
Isaac Jimenez - *Retirement Specialist*
Selene Romero - *Retirement Specialist*
Rochelle Roybal - *Retirement Specialist*
Claudia Sigala - *Retirement Specialist*

PAYROLL/REFUNDS

Jesse Godfrey - *Supervisor*
Brenda Y. Cordova - *Business Operations Specialist*
Ramona Moore - *Business Operations Specialist*
Sandi Nakai - *Business Operations Specialist*
Andrea Lucero- *Accountant Auditor*
Dennis Trujillo - *Accountant Auditor*

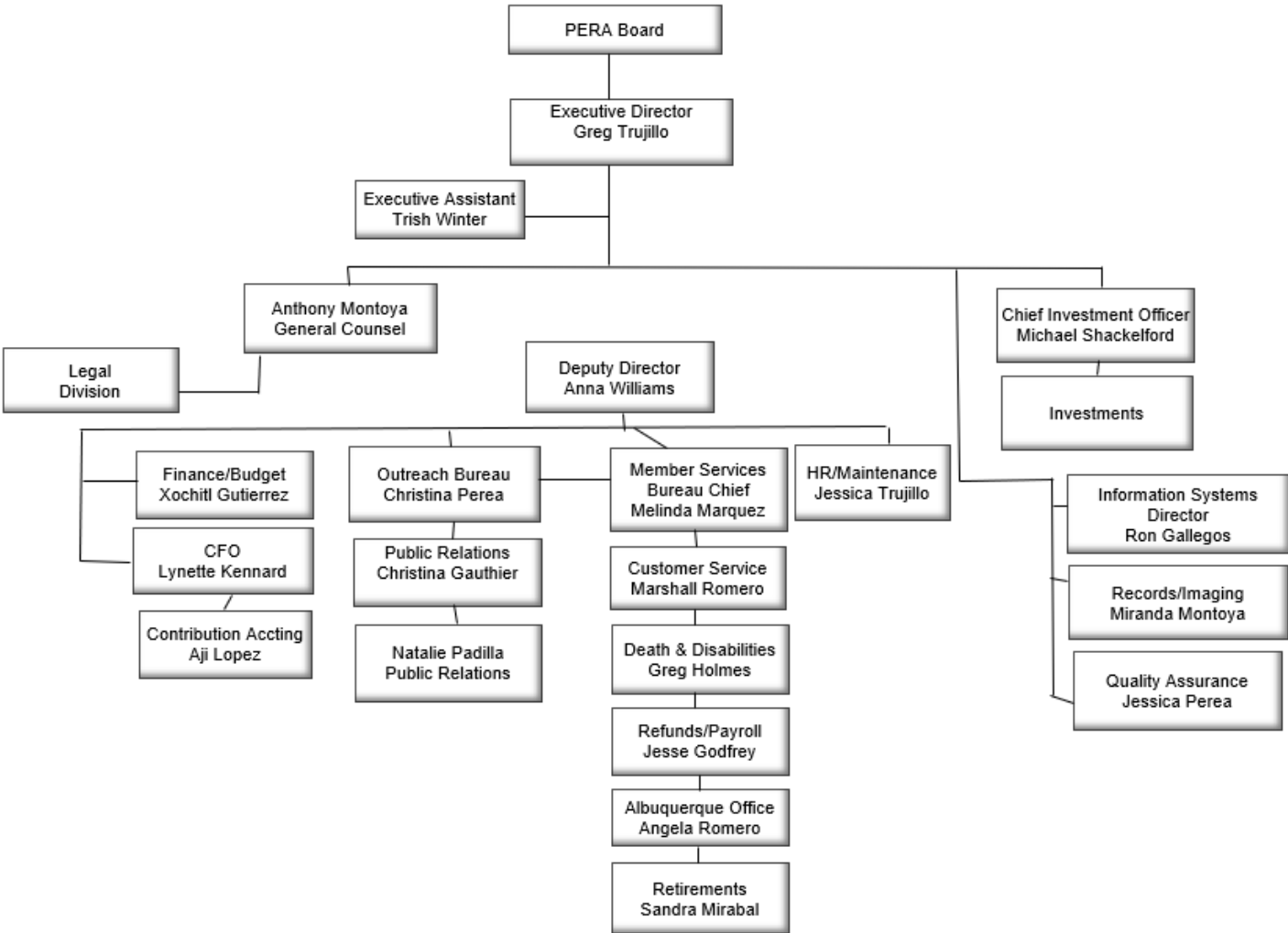
OUTREACH

Christina I. Perea - *Public Relations Bureau Chief*
Christina A. Gauthier - *Public Relations Coordinator*
Natalie Padilla - *Public Relations Coordinator*

ALBUQUERQUE OFFICE

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

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ORGANIZATIONAL CHART



PROFESSIONAL CONSULTANTS

ACTUARY

Gabriel, Roeder, Smith & Company (GRS)
5605 N. MacArthur Blvd. Suite 870
Irving, TX 75038
Website: <https://www.grsconsulting.com>

AUDITORS

Moss Adams LLP
6565 Americas Parkway NE Suite 600
Albuquerque, NM 87110
Website: <https://www.mossadams.com>

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

GENERAL INVESTMENT CONSULTANT

Wilshire Associates Incorporated
1299 Ocean Avenue, Suite 700
Santa Monica, CA 90401-1085
Website: www.wilshire.com

INVESTMENT - REAL ASSETS CONSULTANTS

Albourne America, LLC
55 Montgomery Street, Suite 1910
San Francisco, CA 4111
Website: www.albourne.com

INVESTMENT - PRIVATE EQUITY CONSULTANTS

Aksia
12760 High Bluff Drive
Suite 120
San Diego, Ca 92130
Website: www.aksia.com

PERA's Schedule of Investment Fees and other information related to investment expenses can be found in the Investment Section on page 137.

FINANCIAL SECTION

Public Employees Retirement Association of New Mexico



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023



Report of Independent Auditors

The Public Employees Retirement Association Board
Public Employees Retirement Association of New Mexico

Mr. Joseph M. Maestas, P.E.
New Mexico State Auditor

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of 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 Public Employees Retirement Association of New Mexico (PERA), which comprise the statement of fiduciary net position as of June 30, 2023, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of Public Employees Retirement Association of New Mexico and each Fund referred to above as of June 30, 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Employees Retirement Association of New Mexico and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of Public Employees Retirement Association of New Mexico present the fiduciary net position and changes in fiduciary net position of the State of New Mexico that are attributable to the transactions of PERA and each fund. The financial statements do not present fairly the financial position of the entire State of New Mexico as of June 30, 2023, the changes in its financial position, and 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 PERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of employer contributions, schedule of investment returns, and notes to required supplementary information (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Employees Retirement Association of New Mexico's basic financial statements. The schedule of revenues, appropriations, and expenses, budget and actual, schedule of administrative expenses – all funds, and schedule of investment expenses for defined benefit funds (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introduction, investment, actuarial, and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023 on our consideration of Public Employees Retirement Association of New Mexico'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 Public Employees Retirement Association of New Mexico'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 Public Employees Retirement Association of New Mexico's internal control over financial reporting and compliance.



Albuquerque, New Mexico
November 22, 2023

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, 2023 and 2022 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 10-11-143, 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:

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

Change in Fiduciary Net Position (Last 5 Fiscal Years In Aggregate)		
I -	Investment Income	\$ 4,722,868,852
C -	Contributions	3,601,332,887
C -	Other Income	65,861,196
	Subtotal	\$ 8,390,062,935
B -	Benefits	6,895,043,924
E -	Expenses	73,131,878
		\$ 6,968,175,802
	Change in Fiduciary Net Position	\$ 1,421,887,133

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**Comparative Summary Statements**

The following tables for the year ended June 30, 2023 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

	2023	2022	Dollar Change	Percentage Change
Additions:				
Contributions and Service Credit Purchases	\$ 827,675,318	\$ 722,128,605	\$ 105,546,713	14.62 %
Net Investment Income	898,161,683	(745,217,648)	1,643,379,331	220.52 %
Other Income	2,390,846	2,712,598	(321,752)	(11.86)%
Appropriations from State of NM	—	2,414,400	(2,414,400)	(100.00)%
Total Additions	1,728,227,847	(17,962,045)	1,746,189,892	(9,721.55)%
Deductions:				
Benefit Payments	1,417,002,889	1,367,737,863	49,265,026	3.60 %
Refunds	51,448,291	57,591,001	(6,142,710)	(10.67)%
Administrative Expenses	15,593,783	16,010,498	(416,715)	(2.60)%
Total Deductions	1,484,044,963	1,441,339,362	42,705,601	2.96 %
Change in Fiduciary Net Position	\$ 244,182,884	\$ (1,459,301,407)	\$ 1,703,484,291	(116.73)%

The PERA Fund experienced a 14.62% increase in contributions for fiscal year 2023, mostly due to pay raises and increased contribution rates for both employees and employers. Net investment income also increased for all the defined benefit funds due to the rebound in the market during the year. PERA's net return on investment for all defined benefit funds was 4.23%, a significant increase from the prior year's net return of (1.67)%. Other income represents interest received for unremitted contributions and service credit purchases which varies on a case by case basis. For fiscal year 2023, the PERA Fund did not receive appropriations from the State of New Mexico. However, for fiscal year 2022, the New Mexico Legislature approved a special appropriation of \$2,414,400 for post-employment benefits. Benefit payments increased during fiscal year 2023, due to an increased number of retirees receiving benefits, additional payments for a one time 2% payment (13th check) and a cost of living increase for certain retirees. Refunds represent individuals electing to withdraw funds from the plan if certain requirements are met, the number and amount of refunds are dependent on individual situations. Administrative expense slightly decreased by (2.60)% which is mostly due to a decrease in contracts for the 2023 fiscal year end.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Judicial Fund

	2023	2022	Dollar Change	Percentage Change
Additions:				
Contributions and Service Credit Purchases	\$ 7,438,462	\$ 6,374,849	\$ 1,063,613	16.68 %
Net Investment Income	5,808,887	(4,096,275)	9,905,162	241.81 %
Other Income	—	63,084	(63,084)	(100.00)%
Appropriations from State of NM	1,200,000	21,200,000	(20,000,000)	(94.34)%
Total Additions	14,447,349	23,541,658	(9,094,309)	(38.63)%
Deductions:				
Benefit Payments	13,296,526	13,080,465	216,061	1.65 %
Refunds	—	—	—	— %
Administrative Expenses	89,429	88,171	1,258	1.43 %
Total Deductions	13,385,955	13,168,636	217,319	1.65 %
Change in Fiduciary Net Position	\$ 1,061,394	\$ 10,373,022	\$ (9,311,628)	(89.77)%

The Judicial Fund experienced a 16.68% increase in contributions for fiscal year 2023, mostly due to pay raises. Net investment income also increased for all the defined benefit funds due to the rebound in the market during the year. PERA's a net return on investment for all defined benefit funds was 4.23%, a significant increase from the prior year's net return of (1.67)%. Other income represents interest received for unremitted contributions which varies on a case by case basis. The State of New Mexico appropriation remained static for 2023 and 2022 due to the statutory requirement for the appropriation. Benefit payments increased during fiscal year 2023 due to an increased number of retirees receiving benefits. Refunds represent individuals electing to withdraw funds from the plan if certain requirements are met, the number and amount of refunds are dependent on individual elections. Administrative expense remained consistent compared to prior year with a 1.43% increase in expense for fiscal year ending 2023.

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

	2023	2022	Dollar Change	Percentage Change
Additions:				
Contributions and Service Credit Purchases	\$ 2,088,912	\$ 1,857,356	\$ 231,556	12.47 %
Net Investment Income	1,774,877	(1,470,422)	3,245,299	220.71 %
Appropriations from State of NM	1,200,000	1,200,000	—	— %
Total Additions	5,063,789	1,586,934	3,476,855	219.09 %
Deductions:				
Benefit Payments	4,688,683	4,320,629	368,054	8.52 %
Refunds	262,550	—	262,550	— %
Administrative Expenses	30,223	31,459	(1,236)	(3.93)%
Total Deductions	4,981,456	4,352,088	629,368	14.46 %
Change in Fiduciary Net Position	\$ 82,333	\$ (2,765,154)	\$ 2,847,487	(102.98)%

The Magistrate Fund experienced a 12.47% increase in contributions for fiscal year 2023, mostly due to pay raises. Net investment income also increased for all the defined benefit funds due to the rebound in the market during the year. PERA's a net return on investment for all defined benefit funds was 4.23%, a significant increase from the prior year's net return of (1.67)%. The State of New Mexico appropriation remained static for 2023 and 2022 due to the statutory requirement for the appropriation. Benefit payments increased during fiscal year 2023 due to an increased number of retirees receiving benefits. Refunds represent individuals electing to withdraw funds from the plan if certain requirements are met, the number and amount of refunds are dependent on individual elections. Administrative expense slightly decreased by (3.93)% which is mostly due to a decrease in contracts for the 2023 fiscal year end.

Volunteer Firefighters Fund

	2023	2022	Dollar Change	Percentage Change
Additions:				
Appropriations from State of NM	\$ 750,000	\$ 750,000	\$ —	— %
Net Investment Income	4,377,321	(3,578,375)	7,955,696	222.33 %
Other Income	125	128	(3)	(2.34)%
Total Additions	5,127,446	(2,828,247)	7,955,693	(281.29)%
Deductions:				
Benefit Payments	2,909,864	2,847,231	62,633	2.20 %
Administrative Expenses	76,117	76,684	(567)	(0.74)%
Total Deductions	2,985,981	2,923,915	62,066	2.12 %
Change in Fiduciary Net Position	\$ 2,141,465	\$ (5,752,162)	\$ 7,893,627	(137.23)%

The Volunteer Firefighters Fund received the same amount of appropriations from the State of New Mexico due to a statutory requirement for the appropriation. Net investment income also increased for all the defined benefit funds due to the rebound in the market during the year. PERA's a net return on investment for all defined benefit funds was 4.23%, a significant increase from the prior year's net return of (1.67)%. Benefit payments increased during fiscal year 2023 due to an increased number of retirees receiving benefits. Administrative expense remained consistent compared to prior year with a (0.74)% decrease in expense for fiscal year ending 2023.

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

Assets:	2023	2022	Dollar Change	Percentage Change
Cash & Short-term Investments	\$ 906,748,002	\$ 758,548,781	\$ 148,199,221	19.54 %
Receivables	128,069,772	1,003,142,270	(875,072,498)	(87.23) %
Investments	16,030,694,887	16,044,128,806	(13,433,919)	(0.08) %
Capital Assets, Net	11,104,619	11,792,547	(687,928)	(5.83) %
Total Assets	17,076,617,280	17,817,612,404	(740,995,124)	(4.16) %
Liabilities:				
Accounts Payable	130,004,977	1,164,945,238	(1,034,940,261)	(88.84) %
Other Liabilities	2,248,870	2,241,747	7,123	0.32 %
Security Lending Liability	345,533,676	295,778,546	49,755,130	16.82 %
Total Liabilities	477,787,523	1,462,965,531	(985,178,008)	(67.34) %
Fiduciary Net Position	\$ 16,598,829,757	\$ 16,354,646,873	\$ 244,182,884	1.49 %

The PERA Fund experienced a 19.54% increase in cash for the fiscal year 2023. This is reflective of the composition of cash and investments at each fiscal year end. Receivables decreased by \$(875,072,498) or (87.23)%, mostly due to the decrease in accounts receivable from brokers. Similarly, accounts payable decreased by \$(1,034,940,261) or (88.84)% mostly due to the large decrease in accounts payable to brokers. Net capital assets decreased by (5.83)% mostly due to annual depreciation on the capital assets.

Judicial Fund

Assets:	2023	2022	Dollar Change	Percentage Change
Cash & Short-term Investments	\$ 5,199,999	\$ 4,070,800	\$ 1,129,199	27.74 %
Receivables	712,336	5,651,919	(4,939,583)	(87.40) %
Investments	109,431,908	109,880,127	(448,219)	(0.41) %
Total Assets	115,344,243	119,602,846	(4,258,603)	(3.56) %
Liabilities:				
Accounts Payable	701,694	6,374,464	(5,672,770)	(88.99) %
Other Liabilities	1,981,563	1,628,790	352,773	21.66 %
Total Liabilities	2,683,257	8,003,254	(5,319,997)	(66.47) %
Fiduciary Net Position	\$ 112,660,986	\$ 111,599,592	\$ 1,061,394	0.95 %

The Judicial Fund experienced a 27.74% increase in cash for the fiscal year 2023. This is reflective of the composition of cash and investments at each fiscal year end. Receivables decreased by \$(4,939,583) or (87.40)%, mostly due to the decrease in accounts receivable from brokers. Similarly, accounts payable decreased by \$(5,672,770) or (88.99)% mostly due to the large decrease in accounts payable to brokers.

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

	2023	2022	Dollar Change	Percentage Change
Assets:				
Cash & Short-term Investments	\$ 1,757,297	\$ 1,452,452	\$ 304,845	20.99 %
Receivables	306,934	2,077,696	(1,770,762)	(85.23) %
Investments	31,411,208	31,809,547	(398,339)	(1.25) %
Total Assets	33,475,439	35,339,695	(1,864,256)	(5.28) %
Liabilities:				
Accounts Payable	324,311	2,359,394	(2,035,083)	(86.25) %
Security Lending Liability	669,652	581,158	88,494	15.23 %
Total Liabilities	993,963	2,940,552	(1,946,589)	(66.20) %
Fiduciary Net Position	\$ 32,481,476	\$ 32,399,143	\$ 82,333	0.25 %

The Magistrate Fund experienced a 20.99% increase in cash for the fiscal year 2023. This is reflective of the composition of cash and investments at each fiscal year end. Receivables decreased by \$(1,770,762) or (85.23)%, mostly due to the decrease in accounts receivable from brokers. Similarly, accounts payable decreased by \$(2,035,083) or (86.25)% mostly due to the large decrease in accounts payable to brokers.

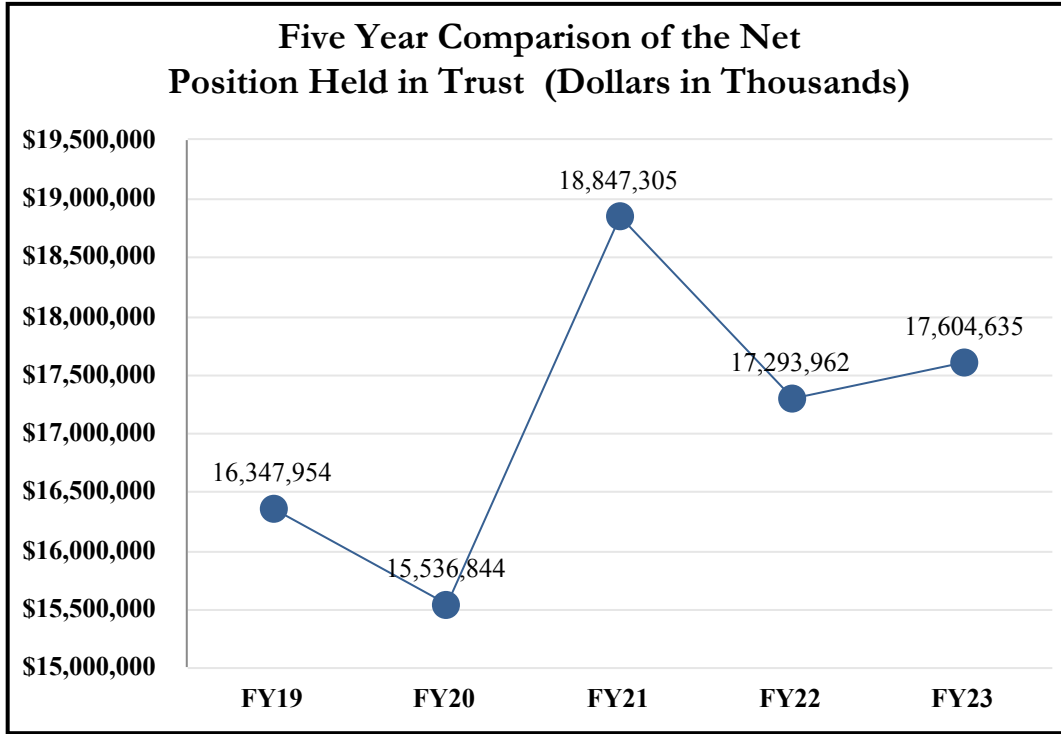
Volunteer Firefighters Fund

	2023	2022	Dollar Change	Percentage Change
Assets:				
Cash & Short-term Investments	\$ 4,426,144	\$ 3,540,578	\$ 885,566	25.01 %
Receivables	521,207	4,667,774	(4,146,567)	(88.83) %
Investments	78,440,103	77,714,962	725,141	0.93 %
Total Assets	83,387,454	85,923,314	(2,535,860)	(2.95) %
Liabilities:				
Accounts Payable	592,679	5,539,992	(4,947,313)	(89.30) %
Security Lending Liability	1,686,671	1,416,683	269,988	19.06 %
Total Liabilities	2,279,350	6,956,675	(4,677,325)	(67.24) %
Fiduciary Net Position	\$ 81,108,104	\$ 78,966,639	\$ 2,141,465	2.71 %

The Volunteer Firefighters Fund experienced a 25.01% increase in cash for the fiscal year 2023. This is reflective of the composition of cash and investments at each fiscal year end. Receivables decreased by \$(4,146,567) or (88.83)%, mostly due to the decrease in accounts receivable from brokers. Similarly, accounts payable decreased by \$(4,947,313) or (89.30)% mostly due to the large decrease in accounts payable to brokers.

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 COMPENSATION 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 Compensation (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, 2023, as compared to June 30, 2022, is as follows:

Deferred Comp Fund

Assets:	2023	2022	Dollar Change	Percentage Change
Receivables	\$ 10,644,496	\$ 10,976,174	\$ (331,678)	(3.02)%
Investments	768,924,339	705,387,604	63,536,735	9.01 %
Total Assets	779,568,835	716,363,778	63,205,057	8.82 %
Total Liabilities	13,770	13,538	232	1.71 %
Net Position Held in Trust	\$ 779,555,065	\$ 716,350,240	\$ 63,204,825	8.82 %

The net position held in trust for plan benefits increased by approximately \$63.2 million during the current period from \$716.3 million at June 30, 2022 to \$779.5 million at June 30, 2023. This increase is primarily due to an increase in participant enrollments and the net appreciation in the fair value of the Plan's investment during the year.

Statement of Changes in Fiduciary Net Position for the year ended June 30, 2023, as compared to the year ended June 30, 2022, is as follows:

Deferred Comp Fund

Additions:	2023	2022	Dollar Change	Percentage Change
Contributions and Service Credit Purchases	\$ 46,278,410	\$ 44,773,433	\$ 1,504,977	3.36 %
Net Investment Income	70,824,901	(84,843,558)	155,668,459	183.48 %
Other Income	100,000	107,000	(7,000)	(6.54)%
Total Additions	117,203,311	(39,963,125)	157,166,436	(393.28)%
Deductions:				
Benefit Payments	51,974,163	54,058,979	(2,084,816)	(3.86)%
Life Insurance Premiums	—	—	—	— %
Administrative Expenses	2,024,323	1,874,382	149,941	8.00 %
Total Deductions	53,998,486	55,933,361	(1,934,875)	(3.46)%
Change in Fiduciary Net Position	\$ 63,204,825	\$ (95,896,486)	\$ 159,101,311	(165.91)%

Member contributions, including rollovers, increased by \$1.5 million from fiscal year 2022 to fiscal year 2023 from \$44.8 million to \$46.3 million. Fluctuations in member contributions are primarily due to differences in the number of actively contribution members from year to year and changes in the average contributions per member. There were 16,004 and 15,969 actively contribution members for the years ended June 30, 2023 and 2022, respectively. In accordance with the Internal Revenue Code, members could voluntarily contribute up to a maximum amount of \$22,500 in 2023 and \$20,500 in 2022, unless over age 50 which allow an additional \$7,500 in 2023 and \$6,500 in

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

2022. However, members' contributions are not always at maximum, causing uneven annual contribution changes in relation to member changes.

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.

The following table shows the investment income for the defined benefit funds for the fiscal year 2023:

Investment Income

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Interest	\$ 148,101,346	\$ 1,553,870	\$ 314,574	\$ 733,458	\$ 150,703,248
Dividends	85,515,544	480,864	167,150	414,904	86,578,462
Net Appreciation in Fair Value of Inv.	523,759,375	3,000,040	1,018,172	2,554,717	530,332,304
Other Investment Income	202,374,752	1,133,167	396,194	979,712	204,883,825
Other Investment Expenses	(64,265,214)	(374,146)	(126,440)	(318,467)	(65,084,267)
Securities Lending Income	2,675,880	15,092	5,227	12,997	2,709,196
Net Investment Income	\$ 898,161,683	\$ 5,808,887	\$ 1,774,877	\$ 4,377,321	\$ 910,122,768

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table shows the defined benefit funds' invested assets as of June 30, 2023 compared to June 30, 2022:

Invested Assets

Investment Category	June 30, 2023	June 30, 2022	Dollar Change	Percentage Change
Domestic Equity	2,565,895,272	2,246,585,732	319,309,540	14.21 %
International Equity	1,472,890,351	1,348,443,428	124,446,923	9.23 %
Core Fixed Income	2,980,853,074	2,357,217,492	623,635,582	26.46 %
Global Fixed Income	360,447,636	791,498,675	(431,051,039)	(54.46) %
Public MLP	—	—	—	— %
Public REIT	332,137	5,266,707	(4,934,570)	(93.69) %
TIPS	—	500,835,190	(500,835,190)	(100.00) %
Derivatives	7,736,520	9,900,974	(2,164,454)	(21.86) %
Absolute Return - Credit	889,123,672	948,249,857	(59,126,185)	(6.24) %
Absolute Return - Equity	820,811	629,908	190,903	30.31 %
Absolute Return - Real Assets	738,197	1,085,634	(347,437)	(32.00) %
Absolute Return - Risk Parity	1,376,156,249	1,472,153,422	(95,997,173)	(6.52) %
Bond Plus Alpha Engine	610,914,016	830,184,090	(219,270,074)	(26.41) %
Private Equity Partnership	2,893,352,415	2,674,885,419	218,466,996	8.17 %
Private Debt Partnership	222,108,743	244,991,371	(22,882,628)	(9.34) %
Real Estate Equity Partnership	1,024,362,429	986,737,455	37,624,974	3.81 %
Real Estate Debt Partnership	122,350,912	331,441,332	(209,090,420)	(63.09) %
Real Asset Partnership	1,317,642,579	1,177,070,394	140,572,185	11.94 %
Securities Lending Collateral	349,930,189	299,344,582	50,585,607	16.90 %
Investments In State General Fund				
Investment Pool	54,322,904	37,011,780	17,311,124	46.77 %
Total Investments	\$ 16,249,978,106	\$ 16,263,533,442	\$ (13,555,336)	(0.08) %

TIME - WEIGHTED RETURNS VS BENCHMARKS

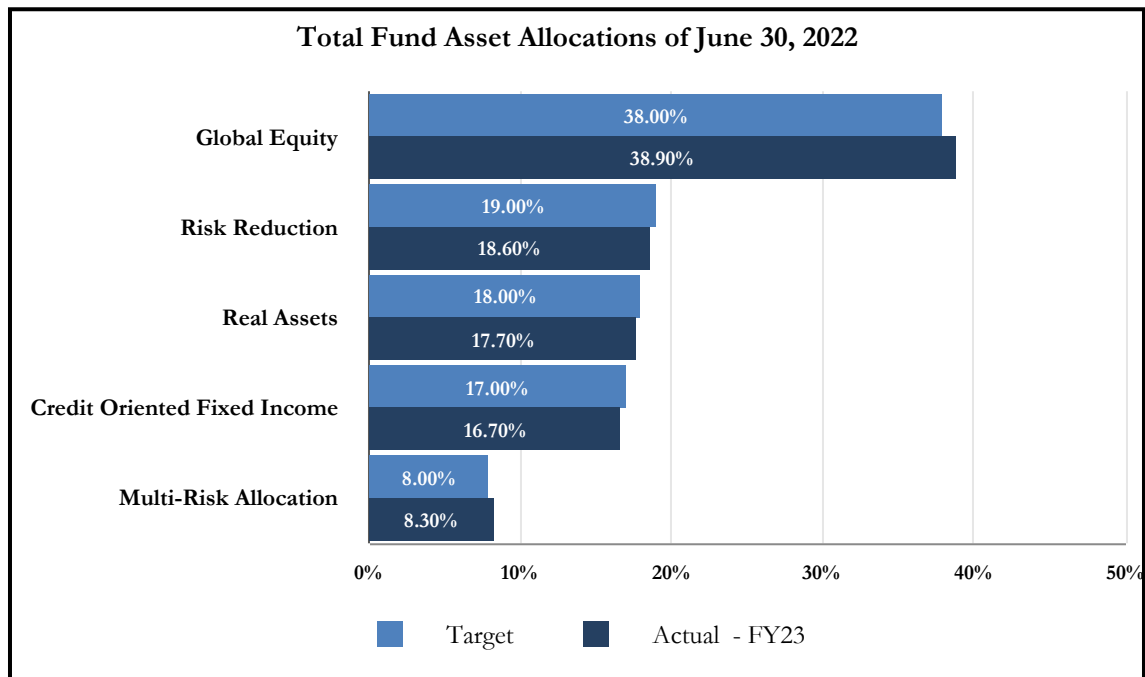
As of June 30, 2023, the investments in the defined benefit funds returned 4.23% and generated an investment gain of approximately \$910 million net of investment fees and expenses. For further detail, please see the investment section on page 120. The defined benefit funds' Fiduciary Net Position held in trust for pension benefits at the close of the fiscal year was approximately \$16.8 billion. The defined benefit fund has exceeded its policy benchmark over the last three and five year periods.

Time Period	PERA Return	Benchmark Return	Excess Return
One-year	4.23%	6.89%	(2.66)%
Three-year	8.33%	5.76%	2.57%
Five-year	5.9%	4.51%	1.39%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 \$755,925,210 in 2022 to \$840,352,692 in 2023. The increase in contributions are related to pay raises and an increase contribution rates for the PERA fund.

Total Contributions by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Employer Contributions	\$ 454,461,748	\$ 5,152,445	\$ 1,337,969	\$ —	\$ 460,952,162
Employee Contributions	364,138,526	2,286,017	750,943	—	367,175,486
Purchased Services	9,075,044	—	—	—	9,075,044
State Contributions	—	1,200,000	1,200,000	750,000	3,150,000
Total Contributions	\$ 827,675,318	\$ 8,638,462	\$ 3,288,912	\$ 750,000	\$ 840,352,692

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

BENEFITS AND EXPENSES

Benefits are another component of the retirement equation. At the end of the fiscal year 2023, PERA was paying benefits to more than 46,200 retired public employees and their beneficiaries. Benefits and expenses for the fiscal year increased from \$1,461,784,001 in 2022 to \$1,505,398,355 in 2023.

Total Deductions by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Benefit Payments	\$ 1,417,002,889	\$ 13,296,526	\$ 4,688,683	\$ 2,909,864	\$ 1,437,897,962
Refunds	51,448,291	—	262,550	—	51,710,841
Administrative Expense	15,593,783	89,429	30,223	76,117	15,789,552
Total Deductions	\$ 1,484,044,963	\$ 13,385,955	\$ 4,981,456	\$ 2,985,981	\$ 1,505,398,355

ACTUARIAL VALUATIONS

In fiscal year 2023, the PERA Fund reported an Unfunded Actuarial Accrued Liability (UAAL) of \$8.14 billion, approximately \$953.2 million more than the previous year. For further detail, please see actuarial section on page 145. The increase in the UAAL was primarily the result of salary increases larger than expected and investment losses on the actuarial value of assets. The return on the actuarial value of assets was 6.0% compared to an expected return of 7.25%.

In fiscal year 2023, the Judicial Fund reported an Unfunded Actuarial Accrued Liability (UAAL) of \$76.0 million, approximately \$3.4 million more than the previous year. For further detail, please see actuarial section on page 145. The increase in the UAAL was primarily the result of investment losses on the actuarial value of assets. The return on the actuarial value of assets was 5.8% compared to an expected return of 7.25%.

In fiscal year 2023, the Magistrate Fund reported an Unfunded Actuarial Accrued Liability (UAAL) of \$29.6 million, approximately \$31 thousand more than the previous year. For further detail, please see actuarial section on page 145.

In fiscal year 2023, the Volunteer Firefighter Fund reported an Unfunded Actuarial Accrued Liability (UAAL) of \$(33.7) million, approximately \$2.9 million less than the previous year. For further detail, please see actuarial section on page 145. The increase in the funding surplus was primarily the result of demographic gains resulting from active members accruing less service during the year than expected.

Governmental Accounting Standards Board (GASB) Statement No. 67 defines how an unfunded liability is calculated for accounting purposes and how it is reported on the financial statements of PERA's participating entities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The table below includes the Net Pension Liability as required under GASB Statement No. 67. For further detail, please see Note 12 and required supplementary information specific to GASBS 67, by fund.

Net Pension Liability by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund
Total Pension Liability	\$ 24,676,915,175	\$ 222,541,191	\$ 73,200,599	\$ 52,931,721
Plan Fiduciary Net Position Held in Trust for Pension Benefits	16,598,829,757	112,660,986	32,481,476	81,108,104
Net Pension Liability / (Asset)	\$ 8,078,085,418	\$ 109,880,205	\$ 40,719,123	\$ (28,176,383)
Ratio of Plan Net Position of Total Pension Liability	67.26%	50.62%	44.37%	153.23%

Actuarial assumptions—The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These assumptions were adopted by the Board for use in the June 30, 2023 actuarial valuation.

REQUEST FOR INFORMATION

Any questions regarding the financial statements of PERA should be directed to the Executive Director, at (505) 476-9303; Chief Investment Officer at (505) 476-9338, or Chief Financial Officer at (505) 470-3047. 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 POSITION as of June 30, 2023

	Public Employee Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
ASSETS			
Cash and Short Term Investments	\$ 906,748,002	\$ 5,199,999	\$ 1,757,297
Receivables			
Accrued Investment Income	106,771,970	612,336	206,934
Contributions Receivable	21,297,802	—	—
Participant Loans Receivable	—	—	—
Accounts Receivable	—	100,000	100,000
Total Short Term Assets	128,069,772	712,336	306,934
Investment in State Treasurer Investment Pool	35,842,030	17,704,613	412,722
Investments, at fair value			
Domestic Equity	2,534,081,938	14,532,455	4,911,124
International Equity	1,454,628,673	8,342,006	2,819,112
Core Fixed Income	2,943,894,872	16,882,651	5,705,353
Global Fixed Income	355,978,615	2,041,466	689,897
Public REIT	328,019	1,881	636
Derivatives	7,640,599	43,817	14,808
Absolute Return - Credit	878,099,844	5,035,728	1,701,782
Absolute Return - Equity	810,634	4,649	1,571
Absolute Return - Real Assets	729,044	4,181	1,413
Absolute Return - Risk Parity	1,359,093,932	7,794,133	2,633,963
Bond Plus Alpha Engine	603,339,579	3,460,032	1,169,290
Private Equity Partnership	2,857,479,093	16,387,074	5,537,877
Private Debt Partnership	219,354,921	1,257,957	425,116
Real Estate Equity Partnership	1,011,661,839	5,801,679	1,960,630
Real Estate Debt Partnership	120,833,940	692,959	234,180
Real Asset Partnership	1,301,305,746	7,462,729	2,521,968
Mutual Funds	—	—	—
LifeCycle Funds	—	—	—
Stable Value Option, at Contract Value	—	—	—
Self-Directed Option	—	—	—
	15,685,103,318	107,450,010	30,741,442
Securities Lending Collateral Investments	345,591,569	1,981,898	669,766
Total Investments	16,030,694,887	109,431,908	31,411,208
Capital Assets, Net	11,104,619	—	—
Total Assets	17,076,617,280	115,344,243	33,475,439
LIABILITIES			
Accounts Payable - Brokers	121,416,741	696,304	235,311
Accounts Payable - Other	7,847,882	5,390	89,000
Accrued Expenses	175,170	—	—
Compensated Absences	565,184	—	—
Securities Lending Liability	345,533,676	1,981,563	669,652
Other Liabilities	2,248,870	—	—
Total Liabilities	477,787,523	2,683,257	993,963
FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS			
	\$ 16,598,829,757	\$ 112,660,986	\$ 32,481,476

*See notes to the financial statements for additional information

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

STATEMENTS OF FIDUCIARY NET POSITION (CONTINUED) as of June 30, 2023

	Volunteer Firefighters Retirement Fund	Total Defined Benefit	Deferred Compensation Plan	SSA Program	Total
ASSETS					
Cash and Short Term Investments	\$ 4,426,144	\$ 918,131,442	\$ —	\$ —	\$ 918,131,442
Receivables					
Accrued Investment Income	521,207	108,112,447	—	—	108,112,447
Contributions Receivable	—	21,297,802	—	—	21,297,802
Participant Loans Receivable	—	—	10,619,496	—	10,619,496
Accounts Receivable	—	200,000	25,000	—	225,000
Total Short Term Assets	521,207	129,610,249	10,644,496	—	140,254,745
Investment in State Treasurer Investment Pool	363,539	54,322,904	48,480	1,042	54,372,426
Investments, at fair value					
Domestic Equity	12,369,755	2,565,895,272	—	—	2,565,895,272
International Equity	7,100,560	1,472,890,351	—	—	1,472,890,351
Core Fixed Income	14,370,198	2,980,853,074	—	—	2,980,853,074
Global Fixed Income	1,737,658	360,447,636	—	—	360,447,636
Public REIT	1,601	332,137	—	—	332,137
Derivatives	37,296	7,736,520	—	—	7,736,520
Absolute Return - Credit	4,286,318	889,123,672	—	—	889,123,672
Absolute Return - Equity	3,957	820,811	—	—	820,811
Absolute Return - Real Assets	3,559	738,197	—	—	738,197
Absolute Return - Risk Parity	6,634,221	1,376,156,249	—	—	1,376,156,249
Bond Plus Alpha Engine	2,945,115	610,914,016	—	—	610,914,016
Private Equity Partnership	13,948,371	2,893,352,415	—	—	2,893,352,415
Private Debt Partnership	1,070,749	222,108,743	—	—	222,108,743
Real Estate Equity Partnership	4,938,281	1,024,362,429	—	—	1,024,362,429
Real Estate Debt Partnership	589,833	122,350,912	—	—	122,350,912
Real Asset Partnership	6,352,136	1,317,642,579	—	—	1,317,642,579
Mutual Funds	—	—	396,342,751	—	396,342,751
LifeCycle Funds	—	—	230,909,393	—	230,909,393
Stable Value Option, at Contract Value	—	—	130,434,046	—	130,434,046
Self-Directed Option	—	—	11,189,669	—	11,189,669
	76,753,147	15,900,047,917	768,924,339	1,042	16,668,973,298
Securities Lending Collateral Investment	1,686,956	349,930,189	—	—	349,930,189
Total Investments	78,440,103	16,249,978,106	768,924,339	1,042	17,018,903,487
Capital Assets, Net	—	11,104,619	—	—	11,104,619
Total Assets	83,387,454	17,308,824,416	779,568,835	1,042	18,088,394,293
LIABILITIES					
Accounts Payable - Brokers	592,679	122,941,035	—	—	122,941,035
Accounts Payable - Other	—	7,942,272	—	—	7,942,272
Accrued Expenses	—	175,170	2,054	1,042	178,266
Compensated Absences	—	565,184	11,716	—	576,900
Securities Lending Liability	1,686,671	349,871,562	—	—	349,871,562
Other Liability	—	2,248,870	—	—	2,248,870
Total Liabilities	2,279,350	483,744,093	13,770	1,042	483,758,905
FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS	\$ 81,108,104	\$ 16,825,080,323	\$ 779,555,065	\$ —	\$ 17,604,635,388

*See notes to the financial statements for additional information

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

	Public Employee Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
ADDITIONS			
Contributions			
Employer	\$ 454,461,748	\$ 5,152,445	\$ 1,337,969
Member	364,138,526	2,286,017	750,943
Appropriations from State of NM			
Public Employee/Judicial/Magistrate Fund	—	1,200,000	1,200,000
Fire Protection Fund	—	—	—
Service Credits Purchased	9,075,044	—	—
Total Contributions	827,675,318	8,638,462	3,288,912
Investment Income			
Interest	148,101,346	1,553,870	314,574
Dividends	85,515,544	480,864	167,150
Net Appreciation (Depreciation) in Fair Value of Investments	523,759,375	3,000,040	1,018,172
Other Investment Income	202,374,752	1,133,167	396,194
Securities Lending Income	2,675,880	15,092	5,227
	<u>962,426,897</u>	<u>6,183,033</u>	<u>1,901,317</u>
Securities Lending Expenses	(398,599)	(2,286)	(773)
Other Investment Expenses	(63,866,615)	(371,860)	(125,667)
Net Investment Income	898,161,683	5,808,887	1,774,877
OTHER			
Other Income	2,390,846	—	—
General fund appropriation	—	—	—
Reversion - FY 2023	—	—	—
Total Other Income	2,390,846	—	—
Total Additions	1,728,227,847	14,447,349	5,063,789
DEDUCTIONS			
Benefit Payments	1,417,002,889	13,296,526	4,688,683
Refunds to Terminated Employees	51,448,291	—	262,550
Administrative Expenses	15,593,783	89,429	30,223
Total Deductions	1,484,044,963	13,385,955	4,981,456
CHANGE IN FIDUCIARY NET POSITION	244,182,884	1,061,394	82,333
FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS			
Beginning of Year	16,354,646,873	111,599,592	32,399,143
End of Year	\$ 16,598,829,757	\$ 112,660,986	\$ 32,481,476

*See notes to the financial statements for additional information

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO (CONTINUED)
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

	Volunteer Firefighters Retirement Fund	Total Defined Benefit	Deferred Compensation Plan	SSA Program	Total
ADDITIONS					
Contributions					
Employer	\$ —	\$ 460,952,162	\$ —	\$ —	\$ 460,952,162
Member	—	367,175,486	46,278,410	—	413,453,896
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	—	9,075,044	—	—	9,075,044
Total Contributions	750,000	840,352,692	46,278,410	—	886,631,102
Investment Income					
Interest	733,458	150,703,248	16,656,341	—	167,359,589
Dividends	414,904	86,578,462	—	—	86,578,462
Net Appreciation (Depreciation) in Fair Value of Investments	2,554,717	530,332,304	53,446,956	—	583,779,260
Other Investment Income	979,712	204,883,825	721,604	—	205,605,429
Securities Lending Income	12,997	2,709,196	—	—	2,709,196
	4,695,788	975,207,035	70,824,901	—	1,046,031,936
Securities Lending Expenses	(1,946)	(403,604)	—	—	(403,604)
Other Investment Expenses	(316,521)	(64,680,663)	—	—	(64,680,663)
Net Investment Income	4,377,321	910,122,768	70,824,901	—	980,947,669
OTHER					
Other Income	125	2,390,971	100,000	—	2,490,971
General fund appropriation	—	—	—	52,800	52,800
Reversions - FY 2023	—	—	—	(3,036)	(3,036)
Total Other Income	125	2,390,971	100,000	49,764	2,540,735
Total Additions	5,127,446	1,752,866,431	117,203,311	49,764	1,870,119,506
DEDUCTIONS					
Benefit Payments	2,909,864	1,437,897,962	51,974,163	—	1,489,872,125
Refunds to Terminated Employees	—	51,710,841	—	—	51,710,841
Administrative Expenses	76,117	15,789,552	2,024,323	49,764	17,863,639
Total Deductions	2,985,981	1,505,398,355	53,998,486	49,764	1,559,446,605
CHANGE IN FIDUCIARY NET POSITION	2,141,465	247,468,076	63,204,825	—	310,672,901
FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS					
Beginning of Year	78,966,639	16,577,612,247	716,350,240	—	17,293,962,487
End of Year	\$ 81,108,104	\$ 16,825,080,323	\$ 779,555,065	\$ —	\$ 17,604,635,388

*See notes to the financial statements 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, 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), see Note 1(C) for additional information. Additionally, PERA 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 referred to 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 primary government the State of New Mexico. The funds administered by PERA are pension trust funds of the State of New Mexico. The State of New Mexico Deferred Compensation Plan (Deferred Comp. Plan) is also presented in the financial statements, see Note 16 for further detail and information on the Plan. The Plan also issues publicly available stand-alone financial statements 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 Generally Accepted Accounting Principles (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 entities should be included in its financial reporting entity. PERA does not have any component units.

C. Description of Funds

PERA Fund (SHARE #60600) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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-8, 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. The PERA fund is self-funded through investment income and therefore is a non-reverting fund. In 2020, Senate Bill 72 was enacted and had the following provisions for the PERA fund.

- 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 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)

- 2020 Senate Bill 72 changed the COLA in 2023 from 2% to a range between a .5% floor and 3% maximum depending on investment performance 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with five 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)

- 2020 Senate Bill 72 changes the COLA in 2023 from 2% to a range between a .5% floor and 3% maximum depending on investment performance 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, \$600 for each year of service credit after 2012 and \$1,000 after 2018. 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 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 10-11-43.6, 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, 2023 was determined by the actuary to be \$1,147,166. Actual funding/contributions

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

historically have exceeded actuarial determined contributions. Funding is provided in Section 7-1-6.43 of the Tax Administration Act and delayed further distributions to the legislative retirement fund until fiscal year 2026.

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 14% 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 for fiscal year 2023 was \$202.

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 23						
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 \$25,000 or less	Annual Salary greater than \$25,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	10.42%	18.74%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	9.00%	8.15%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	11.15%	10.30%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	15.16%	10.30%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.65%	12.80%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.00%	9.00%	11.15%	2.0%	2.0%	90%
Municipal Police Plan 2	7.00%	9.00%	16.15%	2.5%	2.0%	90%
Municipal Police Plan 3	7.00%	9.00%	19.65%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	14.35%	19.65%	3.0%	2.5%	90%
Municipal Police Plan 5	16.30%	18.30%	19.65%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.00%	11.50%	12.15%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.00%	11.50%	18.65%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.00%	11.50%	22.40%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.80%	16.30%	22.40%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.20%	19.70%	22.40%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
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%	10.42%	18.74%	N/A	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	7.78%	27.87%	3.0%	3.0%	90%

Judicial Fund (SHARE #60300) 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. The Judicial Fund is self-funded through investment income and therefore is a non-reverting fund.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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).
- 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

Effective 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 (SHARE #60400) 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. The Magistrate fund is self-funded through investment income and therefore is a non-reverting fund.

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 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 (SHARE #60700) 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. Section 10-11A-3 NMSA 1978 requires that the State Treasurer transfer \$750,000 from the Fire Protection Fund to the Volunteer Firefighters Fund annually for purposes of contributing to the plan. The Volunteer Firefighters Fund is self-funded through investment income and therefore is a non-reverting fund.

D. Membership of the Plans

At June 30, 2023, the number of participating government employers were as follows:

Public Employees Retirement Fund	
State Agencies	122
Cities	37
Towns	18
Villages	38
Counties	33
Housing Authorities	15
Other Local Public Bodies	55
Total PERA	318
Judicial Retirement Fund*	16
Magistrate Retirement Fund*	12
Volunteer Firefighters Retirement Fund*	363

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2023, membership in the plans were as follows:

	PERA* Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Totals
Retirees and beneficiaries receiving benefits	44,115	204	111	1,642	46,072
Terminated plan members not yet receiving benefits	26,846	49	18	316	27,229
Active plan members	46,901	131	62	7,711	54,805

*PERA Retirement Fund includes the Legislative Fund

Note: Counts are based on the 2022 Valuation Report since they support the 2022 GASBS 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 1st through December 31st), subject to certain conditions. COLA recipients receive a notification letter each July advising them of the increase in their pension payments. The total annual COLA payments for FY 23 were \$274,675,509 an average of \$22,889,626 per month.

Deferred Compensation Fund (SHARE #75500) is 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. See Note 16 for additional information. The Deferred Compensation fund is self-funded through investment income and therefore is a non-reverting fund.

Social Security Program Fund (SHARE #35180) accounts for the activities for the Social Security Administration (SSA) Program for the State of New Mexico. The Social Security Program fund received General Fund Appropriations from the State of New Mexico in fiscal year 2023 to administer the SSA Program for the state. The Social Security Program Fund is a reverting fund. The general fund appropriation and reversion for fiscal year 2023 was as follows:

	<u>SSA Program</u>
General Fund Appropriation	\$ 52,800
Expenses	(49,764)
Reversions - FY23	<u>\$ 3,036</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

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	38.00%
Risk Reduction & Mitigation	17.00%
Credit Oriented Fixed Income	19.00%
Real Assets to include Real Estate Equity	18.00%
Multi-Risk Allocation	8.00%

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 (REITs)
 - 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 (19.03%), Global Low Volatility Equity (5.64%) and Private Equity (14.18%) for a total allocation to Global Equity of 38.85%.
- 2) Risk Reduction & Mitigation: Risk Reduction & Mitigation includes asset subclasses of Core Domestic Fixed Income (12.30%), Cash (0.27%) and Bond Plus (4.09%) for a total allocation to Risk Reduction of 16.66%
- 3) Credit Oriented Fixed Income: The Credit Oriented Fixed Income Asset Class consists of the subclasses: Liquid Credit (11.27%), Illiquid Credit (2.02%), Alternative Liquid Credit (5.29%), for a total allocation to Credit Oriented Fixed Income of 18.58%.
- 4) Real Assets: Real Assets includes Illiquid Real Estate (8.78%), Liquid Real Assets (1.01%) and Illiquid Real Assets (7.86%) for a total allocation to Real Assets of 17.65%.
- 5) Multi-Risk Allocation includes Absolute Risk Parity (8.26%)

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2023, are as follows:

PERA Fund	98.76%
Judicial Fund	0.57%
Magistrate Fund	0.19%
Volunteer Firefighters Fund	0.48%
Total	100.00%

Capital Assets. PERA maintains two categories of capital assets: tangible capital assets and intangible right-to-use assets. Tangible capital assets costing \$5,000 or more (12-1-10 NMSA 1978) that are used in PERA's operations are capitalized. Tangible capital assets also include internally generated computer software used to maintain a membership data base. These assets are recorded at historical cost less accumulated depreciation or amortization. The building is depreciated over 50 years. All remaining tangible capital assets are depreciated over five to ten years, depending on the nature of the asset, using the straight-line method of depreciation. Intangible right-to-use assets are recorded under GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) which establishes criteria for identifying and reporting right-to-use intangible assets and liabilities for future payment activities. The lease and subscription liabilities are reported as Other Liabilities on the Statement of Fiduciary Net Position. In 2022, PERA recognized lease contracts or equivalents with cumulative future payments on the contract exceeding \$25,000 in accordance with the New Mexico Department of Finance and Administration threshold requirements. In 2023, PERA recognized lease contracts, subscription-based information technology arrangements or equivalents with cumulative future payments on the contract exceeding \$5,000 in accordance with the New Mexico Department of Finance and Administration threshold requirements. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability and are amortized on a straight-line basis over the life of the related lease. See Note 6 for a detailed summary of PERA's capital assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2023.

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.

Deferred Compensation Plan. At June 30, 2023, PERA had \$48,480 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 State 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- 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.

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 PERA’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	\$	35,842,030
Judicial Fund		17,704,613
Magistrate Fund		412,722
Volunteer Firefighters Fund		363,539
Deferred Comp Fund		48,480
SSA Program		1,042
Total	\$	54,372,426

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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 \$918,131,442 and uninvested cash totaled \$43,488,211 for total Cash and Short-term Investment of \$918,131,442 as of June 30, 2023.

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, 2023, and its exposure to custodial credit risk are as follows:

Asset Type	Held in the Name of the Fund by the Fund's Custodian Bank	Custody Arrangements Contracted by Fund Manager	Total
US Government Bonds	\$ 772,573,101	\$ —	\$ 772,573,101
Non-US Government Bonds	158,804,421	—	158,804,421
Municipal Bonds	11,379,626	—	11,379,626
Corporate Bonds	1,837,993,398	—	1,837,993,398
Mortgage Backed Securities	517,538,549	—	517,538,549
Asset Backed Securities	4,814,623	—	4,814,623
Commercial Mortgage Backed Securities	35,306,685	—	35,306,685
CMO/REMIC	2,890,308	—	2,890,308
Fixed Income Derivatives	887,311	—	887,311
Absolute Return - Credit	—	889,123,672	889,123,672
Absolute Return Risk Parity	—	1,376,156,249	1,376,156,249
Limited Partnerships - Debt	—	344,459,654	344,459,654
Bond Plus Alpha Engine	—	610,914,016	610,914,016
Total Fixed Income	\$ 3,342,188,022	\$ 3,220,653,591	\$ 6,562,841,613
Common Stock	3,783,844,231	—	3,783,844,231
Preferred Stock	3,547,772	—	3,547,772
REIT	332,137	—	332,137
Currency Futures	25,038	—	25,038
Equity Derivatives	6,824,170	—	6,824,170
Commingled Equity Funds	—	251,393,620	251,393,620
Absolute Return - Equity & Real Assets	—	1,559,008	1,559,008
Limited Partnerships - Equity & Real Assets	—	5,235,357,424	5,235,357,424
Total Equities	3,794,573,348	5,488,310,052	9,282,883,400
Subtotal Equities and Fixed Income	\$ 7,136,761,370	\$ 8,708,963,643	\$ 15,845,725,013
Securities Lending Collateral Investments	—	349,930,189	349,930,189
Total Investments as Presented Above			16,195,655,202
Investments Directed by Participants (Deferred Comp Fund)			768,875,859
Investments In State General Fund Investment Pool			54,372,426
Total Investments per the Statement of Fiduciary Net Position			\$ 17,018,903,487

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, 2023, and its exposure to credit risk are as follows:

S & P Ratings	Fair Value	% of Fixed Income Portfolio	
US GOVERNMENT BONDS	\$	772,573,101	23.12 %
AA+	765,234,730	22.90 %	
NR	7,338,371	0.22 %	
NON-US GOVERNMENT BONDS	\$	158,804,421	4.75 %
AAA	25,943,346	0.77 %	
AA+	1,859,840	0.06 %	
AA	3,976,898	0.12 %	
AA-	1,954,265	0.06 %	
A+	4,912,841	0.15 %	
A-	1,226,260	0.04 %	
A	1,649,985	0.05 %	
BBB+	3,311,846	0.10 %	
BBB-	112,502	0.00 %	
BBB	9,605,724	0.29 %	
BB+	9,938,599	0.30 %	
BB-	9,078,002	0.27 %	
BB	17,543,033	0.52 %	
B+	5,639,752	0.17 %	
B-	11,939,499	0.36 %	
B	9,485,270	0.28 %	
CCC-	9,730,272	0.29 %	
NR	30,896,487	0.92 %	
MUNICIPAL BONDS	\$	11,379,626	0.34 %
AAA	1,969,934	0.06 %	
AA+	1,220,966	0.04 %	
AA	1,823,279	0.05 %	
AA-	4,669,397	0.14 %	
A-	363,603	0.01 %	
A	619,658	0.02 %	
NR	712,789	0.02 %	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings	Fair Value	% of Fixed Income Portfolio
CORPORATE BONDS	\$ 1,837,993,398	54.99 %
AAA	5,671,257	0.17 %
AA+	6,131,343	0.18 %
AA	8,234,006	0.25 %
AA-	14,763,561	0.44 %
A+	29,736,451	0.89 %
A	41,933,307	1.25 %
A-	112,613,565	3.37 %
BBB+	87,676,150	2.62 %
BBB	109,609,361	3.28 %
BBB-	69,775,910	2.09 %
BB+	185,502,414	5.55 %
BB	186,734,697	5.59 %
BB-	248,245,562	7.43 %
B+	193,504,059	5.79 %
B	220,827,386	6.61 %
B-	111,730,157	3.34 %
CCC+	43,009,534	1.29 %
CCC	25,641,779	0.77 %
CCC-	1,001,473	0.03 %
D	3,081,000	0.09 %
NR	132,570,426	3.96 %

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings	Fair Value	% of Fixed Income Portfolio
ASSET BACKED SECURITIES	\$ 4,814,623	0.14 %
AAA	1,022,708	0.03 %
BBB+	3,791,915	0.11 %
CMO/REMIC	\$ 2,890,308	0.09 %
AA+	2,890,308	0.09 %
COMMERCIAL MORTGAGE BACKED	\$ 35,306,685	1.05 %
AAA	7,307,411	0.22 %
AA+	1,152,647	0.03 %
NR	26,846,627	0.80 %
MORTGAGE BACKED SECURITIES	\$ 517,538,549	15.49 %
AAA	529,933	0.02 %
AA+	448,966,288	13.43 %
NR	68,042,328	2.04 %
DERIVATIVES	\$ 887,311	0.03 %
NR	\$ 887,311	0.03 %
	\$ 3,342,188,022	100.00 %

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, 2023, 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, 2023 and its exposure to interest rate risk are as follows:

Bond Category	Weighted Average Maturity in Years	Fair Value	Percent of Fixed Income Portfolio
U.S. Government Bonds	7.83	\$ 772,573,101	23.12 %
Non-U.S. Government Bonds	9.89	158,804,421	4.75 %
Municipal Bonds	22.69	11,379,626	0.34 %
Corporate Bonds	6.62	1,837,993,398	54.99 %
Asset Backed	3.88	4,814,623	0.14 %
CMO/REMIC	8.42	2,890,308	0.09 %
Commercial Mortgage Backed	28.01	35,306,685	1.05 %
Mortgage Backed	21.56	517,538,549	15.49 %
Derivatives (Swaps)	38.28	887,311	0.03 %
Subtotal Fixed Income Investments		<u>3,342,188,022</u>	<u>100.00 %</u>
Short-term investments subject to interest rate risk (STIF)	26.52	<u>852,522,977</u>	
Total Investments Subject to Interest Rate Risk		<u>\$ 4,194,710,999</u>	

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, 2023:

Fair Value (Included In Investments)

Currency	Deposits	Equity	Fixed Income	Limited Partnership	Total
UAE Dirham	\$ 46,008	\$ 4,814,205	\$ —	\$ —	4,860,213
Australian Dollar	161,365	46,423,026	—	—	46,584,391
Brazilian Real	52,548	4,311,207	—	—	4,363,755
Botswanan Pula	—	21,751	—	—	21,751
Canadian Dollar	1,716,148	60,719,042	—	—	62,435,190
Swiss Franc	8,024,866	114,973,915	—	—	122,998,781
Chilean Peso	213,782	446,838	—	—	660,620
Chinese Yuan Renminbi	397,615	17,508,448	—	—	17,906,063
Colombian Peso	14,676	70,457	—	—	85,133
Czech Koruna	32,966	116,001	—	—	148,967
Danish Krone	1,318,646	30,025,770	—	—	31,344,416
Egyptian Pound	3,247	68,188	—	—	71,435
Euro	23,780,699	282,278,839	194,623,133	546,681,681	1,047,364,352
British Pound	1,410,629	90,781,082	39,208,360	41,523,016	172,923,087
Ghanaian Cedi	—	46,939	—	—	46,939
Hong Kong Dollar	435,009	107,104,333	—	—	107,539,342
Hungarian Forint	18,662	124,270	—	—	142,932
Indonesian Rupiah	83,276	7,530,599	—	—	7,613,875
Israeli New Sheqel	40,485	3,082,465	—	—	3,122,950
Indian Rupee	547,471	56,466,279	213	—	57,013,963
Japanese Yen	1,011,437	231,591,154	—	—	232,602,591
Kenyan Shilling	—	4,011	—	—	4,011
South Korean Won	274,919	21,389,918	—	—	21,664,837
Kuwaiti Dinar	34,215	3,160,472	—	—	3,194,687
Mexican Peso	57,529	1,894,596	—	—	1,952,125
Malaysian Ringgit	97,653	5,104,832	—	—	5,202,485
Norwegian Krone	189,313	3,952,858	—	—	4,142,171
New Zealand Dollar	23,608	1,681,914	—	—	1,705,522

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fair Value (Included In Investments)

Currency	Deposits	Equity	Fixed Income	Limited Partnership	Total
Philippine Peso	39,998	2,480,791	—	—	2,520,789
Polish Zloty	29,415	629,520	—	—	658,935
Qatari Rial	15,649	3,452,888	—	—	3,468,537
Russian Ruble	443	26,522	—	—	26,965
Saudi Arabia Riyal	64,539	15,792,777	—	—	15,857,316
Swedish Krona	256,245	19,373,216	—	—	19,629,461
Singapore Dollar	43,448	18,535,866	—	—	18,579,314
Thai Baht	76,329	7,416,167	—	—	7,492,496
Tunisian Dinar	138	2,366	—	—	2,504
Turkish Lira	13,815	410,948	—	—	424,763
New Taiwan Dollar	397,138	59,482,379	—	—	59,879,517
Vietnamese Dong	—	9	—	—	9
South African Rand	63,222	2,348,681	—	—	2,411,903
	<u>\$ 40,987,151</u>	<u>\$ 1,225,645,539</u>	<u>\$ 233,831,706</u>	<u>\$ 588,204,697</u>	<u>\$ 2,088,669,093</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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2023, classified by type, and the changes in fair value over the fiscal year of such derivative instruments are as follows:

FUTURES CONTRACTS

As of June 30, 2023

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Currency Futures	\$ 5,685,803	\$ 25,038	\$ 2,622,012	\$ 2,647,050
Equity Index Futures	8,374,797	4,939,732	230,338,055	235,319,510
Bond Index Futures	(7,692,624)	(6,367,349)	464,826,501	459,454,939
Commodity Futures	12,778,952	128,185	16,341,049	16,469,233

SWAP CONTRACTS

As of June 30, 2023

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Return Swaps (Equity)	\$ (18,810,560)	\$ 1,884,439	\$ —	\$ —
Cleared Credit Default Swaps	10,008,497	7,126,476	—	—
Commodity Swaps	(13,810,502)	—	—	—
Cleared Inflation Swaps	1,215,493	—	—	—
Credit Default Swaps	12,004	—	—	—
Cleared Interest Rate Swaps	(262,729)	—	—	—

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, 2023 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, 2023 are as follows:

Investments by Fair Value Level	June 30, 2023	Observable Unadjusted Quoted Prices in an Active Market (Level 1)	Observable Inputs Other Than Quoted Prices (Level 2)	Unobservable Inputs Used to Determine Fair Value (Level 3)
Short-term Investments				
Short-term Securities	\$ 22,043,028	\$ 1	\$ 22,043,027	\$ —
Securities Lending Collateral Investments	349,930,189	—	349,930,189	—
Currency Derivatives	25,038	25,038	—	—
Total Short-term Investments	371,998,255	25,039	371,973,216	—
Equity Securities				
Domestic Equity	2,565,895,272	2,563,951,585	511,245	1,432,442
International Equity	1,221,496,731	1,221,496,731	—	—
Equity Derivatives	6,824,170	4,939,731	1,884,439	—
Public REIT	332,137	332,137	—	—
Total Equity Securities	3,794,548,310	3,790,720,184	2,395,684	1,432,442
Debt Securities				
Core Fixed Income	2,980,853,074	756,309,951	2,224,522,072	21,051
Global Fixed Income	360,447,636	—	360,447,636	—
TIPS	—	—	—	—
Fixed Income Derivatives	887,312	(6,239,164)	7,126,476	—
Total Debt Securities	3,342,188,022	750,070,787	2,592,096,184	21,051
Total Investments by Fair Value Level	\$ 7,508,734,587	\$ 4,540,816,010	\$ 2,966,465,084	\$ 1,453,493

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, 2023 are as follows:

Investments Measured at the Net Asset Value (NAV)	
Commingled International Equity	251,393,620
Absolute Return (Hedge) Funds	2,266,838,929
Bond Plus Alpha Engine	610,914,016
Private Equity Partnerships	2,893,352,415
Private Debt Partnerships	222,108,743
Real Estate Equity Partnerships	1,024,362,430
Real Estate Debt Partnerships	122,350,911
Real Asset Partnerships	1,317,642,579
Total Investments Measured at the NAV	<u>8,708,963,643</u>
Total Investments by Fair Value Level and Measured at the NAV	<u>\$ 16,217,698,230</u>

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 by Fair Value Level and Measured at the NAV	\$ 16,217,698,230
Commingled Cash Equivalent Funds	852,600,203
Uninvested cash	43,488,211
Investment in State Treasurer Investment Pool	54,372,426
Deferred Comp Fund Investments leveled in Note 15	768,875,859
Less Cash & Short-term investments	<u>(918,131,442)</u>
Total Investments per Statement of Fiduciary Net Position	<u>\$ 17,018,903,487</u>

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:

Investment Type	NAV at June 30, 2023	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled Domestic Equity (1)	\$ —	\$ —	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)	251,393,620	—	Monthly	30 Days
Commingled Emerging Market Debt Fund (4)	—	—	Daily	10 - 12 Days
Absolute Return (Hedge) Funds:				
Credit Oriented (2a)	889,123,672	22,001,307	Monthly, Annually	30 - 90 Days
Equity Long-Short (2b)	820,811	—	Redeeming	N/A
Event-Driven (2c)	—	—	Redeeming	N/A
Global Macro (2d)	—	—	Redeeming	N/A
Market Neutral (2e)	738,197	—	Redeeming	N/A
Multi-Strategy (2f)	—	—	Redeeming	N/A
Multi-Risk	1,376,156,249	—		
Bond Plus Alpha Engine	610,914,016	—		
Private Equity Partnerships (5)	2,893,352,415	1,120,005,306	Not Eligible	N/A
Private Debt Partnerships (6)	344,459,654	180,955,344	Not Eligible	N/A
Real Estate Equity Partnerships (5)	1,024,362,430	300,877,209	Not Eligible	N/A
Real Asset Partnerships (5)	1,317,642,579	418,680,657	Not Eligible	N/A
Total Investments Measured at the NAV	\$ 8,708,963,643	\$ 2,042,519,823		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (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 Bond plus 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.

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) *Private Equity Partnerships, Real Estate Equity Partnerships, and Real Assets Partnership* - PERA's Private Equity portfolio consists of 76 partnerships, investing primarily in buyout funds, with some exposure to secondary and venture capital funds. Also included in this category are 27 private real estate equity partnerships, investing in the US and 36 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

- (5) *Private Debt Partnerships and Real Estate Debt Partnerships* – Private debt partnerships consist of 13 private debt funds, which are opportunistic in nature and are invested in the US, and 4 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.
- (6) *Bond Plus Alpha Engine* - a risk adjusted return stream that is above the index under which the account operates.

For the fiscal year ended June 30, 2021, and thereafter, alternative investments are recorded at non-lagged valuation, adjusted to reflect actual end-of-year valuations as reported by general partners. All assets and investment returns presented prior to the fiscal year 2021 reporting period reflect alternative investment lagged valuation, adjusted for current cash flows only. Current year investment returns, Statements of Fiduciary Net Position and Changes in Fiduciary Net Position, are 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, 2023 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, 2023, the fair value of securities on loan was \$573,405,628; of which \$341,597,077 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 maturity requirements. As of June 30, 2023, 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 \$349,930,189 and securities lending obligations were \$349,871,562 at June 30, 2023 as reported on the Statement of Fiduciary Net Position. Total cash and noncash collateral was \$599,568,232 at June 30, 2023, 105% of the fair value of the securities on loan.

At June 30, 2023, 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 \$2,305,591 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, 2023, and its exposure to credit risk are as follows:

S & P Ratings	Fair Value	% of Collateral Investments
COMMERCIAL PAPER	\$ 6,955,053	1.99 %
A-	6,955,053	1.99 %
FLOATING RATE NOTES	224,370,694	64.12 %
AA	67,602,341	19.32 %
A	141,865,295	40.54 %
NR	14,903,058	4.26 %
REPO	94,864,442	27.11 %
NR	94,864,442	27.11 %
TIME DEPOSITS	23,740,000	6.78 %
A	9,000,000	2.57 %
A-	14,740,000	4.21 %
FAIR VALUE OF SECURITIES LENDING COLLATERAL	\$ 349,930,189	100.00 %

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

A summary of the securities lending collateral investments and respective maturities at June 30, 2023 and their exposure to interest rate risk are as follows:

Investment Category	Weighted Average Maturity	Fair Value	% of Collateral Investments
Commercial Paper	Less than 1 year	6,955,053	1.99 %
Floating Rate Notes	Less than 1 year	\$ 224,370,694	64.12 %
Repo	Less than 1 year	94,864,442	27.11 %
Time Deposits	Less than 1 year	23,740,000	6.78 %
Fair Value of Securities Lending Collateral		\$ 349,930,189	100 %

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets at cost:				
Land	\$ 1,548,990	\$ —	\$ —	\$ 1,548,990
Building	12,646,204	—	—	12,646,204
Property and equipment	42,704	14,037	—	56,741
Computer equipment and software	13,528,077	11,761	—	13,539,838
Automobile	57,433	—	—	57,433
Right-to-use assets				
Lease building and improvements	2,257,754	—	—	2,257,754
Lease equipment	78,842	17,879	(16,941)	79,780
Subscription Based Technology Arrangements	—	112,751	—	112,751
	<u>30,160,004</u>	<u>156,428</u>	<u>(16,941)</u>	<u>30,299,491</u>
Accumulated depreciation:				
Building	(5,093,609)	(421,540)	—	(5,515,149)
Property and equipment	(21,500)	(6,875)	—	(28,375)
Computer equipment and software	(13,050,863)	(244,625)	—	(13,295,488)
Automobile	(57,433)	—	—	(57,433)
Right-to-use assets				
Lease building and improvements	(119,666)	(115,926)	—	(235,592)
Lease equipment	(24,386)	(31,900)	16,941	(39,345)
Subscription Based Technology Arrangements	—	(23,490)	—	(23,490)
	<u>(18,367,457)</u>	<u>(844,356)</u>	<u>16,941</u>	<u>(19,194,872)</u>
Net capital assets	\$ 11,792,547	\$ (687,928)	\$ —	\$ 11,104,619

The following is included in the above schedule.

- Depreciation and amortization expense, reported as part of administrative expenses, for the year was \$(844,356).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 7. CHANGES IN COMPENSATED ABSENCES**

During the year ended June 30, 2023, the following changes occurred in the compensated absences liabilities:

	<u>Balance</u> <u>July 1, 2022</u>		<u>Increase</u>		<u>Decrease</u>		<u>Balance</u> <u>June 30, 2023</u>
Compensated Absences	\$ (559,465)	\$	(461,216)	\$	443,783	\$	(576,898)

The amount of compensated absences is calculated by multiplying the vested hours by the pay at year-end plus applicable taxes.

NOTE 8. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS LIABILITY

PERA has entered into agreements to lease equipment and a building. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021 except for the mail controller. The mail controller was recorded using the facts and circumstance available at July 1, 2022 due to a reduced threshold.

An agreement was executed on October 7, 2021, to lease a copy machine for 4 years, requiring 48 monthly payments of \$681. The lease liability is measured at the applicable Incremental Borrowing Rate (IBR) of 0.5%. The IBR is an estimation made by the state of New Mexico based on current borrowing rates. As a result of the lease, PERA has a lease asset with a net book value of \$18,199 and a lease liability of \$18,279 at June 30, 2023.

An agreement was in effect on July 1, 2021, to lease a mail machine for 4 years, requiring 36 monthly payments of \$827. The lease liability is measured at the applicable Incremental Borrowing Rate (IBR) of 0.5%. The IBR is an estimation made by the state of New Mexico based on current borrowing rates. As a result of the lease, PERA has a lease asset with a net book value of \$9,849 and a lease liability of \$9,898 at June 30, 2023.

An agreement was in effect on October 7, 2021, to lease a mail controller for 4 years, requiring 48 monthly payments of \$462. The lease liability is measured at the applicable Incremental Borrowing Rate (IBR) of 0.5%. The IBR is an estimation made by the state of New Mexico based on current borrowing rates. As a result of the lease, PERA has a lease asset with a net book value of \$16,479 and a lease liability of \$16,506 at June 30, 2023.

An agreement was in effect on July 1, 2021, to lease a building through August 2040, requiring 230 monthly payments averaging \$11,728. The lease liability is measured at the applicable Incremental Borrowing Rate (IBR) of 1.75%. The IBR is an estimation made by the state of New Mexico based on current borrowing rates. As a result of the lease, PERA has a lease asset with a net book value of \$2,022,163, and a lease liability of \$2,118,610 at June 30, 2023.

PERA has entered into an agreement to use a subscription-based information technology. The agreement has been recorded at the present value of the future lease payments as of the date of its inception.

An agreement was in effect on February 14, 2023, to use storage, requiring one payment of \$115,153. The lease liability is measured at the applicable Incremental Borrowing Rate (IBR) of 2.21%. The IBR is an estimation made by the state of New Mexico based on current borrowing rates. As a result of the agreement, PERA has a

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

subscription-based information technology asset with a net book value of \$89,261, and a subscription-based information technology agreement (SBITA) lease liability of \$89,670 at June 30, 2023.

The future principal and interest payments as of June 30, 2023, were as follows:

	Principal Payments	Interest Payments	Total
2024	\$ 156,118	\$ 36,444	\$ 192,562
2025	128,180	34,974	163,154
2026	89,484	33,463	122,947
2027	91,194	31,910	123,104
2028	96,531	30,266	126,797
2029-2033	570,170	123,209	693,379
2034-2038	737,639	66,179	803,818
2039-2041	379,554	7,023	386,577
	<u>\$ 2,248,870</u>	<u>\$ 363,468</u>	<u>\$ 2,612,338</u>

During the year ended June 30, 2023, the following changes occurred in the long term lease liability due to principle payments for leased equipment, building and SBITA:

	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023
Lease and SBITA Liability	\$ 2,241,747	\$ 130,630	\$ (123,507)	\$ 2,248,870

NOTE 9. 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 10. 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. This report is PERA's separate, publicly available financial report with financial statements and required supplementary

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

information for the plan. This 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.

Funding Policy. For fiscal year 2023, plan members are required to contribute 7.42% (\$25,000 or less in salary) or 10.42% (greater than \$25,000 in salary) of their salary. For fiscal year 2022, PERA employers were required to contribute 18.74% 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.

PERA's contributions to the PERA retirement plan for PERA employees for the years ending June 30, 2023, 2022, and 2021 were \$1,185,095, \$1,001,486, and \$971,763, respectively, equal to the amount of the required contributions from the employer for each year. In addition, the employees contributed an additional \$658,948, \$544,161, and \$515,796, 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 State of New Mexico's Annual Comprehensive Financial Report. 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 State of New Mexico's Annual Comprehensive Financial Report Report, and will be available, when issued, from the State of New Mexico, Department of Finance and Administration, Financial Control Division, Attn: State Controller, Bataan Memorial Building Room 166, 407 Galisteo Street, Santa Fe, New Mexico 87501.

NOTE 11. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.org.

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, 2023, 2022, and 2021 were \$126,599, \$109,928, and \$110,058, for employer contributions and \$63,300, \$54,964, and \$55,029 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the State of New Mexico's Annual Comprehensive Financial Report.

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, 2023 and will be available, when issued, from the State of New Mexico, Department of Finance and Administration, Financial Control Division, Attn: State Controller, Bataan Memorial Building Room 166, 407 Galisteo Street, Santa Fe, New Mexico 87501.

NOTE 12. 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 13. NET PENSION LIABILITY OF PLAN MEMBERSHIP

The components of the net pension liability of the plan's membership at June 30, 2023, by fund, were as follows:

Net Pension Liability by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund
Total Pension Liability	\$ 24,676,915,175	\$ 222,541,191	\$ 73,200,599	\$ 52,931,721
Plan Net Position	16,598,829,757	112,660,986	32,481,476	81,108,104
Net Pension Liability / (Asset)	\$ 8,078,085,418	\$ 109,880,205	\$ 40,719,123	\$ (28,176,383)
Ratio of Plan Net Position of Total Pension Liability / (Asset)	67.26%	50.62%	44.37%	153.23%

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, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These assumptions were adopted by the Board for use in the June 30, 2022 actuarial valuation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Summary of Actuarial Methods and Assumptions, by fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll for all divisions except Legislative division which is Level Dollar	Level percentage of payroll	Level percentage of payroll	Level Dollar
Amortization period	25 years	25 Years	25 Years	25 Years
Investment rate of return	7.25%	7.25%	7.25%	7.25%
Salary Increases	3.25% -13.50% per year	3.25%	3.25%	N/A
Includes Inflation At	2.50%	2.50%	2.50%	2.50%
Retirement Age	Experience-based table of rates based on age	Experience-based table of rates based on age	Experience-based table of rates based on age	Experience-based table of rates based on age
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 2023 was 3.62%.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.00%	6.90 %
Risk Reduction & Mitigation	17.00%	3.90 %
Credit Oriented Fixed Income	19.00%	6.00 %
Real Assets to Include Real Estate Equity	18.00%	7.00 %
Multi-Risk Allocation	8.00%	0.61 %

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Discount Rate for the PERA and Volunteer Firefighters. Prior to fiscal year 2018, a select and ultimate rate of return assumption had been adopted for funding purposes. New economic assumptions were adopted for the fiscal year 2018 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 for PERA and Volunteer Firefighters funds:

The following presents the net pension liability of PERA and Volunteer Firefighter, calculated using the discount rate of 7.25%, as well as what PERA's and Volunteer Firefighters' 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:

PERA Fund

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	11,069,483,501	8,078,085,418	5,598,473,135

Volunteer Firefighters Fund

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability / (Asset)	(22,331,572)	(28,176,383)	(33,060,809)

Discount Rate for Magistrate and Judicial Funds. Prior to fiscal year 2018, a select and ultimate rate of return assumption had been adopted for funding purposes. New economic assumptions were adopted for the fiscal year 2018 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 5.82% for Magistrate Fund. The discount rate used to measure the total pension liability is 5.68% for Judicial Fund. 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 not sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, for the Magistrate Fund a 5.82% and for the Judicial Fund a 5.68% 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. These rates are a blend of the 7.25% rate and a bond rate of 3.69% as of the measurement date.

Sensitivity of the net pension liability to changes in the discount rate for Magistrate and Judicial funds:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following presents the net pension liability of Magistrate calculated using the discount rate of 5.82%, as well as what Magistrate's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.82%) or 1-percentage-point higher (6.82%) than the current rate:

Magistrate Fund

	1% Decrease 4.82%	Current Discount Rate 5.82%	1% Increase 6.82%
Net Pension Liability	48,769,383	40,719,123	33,979,359

The following presents the net pension liability of Judicial calculated using the discount rate of 5.68%, as well as what Judicial's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 4.68%) or 1-percentage-point higher (6.68%) than the current rate:

Judicial Fund

	1% Decrease 4.68%	Current Discount Rate 5.68 %	1% Increase 6.68%
Net Pension Liability	134,174,900	109,880,205	89,392,283

June 30, 2022 is the actuarial valuation date upon which the total pension liability is based. Standard update procedures were used to roll forward the liabilities to the June 30, 2023 measurement data.

NOTE 14. CASH AND CASH EQUIVALENTS ON DEPOSIT WITH STATE TREASURER'S OFFICE

As provided for in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the state, except when otherwise provided, and shall disburse the public money upon lawful warrants. The State Treasurer's Office (STO) acts as the State's bank when agency cash receipts are deposited and later pooled into a statewide investment fund, also referred to as the State General Fund Investment Pool (SGFIP). In times when cash amounts are greater than immediate needs, the amounts are placed into short-term investments. When agencies make payments to vendors and employees, they are made from this pool and their claims on the pool are reduced.

The comprehensive cash reconciliation model which compares aggregated agency claims on the SGFIP to the associated resources held by the State Treasurer's Office has been completed for fiscal year 2023. This process has been previously reviewed and is 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 Financial Report. These reviews have deemed the process sound and the Department fully compliant with reconciliation requirements.

The State Controller indicated on August 20, 2023 the following assertions:

- As of June 30, 2023, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
- All claims, as recorded in SHARE, shall be honored at face value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 15. 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 2023 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 Retirement Reserve Fund in a manner determined by the Board. The distribution rate of interest as determined by the Board for fiscal year 2023 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 balances as of June 30, 2023 are as follows:

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Members Contribution Reserve	\$ 3,069,707,982	\$ 15,106,629	\$ 4,868,145	\$ —	\$ 3,089,682,756
Employers Accumulation Reserve	—	—	—	9,000,000	9,000,000
Retirement Reserve Fund	13,529,121,775	97,554,357	27,613,331	72,108,104	13,726,397,567
Total	\$ 16,598,829,757	\$ 112,660,986	\$ 32,481,476	\$ 81,108,104	\$ 16,825,080,323

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 16. DEFERRED COMPENSATION 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 (Deferred Comp. Plan); however, the Deferred Comp. 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 Deferred Comp. Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Deferred Comp. Plan, and has certain discretionary authority to decide all matters under the Deferred Comp. Plan. As Deferred Comp. 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 Deferred Comp. Plan-Trust are held for the exclusive benefit of Deferred Comp. Plan participants and their beneficiaries, as defined in the Deferred Comp. Plan Document.

The Deferred Comp. Plan allows members to take loans from their account balances. Each member is allowed to have one outstanding loan at a time. Repayments of loans are to be made automatically from a member-specified account with a financial institution. 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 Deferred Comp. Plan is the lesser of 50% of the member’s vested account balance or \$50,000. At June 30, 2023, the balance of loans outstanding to participants was \$10,619,496. Deferred Comp. Plan loans bear a reasonable rate of interest based on market conditions at the time the loan is processed. Generally, the interest rate is the Prime Rate + 1%. As of June 30, 2023, interest rates on outstanding loans ranged from 4.25% to 9.25%, with various maturities through June 2038. These rates are based on the rate approved by the Deferred Comp. Plan at the time of the loan.

Participants of this Deferred Comp. Plan are required to take distributions at the age in accordance with Internal Revenue Service requirements. Participants of this Deferred Comp. 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 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.

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 Deferred Comp. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

Following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the techniques used at June 30, 2023.

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 Deferred Comp. Plan are deemed to be actively traded. Mutual funds held by the Deferred Comp. 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 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 not redemption restrictions.

The following table disclosed the fair value hierarchy of the Deferred Comp. Plan's assets by level at June 30, 2023:

	Fair Value Measurements Using:			
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at Fair Value:				
Mutual Funds	\$ 396,342,751	\$ 396,342,751	\$ —	\$ —
Self-directed Investments	11,189,669	11,189,669	—	—
Total Investments at Fair Value	407,532,420	\$ 407,532,420	\$ —	\$ —
Investments Measured at NAV Practical Expedient				
Lifecycle Funds	230,909,393			
Investment at Contract Value				
Stable Value Option	130,434,046			
Investment at Amortized Cost				
Investment in State Treasurer Investment Pool	48,480			
Total Deferred Comp. Plan Investments	\$ 768,924,339			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As of June 30, 2023, investments were as follows. Investments marked with an asterisk (*) represent investments exceeding 5% or more of fiduciary net position held in trust for benefits.

Investments:	2023	
Vanguard Institutional Index Fund	\$ 190,261,050	*
Vanguard Total Bond Market Index Fund	40,057,418	*
Dodge & Cox Stock Fund	35,789,505	
T. Rowe Price Mid-Cap Equity Growth Fund	28,278,969	
Vanguard Total International Stock Fund	25,227,223	
Fidelity Small Cap Index Fund	17,055,649	
Principal MidCap Blend Fund	14,227,622	
Vanguard Inflation Protected Securities Fund	11,689,483	
Fidelity Diversified International Fund	10,527,519	
Fidelity Low-Priced Stock Fund	9,616,124	
American Funds EuroPacific Growth Fund	8,343,365	
Fidelity Emerging Markets Fund	1,693,179	
Wellington CIF II Emerging Market Debt Fund	1,519,368	
Vanguard Real Estate Index Fund	1,295,712	
Principal Diversified Real Asset Fund	760,565	
	<u>396,342,751</u>	
Lifecycle Funds		
Life Cycle 2025 Portfolio	54,950,468	*
Conservative Portfolio	50,298,033	*
Life Cycle 2035 Portfolio	44,627,186	*
Life Cycle 2045 Portfolio	26,939,243	
Life Cycle 2055 Portfolio	18,733,210	
Life Cycle 2030 Portfolio	14,686,277	
Life Cycle 2040 Portfolio	9,892,843	
Life Cycle 2050 Portfolio	9,893,541	
Life Cycle 2060 Portfolio	888,592	
	<u>230,909,393</u>	
Stable value option		
SEI Stable Asset Fund	130,434,046	*
Self-directed brokerage accounts		
Common and Preferred stock	5,654,022	
Exchange-traded fund	1,965,050	
Mutual funds	1,214,778	
Cash	2,013,016	
Fixed income	342,803	
	<u>11,189,669</u>	
Total Deferred Comp. Plan investments at fair value**	<u><u>\$ 768,875,859</u></u>	

** Total investments does not include amount held at State Treasurer's Office of \$48,480.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Deferred Comp. Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Deferred Comp. Plan's investments are held in the Deferred Comp. 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 Deferred Comp. 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 Deferred Comp. 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 Deferred Comp. Plan. The Deferred Comp. Plan has a formal investment policy that allows the Deferred Comp. 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 Deferred Comp. 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 Deferred Comp. Plan's investment with a single investment or issuer. The Deferred Comp. 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 Deferred Comp. Plan. The investments that exceed 5% are indicated in the previous table.

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

Stable Value Option

At June 30, 2023, the Deferred Comp. Plan holds Stable Value Option investments totaling \$130,434,046 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 2.76% as of June 30, 2023. 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 Deferred Comp. Plan to transact at contract value. Such events are described in the agreement between Galliard and the Deferred Comp. Plan.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - PERA FUND

For the Years Ended June 30

	2023	2022	2021	2020	2019
Total pension liability					
Service Cost	\$ 451,585,867	\$ 452,127,604	\$ 409,241,863	\$ 401,166,200	\$ 403,879,063
Interest	1,672,802,280	1,636,653,221	1,556,071,116	1,547,096,587	1,504,991,169
Benefit changes	30,511,670	3,657,613	—	(710,227,019)	—
Difference between expected and actual experience	408,898,991	(146,669,842)	310,351,858	213,520,684	(54,004,886)
Changes of assumptions	—	—	—	(222,293)	—
Benefit payments	(1,417,214,074)	(1,367,737,863)	(1,314,819,963)	(1,255,018,086)	(1,193,943,794)
Refunds of contributions	(51,237,106)	(57,591,001)	(40,353,832)	(44,903,263)	(54,336,708)
Net change in total pension liability	1,095,347,628	520,439,732	920,491,042	151,412,810	606,584,844
Total pension liability - beginning	23,581,567,547	23,061,127,815	22,140,636,773	21,989,223,963	21,382,639,119
Total pension liability - ending (a)	24,676,915,175	23,581,567,547	23,061,127,815	22,140,636,773	21,989,223,963
Plan net position					
Contributions - employer	454,461,748	395,408,293	379,184,992	368,424,721	339,676,103
Contributions - member	373,213,570	326,720,312	309,551,898	297,152,638	281,643,094
Special Fund Appropriation	—	2,414,400	—	55,000,000	—
Net investment income	898,161,683	(745,217,648)	3,799,140,688	(223,544,634)	935,560,895
Benefit payments	(1,417,214,074)	(1,367,737,863)	(1,314,819,963)	(1,255,018,086)	(1,193,943,794)
Administrative expense	(15,593,783)	(16,010,498)	(12,730,398)	(14,318,348)	(13,583,374)
Refunds of contributions	(51,237,106)	(57,591,001)	(40,353,832)	(44,903,263)	(54,336,708)
Other	2,390,846	2,712,598	1,990,689	1,645,633	2,046,688
Net change in plan net position	244,182,884	(1,459,301,407)	3,121,964,074	(815,561,339)	297,062,904
Plan net position - beginning	16,354,646,873	17,813,948,280	14,691,984,206	15,507,545,545	15,210,482,641
Prior period adjustment	—	—	—	—	—
Plan net position - beginning, Restated	16,354,646,873	17,813,948,280	14,691,984,206	15,507,545,545	15,210,482,641
Plan net position - ending (b)	16,598,829,757	16,354,646,873	17,813,948,280	14,691,984,206	15,507,545,545
Net pension liability - ending (a) - (b)	\$ 8,078,085,418	\$ 7,226,920,674	\$ 5,247,179,535	\$ 7,448,652,567	\$ 6,481,678,418

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Years Ended June 30

	2018	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 376,310,442	\$ 405,560,569	\$ 390,220,766	\$ 389,052,473	\$ 418,995,891
Interest	1,462,669,395	1,452,723,072	1,393,557,454	1,335,949,923	1,286,996,350
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	113,712,339	(584,186,354)	330,750,820	59,112,343	—
Changes of assumptions	545,509,838	(62,778,144)	424,791,570	—	(91,856,820)
Benefit payments	(1,133,417,826)	(1,084,818,276)	(1,024,399,237)	(966,236,566)	(905,329,141)
Refunds of contributions	(50,288,373)	(44,396,305)	(44,937,505)	(46,010,197)	(47,376,975)
Net change in total pension liability	1,314,495,815	82,104,562	1,469,983,868	771,867,976	661,429,305
Total pension liability - beginning	20,068,143,304	19,986,038,742	18,516,054,874	17,744,186,898	17,082,757,593
Total pension liability - ending (a)	21,382,639,119	20,068,143,304	19,986,038,742	18,516,054,874	17,744,186,898
Plan net position					
Contributions - employer	319,499,468	332,473,332	324,751,997	317,163,961	370,766,329
Contributions - member	282,847,487	272,829,112	265,529,178	258,919,779	174,037,205
Special Fund Appropriation					
Net investment income	1,004,226,606	1,500,758,585	47,444,548	251,488,279	2,118,284,928
Benefit payments	(1,133,417,826)	(1,084,818,276)	(1,024,399,237)	(966,236,566)	(905,329,141)
Administrative expense	(12,667,256)	(11,505,774)	(10,753,722)	(9,885,765)	(10,336,324)
Refunds of contributions	(50,288,373)	(44,396,305)	(44,937,505)	(46,010,197)	(47,376,975)
Other	2,109,772	471,465	12,317,520	25,296,313	17,005,791
Net change in plan net position	412,309,878	965,812,139	(430,047,221)	(169,264,196)	1,717,051,813
Plan net position - beginning	14,798,917,909	13,826,658,367	14,255,528,543	14,424,792,739	12,707,740,926
Prior period adjustment	(745,146)	6,447,403	1,177,045	—	—
Plan net position - beginning, Restated	14,798,172,763	13,833,105,770	14,256,705,588	14,424,792,739	12,707,740,926
Plan net position - ending (b)	15,210,482,641	14,798,917,909	13,826,658,367	14,255,528,543	14,424,792,739
Net pension liability - ending (a) - (b)	\$ 6,172,156,478	\$ 5,269,225,395	\$ 6,159,380,375	\$ 4,260,526,331	\$ 3,319,394,159

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - JUDICIAL FUND

For the Years Ended June 30

	2023	2022	2021	2020	2019
Total pension liability					
Service Cost	\$ 5,882,428	\$ 3,927,520	\$ 6,280,946	\$ 5,285,772	\$ 4,282,426
Interest	11,928,063	12,275,600	9,423,866	10,210,516	10,341,109
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	8,100,354	3,893,028	4,992,153	(3,901,004)	7,420,163
Changes of assumptions	6,084,538	22,931,564	(57,672,004)	18,400,431	19,032,967
Benefit payments	(13,296,526)	(13,080,465)	(12,538,013)	(12,013,293)	(11,351,841)
Refunds of contributions	—	—	(1,273)	(7,599)	(100,360)
Net change in total pension liability	18,698,857	29,947,247	(49,514,325)	17,974,823	29,624,464
Total pension liability - beginning	203,842,334	173,895,087	223,409,412	205,434,589	175,810,125
Total pension liability - ending (a)	222,541,191	203,842,334	173,895,087	223,409,412	205,434,589
Plan net position					
Contributions - employer	6,352,445	25,619,032	5,626,382	4,683,130	4,731,492
Contributions - member	2,286,017	1,955,817	1,838,186	1,783,295	1,690,837
Net investment income	5,808,887	(4,096,275)	21,501,754	(1,252,476)	5,527,664
Benefit payments	(13,296,526)	(13,080,465)	(12,538,013)	(12,013,294)	(11,351,841)
Administrative expense	(89,429)	(88,171)	(70,969)	(81,903)	(79,364)
Refunds of contributions	—	—	(1,273)	(7,599)	(100,360)
Other	—	63,084	—	—	10,280
Net change in plan net position	1,061,394	10,373,022	16,356,067	(6,888,847)	428,708
Plan net position - beginning	111,599,592	101,226,570	84,870,503	91,759,350	91,330,642
Prior period adjustment	—	—	—	—	—
Plan net position - beginning, Restated	111,599,592	101,226,570	84,870,503	91,759,350	91,330,642
Plan net position - ending (b)	112,660,986	111,599,592	101,226,570	84,870,503	91,759,350
Net pension liability - ending (a) - (b)	\$ 109,880,205	\$ 92,242,742	\$ 72,668,517	\$ 138,538,909	\$ 113,675,239

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - JUDICIAL FUND

For the Years Ended June 30

	2018	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 4,488,035	\$ 5,491,704	\$ 3,244,941	\$ 3,344,275	\$ 3,792,564
Interest	9,866,593	9,065,846	10,238,436	9,900,234	10,798,432
Benefit changes	—	—	—	—	(16,058,954)
Difference between expected and actual experience	(1,358,467)	(2,473,653)	4,736,999	755,126	—
Changes of assumptions	(2,891,617)	(17,241,480)	46,154,938	—	(1,003,702)
Benefit payments	(10,585,112)	(10,096,096)	(9,812,803)	(9,373,041)	(8,770,177)
Refunds of contributions	—	(10,677)	(45,432)	(40,197)	(52,562)
Net change in total pension liability	(480,568)	(15,264,356)	54,517,079	4,586,397	(11,294,399)
Total pension liability - beginning	176,290,693	191,555,049	137,037,970	132,451,573	143,745,972
Total pension liability - ending (a)	175,810,125	176,290,693	191,555,049	137,037,970	132,451,573
Plan net position					
Contributions - employer	4,723,239	4,524,201	4,237,424	4,196,276	3,740,786
Contributions - member	1,631,848	1,635,643	1,581,685	1,579,180	1,085,631
Net investment income	6,019,600	9,012,198	232,211	1,511,658	13,196,711
Benefit payments	(10,585,112)	(10,096,096)	(9,812,803)	(9,373,041)	(8,770,177)
Administrative expense	(75,127)	(69,102)	(64,326)	(60,019)	(63,610)
Refunds of contributions	—	(10,677)	(45,432)	(40,197)	(52,562)
Other	—	38	71,532	33,095	485,893
Net change in plan net position	1,714,448	4,996,205	(3,799,709)	(2,153,048)	9,622,672
Plan net position - beginning	89,616,194	84,932,021	88,988,252	91,141,300	81,518,628
Prior period adjustment	—	(312,032)	(256,522)	—	—
Plan net position - beginning, Restated	89,616,194	84,619,989	88,731,730	91,141,300	81,518,628
Plan net position - ending (b)	91,330,642	89,616,194	84,932,021	88,988,252	91,141,300
Net pension liability - ending (a) - (b)	\$ 84,479,483	\$ 86,674,499	\$ 106,623,028	\$ 48,049,718	\$ 41,310,273

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - MAGISTRATE FUND

For the Years Ended June 30

	2023	2022	2021	2020	2019
Total pension liability					
Service Cost	\$ 2,190,185	\$ 1,364,671	\$ 1,257,756	\$ 1,655,800	\$ 1,465,584
Interest	3,925,146	4,208,708	4,092,348	3,435,004	3,493,260
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	599,110	1,776,223	(95,425)	(1,285,934)	2,208,900
Changes of assumptions	(4,002,493)	12,881,792	—	(18,413,936)	5,255,023
Benefit payments	(4,688,683)	(4,320,629)	(4,293,633)	(4,204,113)	(4,026,067)
Refunds of contributions	(262,550)	—	(49,849)	—	(55,566)
Net change in total pension liability	(2,239,285)	15,910,765	911,197	(18,813,179)	8,341,134
Total pension liability - beginning	75,439,884	59,529,119	58,617,922	77,431,101	69,089,967
Total pension liability - ending (a)	73,200,599	75,439,884	59,529,119	58,617,922	77,431,101
Plan net position					
Contributions - employer	2,537,969	2,384,818	2,347,653	1,292,686	1,236,273
Contributions - member	750,943	672,538	651,699	650,354	639,552
Net investment income	1,774,877	(1,470,422)	7,462,517	(437,321)	1,938,490
Benefit payments	(4,688,683)	(4,320,629)	(4,293,633)	(4,204,111)	(4,026,067)
Administrative expense	(30,223)	(31,459)	(24,759)	(28,329)	(27,744)
Refunds of contributions	(262,550)	—	(49,849)	—	(55,566)
Other	—	—	—	—	—
Net change in plan net position	82,333	(2,765,154)	6,093,628	(2,726,721)	(295,062)
Plan net position - beginning	32,399,143	35,164,297	29,070,669	31,797,390	32,092,452
Prior period adjustment	—	—	—	—	—
Plan net position - beginning, Restated	32,399,143	35,164,297	29,070,669	31,797,390	32,092,452
Plan net position - ending (b)	32,481,476	32,399,143	35,164,297	29,070,669	31,797,390
Net pension liability - ending (a) - (b)	\$ 40,719,123	\$ 43,040,741	\$ 24,364,822	\$ 29,547,253	\$ 45,633,711

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - MAGISTRATE FUND

For the Years Ended June 30

	2018	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 1,353,643	\$ 1,536,910	\$ 1,117,925	\$ 947,730	\$ 1,428,353
Interest	3,486,404	3,191,559	3,452,435	3,444,833	3,688,653
Benefit changes	—	—	—	—	(7,527,733)
Difference between expected and actual experience	(237,450)	(1,538,854)	1,571,377	6,703,398	—
Changes of assumptions	2,874,007	(8,114,224)	8,831,831	—	(7,643,920)
Benefit payments	(3,951,032)	(3,966,314)	(3,976,586)	(3,955,687)	(3,689,881)
Refunds of contributions	(63,274)	—	(14,805)	(4,918)	(15,477)
Net change in total pension liability	3,462,298	(8,890,923)	10,982,177	7,135,356	(13,760,005)
Total pension liability - beginning	65,627,669	74,518,592	63,536,415	56,401,059	70,161,064
Total pension liability - ending (a)	69,089,967	65,627,669	74,518,592	63,536,415	56,401,059
Plan net position					
Contributions - employer	1,231,917	1,282,356	1,280,104	936,602	793,044
Contributions - member	580,290	603,362	586,992	489,642	266,120
Net investment income	2,155,789	3,289,637	69,508	579,091	5,199,209
Benefit payments	(3,951,032)	(3,966,314)	(3,976,586)	(3,955,687)	(3,689,881)
Administrative expense	(26,591)	(25,004)	(23,735)	(22,660)	(24,275)
Refunds of contributions	(63,274)	—	(14,805)	(4,918)	(15,477)
Other	13,607	3,037	26,885	(19,486)	216,853
Net change in plan net position	(59,294)	1,187,074	(2,051,637)	(1,997,416)	2,745,593
Plan net position - beginning	32,225,122	31,038,048	33,187,494	35,184,910	32,439,317
Prior period adjustment	(73,376)	—	(97,809)	—	—
Plan net position - beginning, Restated	32,151,746	31,038,048	33,089,685	35,184,910	32,439,317
Plan net position - ending (b)	32,092,452	32,225,122	31,038,048	33,187,494	35,184,910
Net pension liability - ending (a) - (b)	\$ 36,997,515	\$ 33,402,547	\$ 43,480,544	\$ 30,348,921	\$ 21,216,149

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

	2023	2022	2021	2020	2019
Total pension liability					
Service Cost	\$ 2,021,827	\$ 2,046,728	\$ 2,040,378	\$ 2,250,251	\$ 2,193,612
Interest	3,798,829	3,822,615	3,663,151	3,715,452	3,594,117
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	(2,820,737)	(3,306,428)	(1,724,766)	(2,142,042)	(1,572,798)
Changes of assumptions	—	—	—	(1,853,146)	—
Benefit payments	(2,909,864)	(2,847,231)	(2,757,990)	(2,625,832)	(2,456,859)
Refunds of contributions	—	—	—	—	—
Net change in total pension liability	90,055	(284,316)	1,220,773	(655,317)	1,758,072
Total pension liability - beginning	52,841,666	53,125,982	51,905,209	52,560,526	50,802,454
Total pension liability - ending (a)	52,931,721	52,841,666	53,125,982	51,905,209	52,560,526
Plan net position					
Contributions - employer	750,000	750,000	750,000	750,000	750,000
Contributions - member	—	—	—	—	—
Net investment income	4,377,321	(3,578,375)	17,949,889	(1,056,611)	4,317,954
Benefit payments	(2,909,864)	(2,847,231)	(2,757,990)	(2,625,832)	(2,456,859)
Administrative expense	(76,117)	(76,684)	(60,201)	(67,207)	(62,918)
Refunds of contributions	—	—	—	—	—
Other	125	128	125	—	1,000
Net change in plan net position	2,141,465	(5,752,162)	15,881,823	(2,999,650)	2,549,177
Plan net position - beginning	78,966,639	84,718,801	68,836,980	71,836,630	69,287,453
Prior period adjustment	—	—	—	—	—
Plan net position - beginning, Restated	78,966,639	84,718,801	68,836,980	71,836,630	69,287,453
Plan net position - ending (b)	81,108,104	78,966,639	84,718,803	68,836,980	71,836,630
Net pension liability/(asset) - ending (a) - (b)	\$ (28,176,383)	\$ (26,124,973)	\$ (31,592,821)	\$ (16,931,771)	\$ (19,276,104)

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

	2018	2017	2016	2015	2014
Total pension liability					
Service Cost	\$ 2,203,655	\$ 2,336,574	\$ 1,439,931	\$ 1,250,564	\$ 1,253,736
Interest	3,555,496	3,584,437	3,375,898	3,104,991	2,871,904
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	(2,503,558)	(4,101,311)	(498,350)	874,372	—
Changes of assumptions	1,362,635	(221,833)	1,975,872	—	408,092
Benefit payments	(2,318,519)	(2,030,784)	(1,835,318)	(1,633,388)	(1,418,943)
Refunds of contributions	—	—	—	—	—
Net change in total pension liability	2,299,709	(432,917)	4,458,033	3,596,539	3,114,789
Total pension liability - beginning	48,502,745	48,935,662	44,477,629	40,881,090	37,766,301
Total pension liability - ending (a)	50,802,454	48,502,745	48,935,662	44,477,629	40,881,090
Plan net position					
Contributions - employer	750,000	750,000	750,000	750,000	750,000
Contributions - member	—	—	—	—	—
Net investment income	4,512,059	6,682,231	206,024	1,093,757	8,919,556
Benefit payments	(2,318,519)	(2,030,784)	(1,835,318)	(1,633,388)	(1,418,943)
Administrative expense	(57,574)	(51,792)	(46,902)	(42,596)	(44,316)
Refunds of contributions	—	—	—	—	—
Other	719	1,425	51,385	12,201	404,492
Net change in plan net position	2,886,685	5,351,080	(874,811)	179,974	8,610,789
Plan net position - beginning	66,400,768	61,049,688	62,103,236	61,923,262	53,312,473
Prior period adjustment	—	—	(178,737)	—	—
Plan net position - beginning, Restated	66,400,768	61,049,688	61,924,499	61,923,262	53,312,473
Plan net position - ending (b)	69,287,453	66,400,768	61,049,688	62,103,236	61,923,262
Net pension liability/(asset) - ending (a) - (b)	\$ (18,484,999)	\$ (17,898,023)	\$ (12,114,026)	\$ (17,625,607)	\$ (21,042,172)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF NET PENSION LIABILITY

For the Years Ended June 30

PERA Fund	2014	2015	2016	2017	2018
Total Pension Liability	\$17,744,186,898	\$18,516,054,874	\$19,986,038,742	\$20,068,143,304	\$21,382,639,119
Plan Net Position	14,424,792,739	14,255,528,543	13,826,658,367	14,798,917,909	15,210,482,641
Net Pension Liability	\$ 3,319,394,159	\$ 4,260,526,331	\$ 6,159,380,375	\$ 5,269,225,395	\$ 6,172,156,478
Ratio of Plan Net Pension to Total Pension Liability	81.29%	76.99%	69.18%	73.74%	71.13%
Covered Payroll	\$ 2,102,265,325	\$ 2,248,254,276	\$ 2,326,943,176	\$ 2,193,888,677	\$ 2,265,036,299
Net Pension liability as a Percentage of Covered Payroll	157.90%	189.50%	264.70%	240.18%	272.50%

PERA Fund	2019	2020	2021	2022	2023
Total Pension Liability	\$21,989,223,963	\$22,140,636,773	\$23,061,127,815	\$23,581,567,547	\$24,676,915,175
Plan Net Position	15,507,545,545	14,691,984,206	17,813,948,280	16,354,646,873	16,598,829,757
Net Pension Liability	\$6,481,678,418	\$ 7,448,652,567	\$5,247,179,535	\$7,226,920,674	\$8,078,085,418
Ratio of Plan Net Pension to Total Pension Liability	70.52%	66.36%	77.25 %	69.35 %	67.26 %
Covered Payroll	\$2,287,711,652	\$ 2,339,923,387	\$2,482,249,289	\$2,460,173,934	\$2,537,114,966
Net Pension liability as a Percentage of Covered Payroll	283.33%	318.33%	211.39 %	293.76 %	318.40 %

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

Judicial Fund	2014	2015	2016	2017	2018
Total Pension Liability	\$ 132,451,573	\$137,037,970	\$191,555,049	\$176,290,693	\$ 175,810,125
Plan Net Position	91,141,300	88,988,252	84,932,021	89,616,194	91,330,642
Net Pension Liability	\$ 41,310,273	\$ 48,049,718	\$ 106,623,028	\$ 86,674,499	\$ 84,479,483
Ratio of Plan Net Pension to Total Pension Liability	68.81%	64.94%	44.34%	50.83%	51.95%
Covered Payroll	\$ 13,163,305	\$ 15,084,263	\$ 15,612,212	\$ 15,492,927	\$ 15,126,140
Net Pension Liability as a Percentage of Covered Payroll	313.83%	318.54%	682.95%	559.45%	558.50%

Judicial Fund	2019	2020	2021	2022	2023
Total Pension Liability	\$ 205,434,589	\$ 223,409,412	\$ 173,895,087	\$ 203,842,334	\$ 222,541,191
Plan Net Position	91,759,350	84,870,503	101,226,570	111,599,592	112,660,986
Net Pension Liability	\$ 113,675,239	\$ 138,538,909	\$ 72,668,517	\$ 92,242,742	\$ 109,880,205
Ratio of Plan Net Pension to Total Pension Liability	44.67%	37.99%	58.21%	54.75%	50.62%
Covered Payroll	\$ 16,291,947	\$ 16,090,456	\$ 16,984,840	\$ 17,680,972	\$ 21,443,202
Net Pension Liability as a Percentage of Covered Payroll	697.74%	861.00%	427.84%	521.71%	512.42%

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

Magistrate Fund	2014	2015	2016	2017	2018
Total Pension Liability	\$ 56,401,059	\$ 63,536,415	\$ 74,518,592	\$ 65,627,669	\$ 69,089,967
Plan Net Position	35,184,910	33,187,494	31,038,048	32,225,122	32,092,452
Net Pension Liability	\$ 21,216,149	\$ 30,348,921	\$ 43,480,544	\$ 33,402,547	\$ 36,997,515
Ratio of Plan Net Pension to Total Pension Liability	62.38%	52.23%	41.65%	49.10%	46.45%
Covered Payroll	\$ 3,515,567	\$ 5,065,798	\$ 5,243,101	\$ 5,633,125	\$ 5,638,423
Net Pension Liability as a Percentage of Covered Payroll	603.49%	599.09%	829.29%	592.97%	656.17%

Magistrate Fund	2019	2020	2021	2022	2023
Total Pension Liability	\$ 77,431,101	\$ 58,617,922	\$ 59,529,119	\$ 75,439,884	\$ 73,200,599
Plan Net Position	31,797,390	29,070,669	35,164,297	32,399,143	32,481,476
Net Pension Liability	\$ 45,633,711	\$ 29,547,253	\$ 24,364,822	\$ 43,040,741	\$ 40,719,123
Ratio of Plan Net Pension to Total Pension Liability	41.07%	49.59%	59.07%	42.95%	44.37%
Covered Payroll	\$ 6,025,309	\$ 6,025,289	\$ 6,091,529	\$ 6,289,187	\$ 7,212,465
Net Pension Liability as a Percentage of Covered Payroll	757.37%	490.39%	399.98%	684.36%	564.57%

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

Volunteer Firefighter Fund	2014	2015	2016	2017	2018
Total Pension Liability	\$ 40,881,090	\$ 44,477,629	\$ 48,935,662	\$ 48,502,745	\$ 50,802,454
Plan Net Position	61,923,262	62,103,236	61,049,688	66,400,768	69,287,453
Net Pension Liability/(Asset)	\$ (21,042,172)	\$ (17,625,607)	\$ (12,114,026)	\$ (17,898,023)	\$ (18,484,999)
Ratio of Plan Net Pension to Total Pension Liability/(Asset)	151.47%	139.63%	124.76%	136.90%	136.39%
Covered Payroll	N/A	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	N/A

Volunteer Firefighter Fund	2019	2020	2021	2022	2023
Total Pension Liability	\$ 52,560,526	\$ 51,905,209	\$ 53,125,982	\$ 52,841,666	\$ 52,931,721
Plan Net Position	71,836,630	68,836,980	84,718,801	78,966,639	81,108,104
Net Pension Liability/(Asset)	\$ (19,276,104)	\$ (16,931,771)	\$ (31,592,819)	\$ (26,124,973)	\$ (28,176,383)
Ratio of Plan Net Pension to Total Pension Liability/(Asset)	136.67%	132.62%	159.47%	149.44 %	153.23 %
Covered Payroll	N/A	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	N/A

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Years Ended June 30

PERA Fund*

	2023	2022	2021	2020	2019
Contractually Required contributions*	\$ 599,244,377	\$ 531,397,570	\$ 379,184,992	\$ 368,424,721	\$ 339,676,103
Actual employer contributions*	454,461,748	395,408,293	379,184,992	368,424,721	339,676,103
Annual contributions deficiency (excess)	144,782,629	135,989,277	—	—	—
Covered payroll	\$ 2,537,114,966	\$ 2,460,173,934	\$ 2,482,249,289	\$ 2,339,923,387	\$ 2,287,711,652
Actual contributions as a percentage of covered payroll	17.91%	16.07%	15.28%	15.75%	14.85%

*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.

	2018	2017	2016	2015	2014
Contractually Required contributions*	\$ 319,499,468	\$ 332,473,332	\$ 324,751,997	\$ 317,163,961	\$ 370,766,329
Actual employer contributions*	319,499,468	332,473,332	324,751,997	317,163,961	370,766,329
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	\$ 2,265,036,299	\$ 2,193,888,677	\$ 2,326,943,176	\$ 2,248,254,276	\$ 2,102,265,325
Actual contributions as a percentage of covered payroll	14.11 %	15.15 %	13.96 %	14.11 %	17.64 %

Judicial Fund

	2023	2022	2021	2020	2019
Contractually Required contributions	\$ 7,185,617	\$ 7,204,996	\$ 5,858,071	\$ 6,045,184	\$ 5,881,393
Actual employer contributions	6,352,445	25,619,032	5,626,382	4,683,130	4,731,492
Annual contributions deficiency (excess)	833,172	(18,414,036)	231,689	1,362,054	1,149,901
Covered payroll	\$ 21,443,202	\$ 17,680,972	\$ 16,984,840	\$ 16,090,456	\$ 16,291,947
Actual contributions as a percentage of covered payroll	29.62 %	144.90 %	33.13 %	29.11 %	29.04 %

	2018	2017	2016	2015	2014
Contractually Required contributions	\$ 4,908,432	\$ 4,974,779	\$ 4,816,367	\$ 4,918,978	\$ 6,412,805
Actual employer contributions	4,723,239	4,524,201	4,237,424	4,196,276	3,740,786
Annual contributions deficiency (excess)	185,193	450,578	578,943	722,702	2,672,019
Covered payroll	\$ 15,126,140	\$ 15,492,927	\$ 15,612,212	\$ 15,084,263	\$ 13,163,305
Actual contributions as a percentage of covered payroll	31.23 %	29.20 %	27.14 %	27.82 %	28.42 %

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

Magistrate Fund

	2023	2022	2021	2020	2019
Contractually Required contributions	\$ 2,724,148	\$ 2,395,551	\$ 2,305,644	\$ 1,922,670	\$ 1,861,820
Actual employer contributions	2,537,969	2,384,818	2,347,653	1,292,686	1,236,273
Annual contributions deficiency (excess)	186,179	10,733	(42,009)	629,984	625,547
Covered payroll	\$ 7,212,465	\$ 6,289,187	\$ 6,091,529	\$ 6,025,289	\$ 6,025,309
Actual contributions as a percentage of covered payroll	35.19 %	37.92 %	38.54 %	21.45 %	20.52 %

	2018	2017	2016	2015	2014
Contractually Required contributions	\$ 1,587,780	\$ 1,576,148	\$ 1,462,825	\$ 1,966,543	\$ 1,992,392
Actual employer contributions	1,231,917	1,282,356	1,280,104	936,602	793,044
Annual contributions deficiency (excess)	355,863	293,792	182,721	1,029,941	1,199,348
Covered payroll	\$ 5,638,423	\$ 5,633,125	\$ 5,243,101	\$ 5,065,798	\$ 3,515,567
Actual contributions as a percentage of covered payroll	21.85 %	22.76 %	24.42 %	18.49 %	25.67 %

Volunteer Firefighters Fund

	2023	2022	2021	2020	2019
Contractually Required contributions	\$ 750,000	\$ 750,000.00	\$ 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

	2018	2017	2016	2015	2014
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 based on lagged reporting of alternative valuations:

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
17.40%	1.70%	0.70%	10.60%	6.50%	5.60%	(2.70)%	25.36%	(3.11)%	3.62%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Summary of Actuarial Methods and Assumptions

PERA Fund	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
Amortization period	25 years
Actuarial Assumptions:	
Investment rate of return	7.25%
Salary increases	3.25% to 13.50% per year
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

Judicial Fund	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Amortization period	25 years
Actuarial Assumptions:	
Investment rate of return	7.25%
Salary increases	3.25%
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

Magistrate Fund	
Actuarial date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Amortization period	25 years
Actuarial Assumptions:	
Investment rate of return	7.25%
Salary increases	3.25%
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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Summary of Actuarial Methods and Assumptions

Volunteer Firefighters Fund	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	25 Years
Actuarial Assumptions:	
Investment rate of return	7.25%
Salary increases	N/A
Includes inflation at	2.50%
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

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, APPROPRIATION, AND EXPENSES-
BUDGET AND ACTUAL P-Code 640 (SHARE Funds 60600, 35180 and 75500)
For the Year Ended June 30, 2023

	<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	38,408,100	38,408,100	38,408,100	—
Total Revenue	<u>38,460,900</u>	<u>38,460,900</u>	<u>38,460,900</u>	<u>—</u>
Expenditures				
Administration				
Contractual services	25,968,800	25,768,800	14,843,425	10,925,375
Personnel services and benefits	8,934,800	9,234,800	8,778,480	456,320
Other operating costs	3,557,300	3,757,300	3,487,851	269,449
Total Expenditures	<u>38,460,900</u>	<u>38,760,900</u>	<u>27,109,756</u>	<u>11,651,144</u>
Change in net position, budget items			<u>\$ 11,351,144</u>	
Non-budget revenues and expenses:				
Contributions from members and employers (plus service credit purchase)			\$ 873,953,728	
Net Appreciation in Fair Value of Plan Investments			577,206,331	
Interest & Dividends			214,387,649	
Other Investment Income			203,096,356	
Other Income			2,490,846	
Benefit payments to retirees and beneficiaries			(1,468,977,052)	
Refunds to terminated employees			(51,448,291)	
Depreciation Expense			(673,040)	
Compensated Absences			(17,437)	
Lease Amortization			(171,316)	
Excess Accrual FY22 Accounts Payable			145,624	
Administrative Expense Allocated			195,767	
Third Party Administrator Expenses			(1,904,490)	
Non- budgeted Investment Expense			(52,245,074)	
General Fund Appropriation reversion			(3,036)	
Increase (Decrease) in plan net assets			<u>307,387,709</u>	
Net Position held in trust for pension benefits				
Balance - beginning of year			<u>17,070,997,113</u>	
Balance - end of year			<u>\$ 17,378,384,822</u>	

OTHER SUPPLEMENTAL SCHEDULES

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2023

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	SSA Program	Deferred Comp
Personnel Services and Benefits						
Salaries	\$ 6,248,828	\$ 35,836	\$ 12,110	\$ 30,503	\$ 38,735	\$ 87,466
Employee Insurance	510,539	2,928	989	2,492	32	4,223
Retirement	1,156,836	6,634	2,242	5,647	7,255	13,906
Other Personnel Expenses	610,216	3,499	1,183	2,979	3,742	7,096
Total Personnel Services and Benefits	8,526,419	48,897	16,524	41,621	49,764	112,691
Other Contractual Services:						
Information Technology Services	230,213	1,320	446	1,124	—	—
Actuaries	240,317	1,378	466	1,173	—	—
Election Services	—	—	—	—	—	—
Legal Fees	572,070	3,281	1,109	2,792	—	—
Audit Fees	147,363	845	286	719	—	—
Medical Services	158,273	908	307	773	—	—
Other Professional Services	1,317,243	7,554	2,553	6,430	—	1,904,490 *
Total Other Contractual Services	2,665,479	15,286	5,167	13,011	—	1,904,490
Education, Meeting and Travel						
Professional Development	39,470	226	76	193	—	600
Travel	74,610	428	145	364	—	1,809
Total Education, Meeting and Travel	114,080	654	221	557	—	2,409
General Administrative Expense						
Subscriptions/Dues/License Fee	103,518	594	201	505	—	600
Equipment	2,244,654	12,873	4,350	10,957	—	—
DOIT Telecommunications	155,862	894	302	761	—	—
Postage	89,999	516	174	439	—	—
Printing & Photo Services	69,073	396	134	337	—	—
Board Member Expenses	26,027	149	50	127	—	—
Other General Administrative Expense	1,598,672	9,170	3,100	7,802	—	4,133
Total General Administrative expense	4,287,805	24,592	8,311	20,928	—	4,733
Total Administrative Expenses	\$ 15,593,783	\$ 89,429	\$ 30,223	\$ 76,117	\$ 49,764	\$ 2,024,323

*Amounts paid through third party administrator, see Note 16 of the Financial Statements

OTHER SUPPLEMENTAL SCHEDULES

SCHEDULE OF INVESTMENT EXPENSES FOR DEFINED BENEFIT FUNDS

For the Year Ended June 30, 2023

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	TOTAL
External Investment Expenses:					
Investment Advisory Fees	\$ 52,007,609	\$ 298,253	\$ 100,792	\$ 253,868	\$ 52,660,522
Investment Manager Fees	8,953,839	51,348	17,353	43,707	9,066,247
Consultant Fees	1,693,737	9,713	3,283	8,268	1,715,001
Custody Bank	1,208,718	6,932	2,343	5,900	1,223,893
Security Lending Expenses	398,599	2,286	772	1,946	403,603
Other Fees	14,814	85	29	72	15,000
Total External Investment Expenses¹	64,277,316	368,617	124,572	313,761	65,084,266
Internal Investment Expenses²					
<i>Personnel Services and Benefits</i>					
Salaries	1,419,358	8,140	2,751	6,928	1,437,177
Fringe Benefits	464,564	2,664	900	2,268	470,396
Total Personnel Services and Benefits	1,883,922	10,804	3,651	9,196	1,907,573
<i>Education, Meeting and Travel</i>					
Professional Development	7,230	41	14	35	7,320
Travel	53,509	307	104	261	54,181
Total Education, Meeting and Travel	60,739	348	118	296	61,501
<i>General Administrative expense</i>					
Subscriptions/Dues/License Fee	64,491	370	125	315	65,301
Other General Administrative Expense	36,368	209	70	178	36,825
Total General Administrative expense	100,859	579	195	493	102,126
Total Internal Investment Activity Expense²	2,045,520	11,731	3,964	9,985	2,071,200
Total Investment Activity Expenses	\$ 66,322,836	\$ 380,348	\$ 128,536	\$ 323,746	\$ 67,155,466

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

Note 2: Internal Investment Expense is also included in the total administrative expenses presented on page 109 and presented on the Statement of Changes of Fiduciary Net Position on pages 39-40.



Report of Independent Auditors 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*

The Public Employees Retirement Association Board
Public Employees Retirement Association of New Mexico

Mr. Joseph M. Maestas, P.E.
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 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 Public Employees Retirement Association of New Mexico (PERA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Public Employees Retirement Association of New Mexico's basic financial statements, and have issued our report thereon dated November 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Public Employees Retirement Association of New Mexico'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 Public Employees Retirement Association of New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of Public Employees Retirement Association of New Mexico'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.

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Public Employees Retirement Association of New Mexico'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.



Albuquerque, New Mexico
November 22, 2023

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended June 30, 2023

2022-001 Judicial Retiree Benefit Payments (Significant Deficiency) - Resolved

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

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 14, 2023. The exit conference was attended by the following individuals.

PERA EMPLOYEES RETIREMENT ASSOCIATION

Members of the Board

Diana Rosales-Ortiz, Board Chair

Laura Montoya, Board Member

PERA Management

Greg Trujillo, Executive Director

Anna Williams, CPA, Deputy Director

Michael Shackelford, Chief Investment Officer

LeAnne Larranaga, Deputy Chief Investment Officer

Lynette Kennard, CPA, ASD Director/Chief Financial Officer

Olasunkanmi I. Olaoye, CPA, Investment Accountant

Justin Deubel, Data and Compliance Manager

Moss Adams

Kory Hoggan, CPA, Partner

Aaron Hamilton, CPA, Senior Manager

INVESTMENT SECTION

Public Employees Retirement Association of New Mexico



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

CHIEF INVESTMENT OFFICER'S LETTER

INTRODUCTION

Dear PERA Members:

It's an honor to be representing the Public Employees Retirement Association of New Mexico (PERA), for the first year, as Chief Investment Officer, and I am pleased to present the Investment Section of this year's financial statements. Our investment team respects and honors the trust and commitment that every retired, active, and future member places in this work, and we are humbled to serve our membership in meeting their long-term financial security.

Although the market has created a headwind for the Plan, and fears of a recessionary environment looms, our team remains steadfast in its implementation of PERA's sound, long-term 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.
- 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 by 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 Comprehensive Annual Financial Report for the year ending June 30, 2023. The following provides an overview of fund performance, investment portfolio asset allocation, and the accomplishments that occurred during the fiscal year.

NOTE: Performance data in all sections are net of fee, time weighted returns. Further, performance referenced in the below update is based on lagged reporting of alternative valuations, 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.

INVESTMENT OVERVIEW

Markets for fiscal year 2023 continued some of the volatility from the prior year; driven by persistent inflation, continued and aggressive tightening with interest rate increases by the Federal Reserve Board (Fed), and slowing economic growth. Nevertheless, investors saw equities rebound from the prior year as they expected the Fed was nearing an end to its tightening cycle. Conversely, investment grade fixed income fell slightly as interest rates continued to move upward and the U.S. Treasury significantly increased debt issuance to cover growing federal deficits. Commercial real estate traded down substantially as the market grapples with an oversupply of office in this new era of work from home.

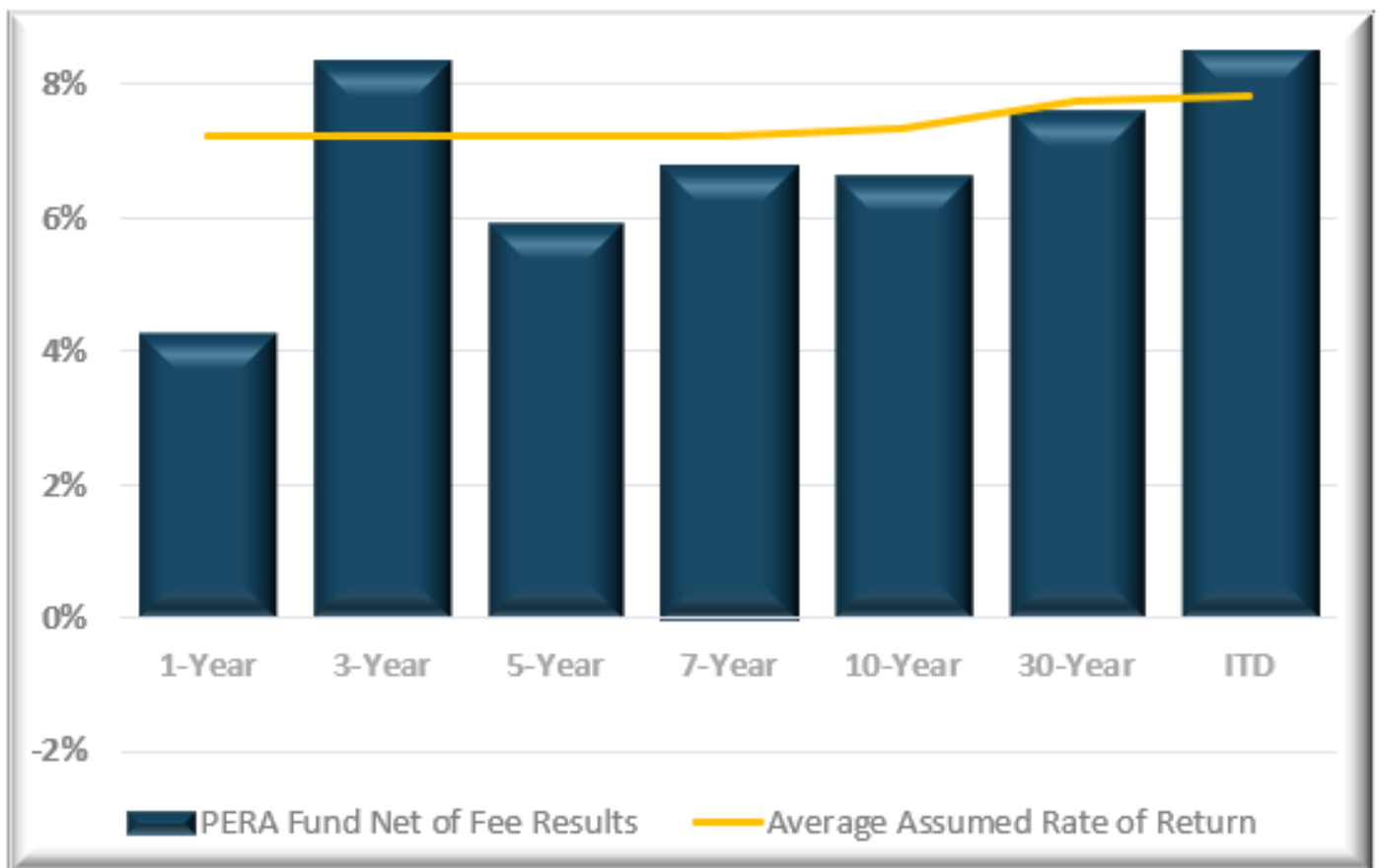
PERA's investment strategy, aimed to diversify risks and balance economic regimes (growth, rates, and inflation), positioned the Fund to take advantage of some of the upside in equity markets, but not fully participate due to the Fund's holdings in fixed income and commercial real estate. This strategy, and Staff's implementation decisions, is designed to prevent large declines in the Fund, but it also mutes huge gains as well. The goal is to generate narrower and steadier returns than the market through all economic environments, as seen in fiscal year 2022 when the market was down sharply in both equities and fixed income, while the PERA Fund was down only slightly. We believe PERA's risk balanced and highly diversified asset allocation, paired with a conservative implementation, continues to provide strong value add. As we closed fiscal year 2023, the PERA Fund returned a 4.2% gain, and

CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

closed at a net asset value of \$16.7 billion. Staff calculate a dollar gain of approximately \$690 million, though much of it was used to pay benefits, making up the difference between contributions and required distributions to beneficiaries. Investment distributions for the fiscal year were \$661 million or nearly 4.0% of Fund assets.

The Fund continues to be successful in meeting or exceeding the strategic investment goals that have been adopted by the Board of Trustees. Such goals, and our progress toward meeting these expectations are detailed below:

Produce returns that meet or exceed the Board adopted actuarial rate of return over the long run. The fiscal year-end marked a year of slight gain for the Plan, prompting results to fall short of PERA's 7.25% assumed rate of return for the periods of 1, 5 and 7 years, and exceeding in the 3-year period. However, as we all know, PERA is not an investor with a short-term investment horizon, and its long-term liability structure prompts the need for longevity in strategy and evaluation of results. As such, when we look over longer periods that more closely reflect the long tenure of the PERA Plan, results continue to meet and exceed this critical benchmark. The following chart reflects performance of the PERA Fund relative to the average historical actuarial rate of return since inception:



NOTE: The average actuarial rate or return since inception has been 7.81% (8.00% from 1985 – 2010, 7.75% from 2011 – 2015, & 7.25% from 2016 – present). Performance data in all sections are net of fee, time weighted returns. Further, this performance is based on lagged reporting of alternative valuations, 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.

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 market 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 strong following the fiscal-year close, with meaningful out performance over all measurable

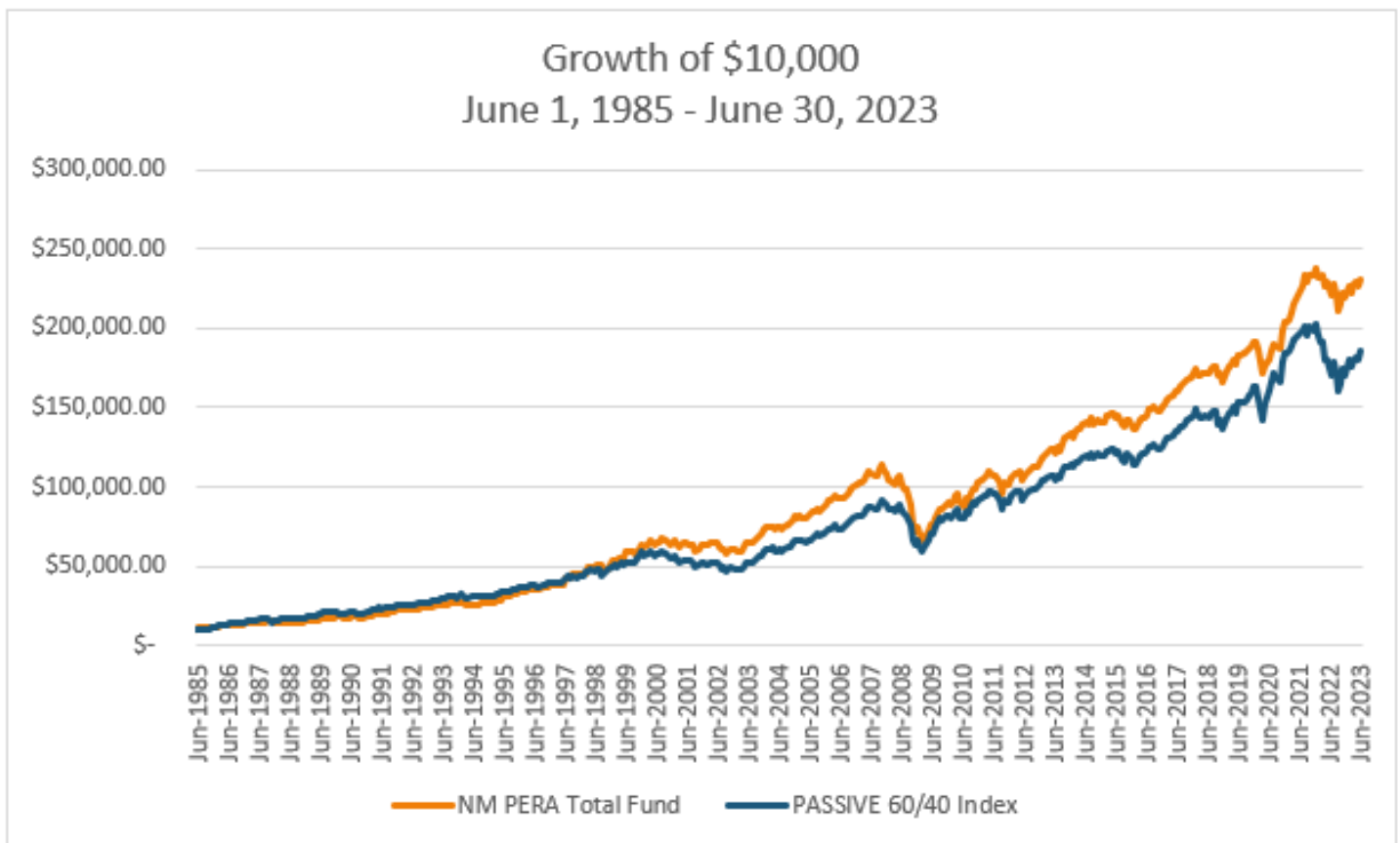
CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

time horizons, except the 1-year period. When reviewing relative performance, realized volatility is also considered. As illustrated below, Staff confirm that replication of the Policy benchmark was more favorably implemented, while the Fund experienced less systematic/market risk, over all time horizons. We view these results as an extremely positive outcome for the Fund, minimizing Fund drawdown and smoothing the return path for our members without assuming excessive broad market risk.

	Fund Net Return	Benchmark Return	Excess Return	Fund Risk	Benchmark Risk
1-Year	4.23%	6.89%	(2.66)%	8.68%	14.34%
3-Years	8.33%	5.76%	2.57%	7.95%	11.87%
5-Years	5.90%	4.51%	1.39%	8.08%	12.33%
7-Years	6.77%	5.62%	1.15%	7.09%	10.61%
10-Years	6.60%	5.91%	0.69%	7.00%	9.45%

NOTE: Performance is net of fees. Risk is measured by Standard Deviation. Performance data in all sections are net of fee, time weighted returns. Further, this performance is based on lagged reporting of alternative valuations, 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.

The strong outperformance can be seen over the long period by comparing a hypothetical \$10,000 investment in the PERA Fund versus a \$10,000 investment in passive 60/40 stock/bond index fund. Over nearly 30 years the PERA Fund would have a principal balance 24% higher than a passive 60/40 index fund.

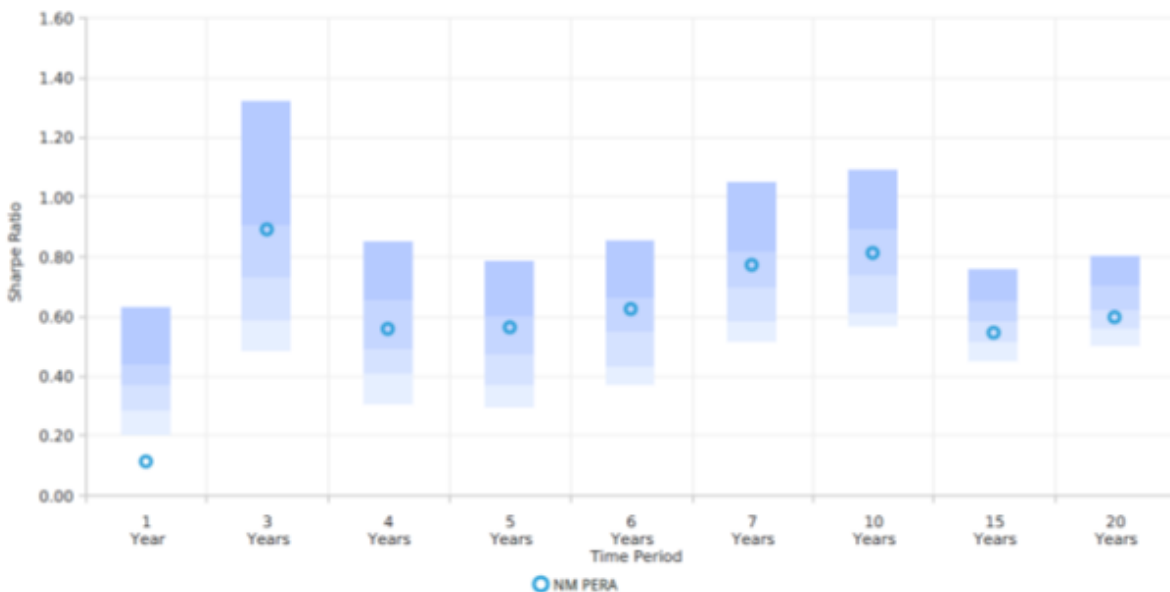


CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

NOTE: Performance data in all sections are net of fee, time weighted returns. Further, this performance is based on lagged reporting of alternative valuations, 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.

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 continues to sit in the top third compared to its universe peers, as measured by InvestmentMetrics. PERA's rigorous risk management approach, and long-standing investment strategy of maintaining a lower market correlation and highly diversified strategic asset allocation, does target lower equity allocations and risk concentration below that of our peers. This strategy has produced measurably positive results on an absolute basis as well, outperforming peers, and preserving capital.

Staff will always 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.



NOTE: Performance data in all sections are net of fee, time weighted returns. Further, performance referenced in the below update is based on lagged reporting of alternative valuations, 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.

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 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 dominant risk regimes: growth, rates, and 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

CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

dependency on growth assets, such as equity, by reducing this targeted allocation by nearly half. This movement shifted reliance away from one concentrated risk exposure and diversify across many. With these fundamental principles in place, the PERA Board of Trustees, Board Investment Consultant, and Investment Staff have allocated assets across five dominant 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 security type or investment manager. Be it at the total Fund level or the asset category level, PERA uses risk management techniques to closely monitor market forces to 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, 2023, are listed below, and the Fund remained in compliance with the Investment Policy Statement (IPS) Strategic Asset Allocation ranges:

Asset Class	Target	Actual	Range
Global Equity	38.0%	38.9%	+/- 5%
Risk Reduction	17.0%	16.7%	+/- 3%
Credit	19.0%	18.6%	+/- 4%
Real Assets	18.0%	17.7%	+/- 4%
Multi-Risk	8.0%	8.3%	+/- 4%

NOTE: Performance data in all sections are net of fee, time weighted returns. Further, this performance is based on lagged reporting of alternative valuations, 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.

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. At fiscal year-end Global Equity represented approximately \$6.5 billion in assets, and composed of Global Public Stocks, Global Low Volatility Stocks, and Private Equity. This portfolio generated a 6.99% return and a 11.74% standard deviation for the fiscal year. Global Equities in the Fund underperformed the Policy benchmark's return of 14.74% although with a lower risk compared to the benchmark risk of 17.48%. The most notable contributor to returns was Global Public Stocks, which returned 16.42%, net of fees, and outperformed its Policy benchmark return of 16.14%.

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. At fiscal year-end Risk Reduction represented approximately \$2.8 billion in assets and is composed of Domestic Core Bonds, Cash, and Bonds Plus. As this Fund is intended to provide current income and stability, it is not expected to generate extremely high absolute returns or market risk. However, as interest rates continued to rise, PERA experienced a loss in value on its underlying positions, despite the relatively short duration exposure that was held in the portfolio (bond prices are inversely related to interest rates: when interest rates rise, bond prices fall). For the fiscal year the portfolio experienced a loss of -0.83% but slightly outperformed its Policy benchmark return of -0.86%.

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. At fiscal year-end Credit represented approximately \$3.1 billion in assets and is composed of Liquid Credit, Alternative Liquid Credit, and Illiquid Credit. This portfolio generated a gain of 4.02% but underperformed its Policy

CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

benchmark return of 9.79%. The portfolio is allocated entirely to actively managed strategies. Liquid Credit strategies were the most notable contributors to return in this portfolio, returning 9.92% for the year.

Real Assets. This allocation is intended to serve as a hedge against inflation for the Fund and performed as ballast for the portfolio as the Fund navigated inflationary pressures within the market. Investments categorized within this asset class include essential and tangible assets whose underlying contracts move in tandem with inflationary movements. Investments in liquid and illiquid markets are implemented. At fiscal year-end Real Assets represented approximately \$2.9 billion and is comprised of Illiquid Real Estate, Liquid Real Assets, and Illiquid Real Assets. This portfolio generated a positive return of 4.05% for the fiscal year and exceeding its Policy benchmark return of -0.14%. The most notable contributor to returns was Illiquid Real Assets, which returned 11.57%, net of fees, and outperformed its Policy benchmark return of -3.89%.

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. Since its relatively short inception, three years ago, PERA has experienced success when comparing this strategy to active peers within this space. The program was up 2.45% for the fiscal year and outperformed its Policy benchmark return of 1.74%.

Liquidity. In addition to optimizing the risk-adjusted return prospects for the Fund, the strategic asset allocation supports PERA's focus on liquidity. As the Plan disbursed \$1.4 billion last year in retiree benefits, with 46% 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, 2023, is listed below, and remained compliant with IPS liquidity requirements:

Liquidity Summary			
Liquidity Tier	Actual \$ Millions	Actual %	Guideline
Tier 1 (1-5 Days)	\$2,594	16%	Tier 1 Assets ≥ 10% Fund NAV
Tier 2 (5-90 Days)	\$7,017	42%	
Tier 3 (90-365 Days)	\$883	5%	
Tier 4 (1 Year +)	\$6,163	37%	

NOTE: Performance data in all sections are net of fee, time weighted returns. Further, performance referenced in the below update is based on lagged reporting of alternative valuations, 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.

ACCOMPLISHMENTS

Portfolio Management. PERA Investment Staff continued their focus on reducing investment expenses. Investment costs reduce annual performance and thus reduce annual gains to the Fund (every dollar paid in fees is a dollar less to the balance of the Fund). Staff were able to lower fees with several investment managers without changing strategies, which means the same expected returns at a lower cost. Staff also lowered fees and de-risked the Fund by switching to a passive strategy in core fixed income. After a thorough review of past performance by the Fund's active core fixed income managers, Staff determined that a passive approach would significantly reduce tracking error and simultaneously greatly reduce fees to the Fund. Lastly, we were able to reduce service fees by switching or eliminating several third-party service providers in a way that will not diminish our ability to manage the Fund.

Staffing. Our team is consistently advancing in its efforts to promote diversity and inclusion within our composition. As of today, our team, consisting of 13 members, boasts a significant increase in gender and minority representation. Among our team members, six are highly skilled female professionals, each bringing their expertise

CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

to various aspects of institutional investing. Importantly, we've achieved gender parity in terms of compensation, opportunities, and authority within the team, underscoring our commitment to fostering an inclusive environment. We take great pride in our team's dedication to inclusion, and our overarching goal is to ensure that every individual has an active voice and plays a meaningful role in our decision-making processes, fostering a collaborative and diverse work culture.

Leadership. During this fiscal year, PERA has placed a significant emphasis on succession planning as part of our strategic approach to talent management. One notable accomplishment was the seamless transition in which we replaced our Deputy Chief Investment Officer with an internal promotion. This transition not only demonstrated our commitment to nurturing and developing our existing talent but also showcased our belief in the strength of our internal talent pool. In addition to this, we proudly promoted two portfolio managers to senior roles, further exemplifying our dedication to recognizing and advancing the skills and potential of our team members. We firmly believe in the advantages of promoting from within the organization, as it not only ensures a sense of stability and continuity but also provides a clear and defined career path for our investment staff, encouraging them to grow professionally and contribute their best to PERA's long-term success. Through these efforts, we are confident in our ability to cultivate the leaders of tomorrow while securing a prosperous future for our organization and members.

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 (the Plan) is a voluntary 457b supplemental retirement plan, which is 100% participant directed and participant funded. The Plan is offered to public employees, and is intended to span one's career, for optimal investment results that complement the PERA defined benefit plan. The Plan ended the fiscal year with 23,348 participants and their balances totaling \$780 million.

During fiscal year 2023, the PERA Board adopted a fee policy that introduced a new participant fee to cover PERA's expenses to oversee the Plan. This new source of income replaces an outdated method of using revenue shares to offset Plan expenses. Also, in fiscal year 2023, the PERA Board adopted the mandatory 457b features as required by the federal SECURE Act 2.0, in addition to various voluntary features that will benefit Plan participants. Implementation of these features is ongoing.

Participant growth started to trend upward in the post-covid economic environment as more employees were mandated back to their offices – allowing for better Plan engagement. The Plan also acquired two new employers who adopted the Plan to offer to their employees.

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 that our members exhibit is what shapes our entire investment process and drives every decision we make.

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 significant strides made to improve the plan's strategic direction and to ensure a secure retirement benefit for all generations of public employees.

CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

Lastly, I extend my heartfelt gratitude to the Investment team for their unwavering commitment to our mission and their dedication to putting our members' needs above all else. It is their expertise and tireless efforts that serve as the linchpin for PERA's sustained success and the promising future that lies ahead.

Sincerest thanks and appreciation,

Michael Shackelford
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. During the fiscal year, ERA utilized the services of one Board consultant, Wilshire Associates, and two manager

INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)

selection consultants, Albourne America, LLC and Aksia. 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, 2023

Asset Class	Lower Range	Target	Upper Range
Global Equity	33.0%	38.0%	43.0%
Risk Reduction & Mitigation	14.0%	17.0%	20.0%
Credit Oriented Fixed Income	15.0%	19.0%	23.0%
Real Assets to include Real Estate Equity	14.0%	18.0%	22.0%
Multi-Risk Allocation	4.0%	8.0%	12.0%
TOTAL		100.0%	

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 fiscal year 2021, PERA adjusted its alternative investments financial reporting process to report alternative valuations based on non-lagged reporting. However, performance data in the investment section are based on lagged reporting of alternative valuations for purposes of historical reporting. As of June 30, 2023 the lagged valuation net of fee, time weighted return is 4.2%.

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.

2023 Equity Performance (*)

For the Fiscal Year ending June 30, 2023

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	\$ 6,471,230	6.99 %	13.09 %	9.23 %	9.61 %	9.44 %	4/1/2013
Russell 3000 Index		14.74 %	10.18 %	7.38 %	8.99 %	8.98 %	
Global Public Stock	3,169,145	16.42 %	8.70 %	6.15 %	7.80 %	7.43 %	10/1/2004
Policy Index		16.14 %	10.97 %	7.65 %	9.15 %	—	
Global Low Volatility Equity	938,971	6.00 %	5.98 %	5.77 %	—	7.03 %	11/1/2016
MSCI ACWI Min Vol Net Index		5.79 %	5.72 %	5.42 %	—	6.61 %	
Hedged Equity	818	17.67 %	6.60 %	2.99 %	4.43 %	4.53 %	4/1/2013
MSCI ACWI Min Vol Net Index		5.79 %	5.72 %	5.42 %	5.34 %	5.20 %	
Private Equity	2,362,296	(3.16)%	25.25 %	18.33 %	17.35 %	8.83 %	12/1/2006
MSCI ACWI Mkt Net Index		16.14 %	10.97 %	8.06 %	11.52 %	—	

2023 Risk Reduction & Mitigation Performance (*)

For the Fiscal Year ending June 30, 2023

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	\$ 2,775,859	(0.83)%	(2.57)%	1.20%	1.95 %	1.60 %	4/1/2013
Policy Index		(0.86)%	(3.86)%	0.77%	1.56 %	1.30 %	
Domestic Core Fixed Income	2,048,932	(1.79)%	(4.13)%	0.73%	1.64 %	6.18 %	6/1/1985
Bloomberg Barclays Aggregate Bond Index		(9.40)%	(3.96)%	0.77%	1.52 %	5.80 %	
Global Core Fixed Income	439						
Bloomberg Barclays Global Aggregate (USDH)							
Cash	45,490	21.28 %	9.95 %	8.14%	4.76 %	5.16 %	3/1/1989
ICE BofAML 3 Month US Treasury Bill G001		3.62 %	1.28 %	1.56%	0.99 %	2.90 %	
Bond Plus	680,998	(1.11)%	2.03 %	—	—	(0.18)%	1/1/2020
BB U.S Agg Bond Index		(0.94)%	(3.96)%	—	—	(1.75)%	

(*) Lagged Performance

2023 Credit Oriented Fixed Income Performance (*)

For the Fiscal Year ending June 30, 2023

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	\$ 3,094,073	4.02 %	6.39 %	3.75%	3.93 %	4.25%	4/1/2013
Policy Benchmark		9.79 %	1.03 %	2.03%	3.46 %	3.35%	
Liquid Credit	1,876,607	9.92 %	1.61 %	0.87%	2.25 %	1.95%	4/1/2013
		10.12 %	1.92 %	2.59%	4.21 %	3.94%	
Illiquid Credit	335,722	5.51 %	11.88 %	6.10%	7.10 %	7.30%	12/1/2006
Bloomberg Barclays Global High Yield		10.12 %	1.92 %	2.45%	3.98 %	—	
Credit Oriented Hedge Funds	881,744	2.65 %	11.87 %	0.00%	—	13.01%	7/1/2015
Bloomberg Barclays Global High Yield		10.12 %	1.92 %	0.00%	—	4.06	

2023 Real Assets Performance (*)

For the Fiscal Year ending June 30, 2023

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	\$ 2,940,464	4.05 %	12.79 %	6.76 %	6.02 %	5.89 %	4/1/2013
Policy Benchmark		(0.14)%	10.62 %	4.57 %	4.65 %	4.74 %	
Liquid Real Estate	299						12/1/2008
Wilshire Global REIT Total Return Index							
Illiquid Real Estate	1,462,668	1.76 %	11.90 %	9.27 %	11.59 %	7.39 %	5/1/2007
Wilshire Global REIT Total Return Index		(1.41)%	6.94 %	2.71 %	5.24 %	3.18	
Liquid Real Assets	168,362	0.94 %	10.22 %	3.95 %	(0.27)%	0.76 %	9/1/2009
Policy Benchmark		7.43 %	10.92 %	5.75 %	0.77 %	—	
Illiquid Real Assets	1,308,484	11.57 %	15.26 %	7.18 %	5.82 %	(6.75)%	1/1/2007
Policy Benchmark		(3.89)%	13.09 %	4.74 %	2.40 %		
Market Neutral Hedge Fund	651	0.45 %	2.92 %	1.84 %	1.82 %	1.69 %	4/1/2013
Libor + 2% 1 MA		5.99 %	3.51 %	3.78 %	3.24 %	3.21 %	

(*) Lagged performance

2023 Benchmark Information

For the Fiscal Year ending June 30, 2023

Listed below is the benchmark indices for each asset class:

Total Fund Benchmark consists of Global Equity 38%, Risk Reduction & Mitigation 17%, Credit Oriented Fixed Income 19%, Real Assets 18% and Multi-Risk Allocation 8% through current; of Global Equity 35.5%, Risk Reduction & Mitigation 19.5%, Credit Oriented Fixed Income 15%, Real Assets 20% and Multi-Risk Allocation 10% until 12/30/22.

Global Equity Benchmark consists of 33% MSCI ACWI IMI (\$N) Index and 5% MSCI ACW Minimum Volatility (\$N) Index through current; 38.5% MSCI ACWI IMI (\$N) Index and 7% MSCI ACW Minimum Volatility (\$N) Index until 12/31/22.

Risk Reduction & Mitigation Benchmark consists of 17% Bloomberg U.S. Aggregate Index through current; 17% Bloomberg U.S. Aggregate Index and 2.5% Bloomberg Global Aggregate Hedged Index until 12/30/22 .

Credit Oriented Fixed Income Benchmark consists of 19% Bloomberg Global High Yield (Hedged) Index through current; 12% Bloomberg Global High Yield (Hedged) Index and 3% 50% JPM EMBI (\$)/50 JPM GBI (\$) Index until 12/30/22.

Real Assets Benchmark consists of 7% Wilshire Global REITs Index; 7% Dow Jones - Brookfield Global Infrastructure Index, and 4% Bloomberg Commodity Index (TR) through current; 7% Wilshire Global REITs Index; 4% Dow Jones - Brookfield Global Infrastructure Index, and 4% Bloomberg Commodity Index (TR), 2% Alerian MLP Index, and 3% Bloomberg U.S. TIPS Index until 12/30/22.

Multi Risk Allocation consist of 8% Wilshire Risk Parity Index - 15% through current; 10% Wilshire Risk Parity Index - 15% until 12/30/22.

2023 Illiquid Investment Program (*)

For the Fiscal Year ending June 30, 2023

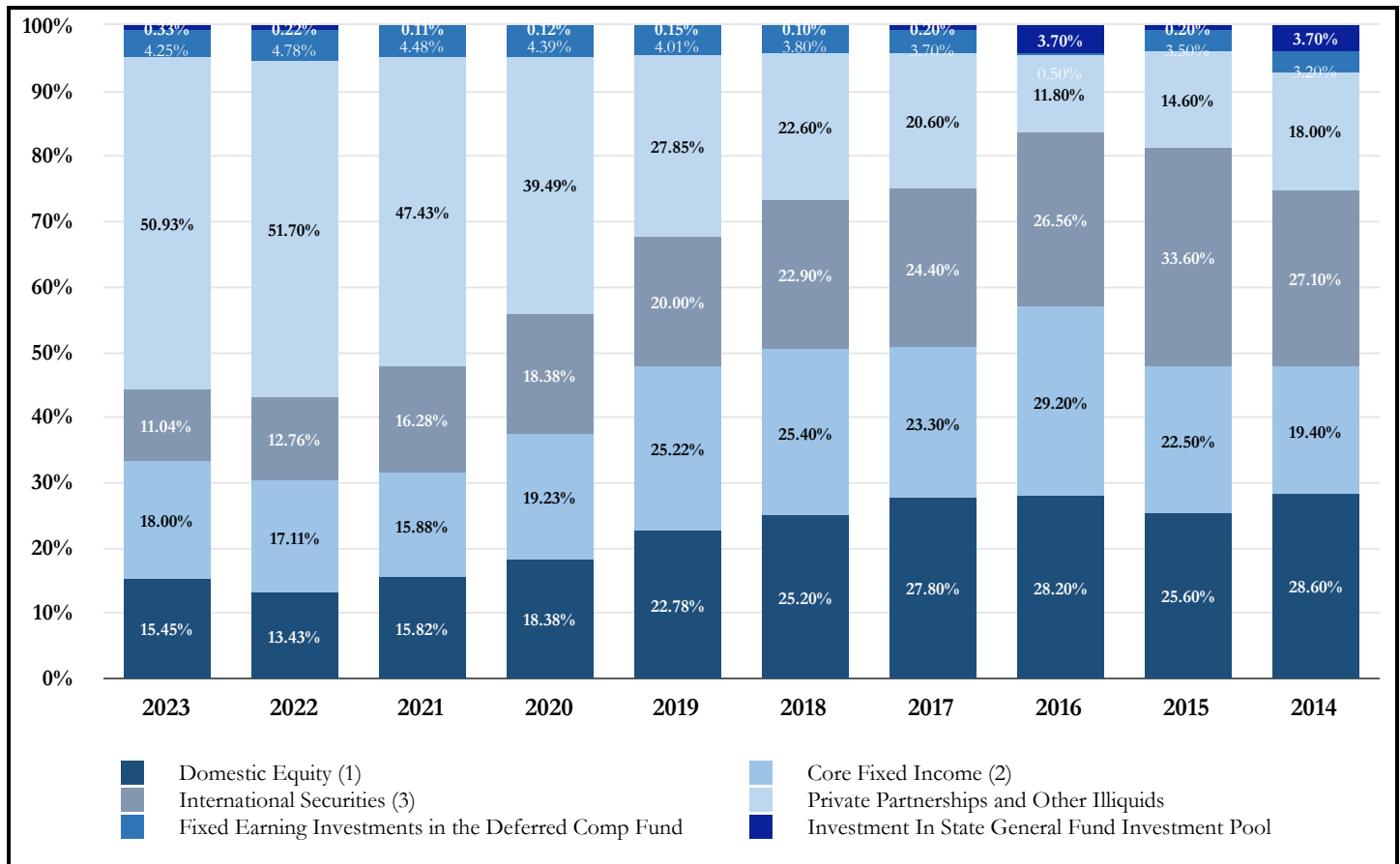
The investment performance information contained in this section of the Annual Comprehensive Financial Report was obtained from the Illiquid Investment Consultants and was calculated using internal rate of return.

Private Equity (<i>in thousands</i>)	Number of Partnerships	Capital Committed	Capital Contrib	Fair Value	Cumulative Distrib	Total Value	Net IRR
Buyout	62	\$ 2,863,919	\$2,204,794	\$ 1,788,747	\$ 1,736,093	\$3,524,840	14.70 %
Funds of One	3	250,000	224,128	223,584	124,328	347,912	12.30 %
Venture Capital	16	505,962	393,734	396,899	426,604	823,503	16.50 %
Total	81	\$ 3,619,881	\$2,822,656	\$ 2,409,230	\$ 2,287,025	\$4,696,254	14.90 %
Real Assets (<i>in thousands</i>)							
Agriculture	4	\$ 310,000	\$ 37,827	\$ 205,367	\$ 4,162	\$ 209,529	(0.90)%
Energy	23	762,000	28,251	379,189	88,846	468,035	6.00 %
Infrastructure	7	592,664	56,968	563,503	23,586	587,089	12.00 %
Non-US Infrastructure	4	314,734	25,549	177,061	19,663	196,724	10.70 %
Total	38	\$ 1,979,398	\$ 148,595	\$ 1,325,120	\$ 136,257	\$1,461,377	7.40 %
Real Estate (<i>in thousands</i>)							
Core	4	\$ 385,000	\$ 49,483	\$ 609,787	\$ 7,408	\$ 617,195	5.10 %
Core Plus	2	250,000	—	123,428	1,957	125,385	4.90 %
Opportunistic	16	745,007	18,030	382,008	61,644	443,652	12.10 %
Value Added	8	373,890	133,710	246,219	2,919	249,138	8.10 %
Non-US	3	154,145	5,692	59,828	111,098	170,926	18.30 %
Total	33	\$ 1,908,042	\$ 206,915	\$ 1,421,270	\$ 185,026	\$1,606,296	10.10 %
Illiquid Credit (<i>in thousands</i>)							
Distressed Debt	12	\$ 520,000	\$ 7,428	\$ 273,196	\$ 81,965	\$ 355,161	9.50 %
Private Debt	8	488,015	(4,226)	116,233	19,770	136,003	8.30 %
Total	20	\$ 1,008,015	\$ 3,202	\$ 389,429	\$ 101,735	\$ 491,164	9.10 %
Absolute Return (<i>in thousands</i>)							
Equity Oriented	16	2,920	(2.34)%	4.01%	2.19%	4.68 %	Inception Date 4/1/2007
Real Assets	13	638	(1.05)%	10.69%	6.00%	4.49 %	3/1/2007
Total	29	\$ 3,558	(2.11)%	5.36%	2.80%	4.52 %	3/1/2007
Bond Plus Alpha Engine (<i>in thousands</i>)							
Bond Plus	19	\$641,862	4.72 %	0.0864	n/m	2.87 %	Inception Date 1/1/2020

(*) Lagged Performance

TEN-YEAR COMPARATIVE ASSET ALLOCATIONS

FISCAL YEARS ENDED JUNE 30, 2023-2014



	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Domestic Equity (1)	15.45 %	13.43 %	15.97 %	19.25 %	23.70 %	25.20 %	27.80 %	28.20 %	25.60 %	28.60 %
Core Fixed Income (2)	18.00 %	17.11 %	16.04 %	20.14 %	26.30 %	25.40 %	23.30 %	29.20 %	22.50 %	19.40 %
International Securities (3)	11.04 %	12.76 %	16.43 %	19.25 %	20.80 %	22.90 %	24.40 %	26.50 %	33.50 %	27.10 %
Private Partnerships and Other Illiquids	50.93 %	51.70 %	47.88 %	41.36 %	29.00 %	22.60 %	20.60 %	11.80 %	14.60 %	18.00 %
Fixed Earning Investments in the Deferred Comp Fund	4.25 %	4.78 %	3.57 %	0.00 %	0.00 %	3.80 %	3.70 %	0.50 %	3.50 %	3.20 %
Investment In State General Fund Investment Pool	0.33 %	0.22 %	0.11 %	— %	0.20 %	0.10 %	0.20 %	3.70 %	0.20 %	3.70 %
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

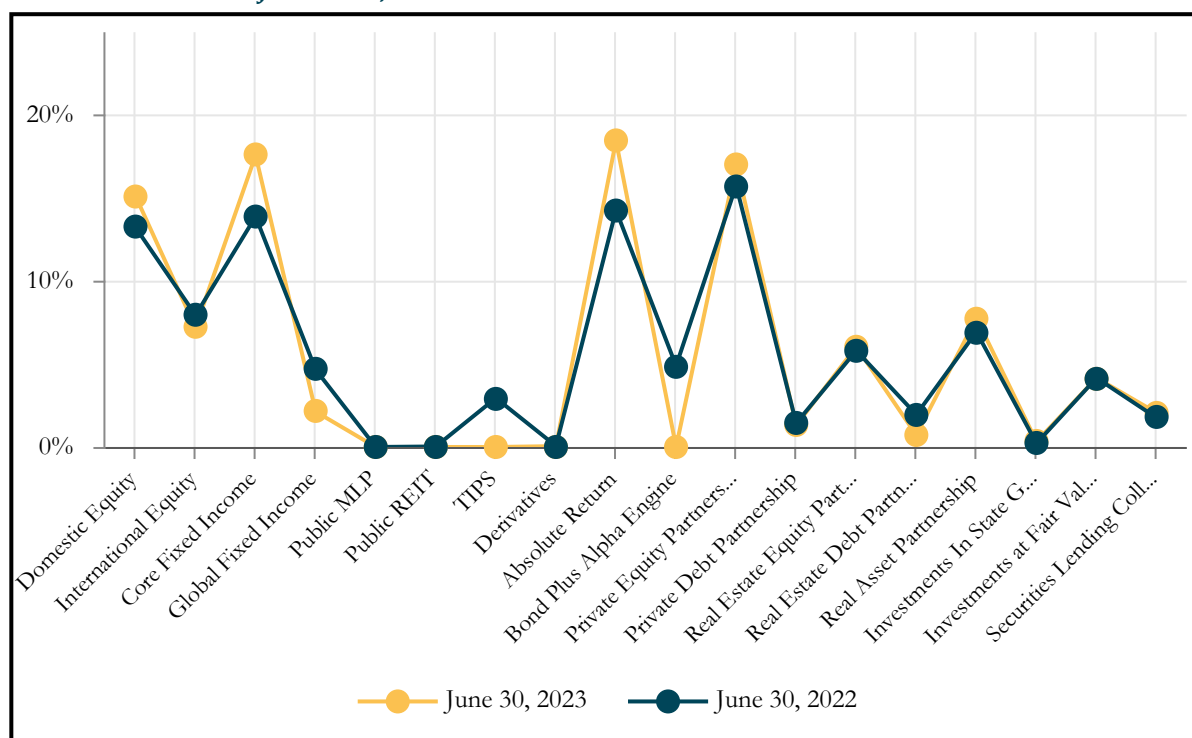
(1) Includes public MLPs, REITs and Equity Derivatives

(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, 2023 & 2022



	Fair Value June 30, 2023	% Of Total Fair Value	Fair Value June 30, 2022	% Of Total Fair Value
Domestic Equity	\$2,565,895,272	15.13 %	\$2,241,694,224	13.14 %
International Equity	1,221,496,731	7.20 %	1,163,484,206	6.82 %
Core Fixed Income	2,980,853,074	17.58 %	—	0.00 %
Global Fixed Income	360,447,636	2.13 %	2,357,217,492	13.82 %
Public MLP	—	0.00 %	—	0.00 %
Public REIT	332,137	0.00 %	13,810,502	0.08 %
TIPS	—	0.00 %	388,441,743	2.3 %
Derivatives	7,736,520	0.05 %	496,925,662	2.9 %
Absolute Return	3,129,146,565	18.46 %	3,845,210,575	22.54 %
Bond Plus Alpha Engine	—	— %	—	— %
Private Equity Partnership	2,893,352,415	17.06 %	2,674,885,419	15.68 %
Private Debt Partnership	222,108,743	1.31 %	244,991,371	1.44 %
Real Estate Equity Partnership	1,024,362,429	6.04 %	986,737,456	5.78 %
Real Estate Debt Partnership	122,350,912	0.72 %	331,441,332	1.94 %
Real Asset Partnership	1,317,642,579	7.77 %	1,177,070,393	6.90 %
	15,845,725,013		15,921,910,375	
Investments In State General Fund Investment Pool	54,371,384	0.32 %	37,105,074	0.22 %
Investments at Fair Value in Deferred Comp Fund	768,875,859	4.52 %	800,885,826	4.69 %
Securities Lending Collateral	349,930,189	2.06 %	299,344,582	1.75 %
Total Investments	\$17,018,902,445	100.00%	\$17,059,245,857	100.00%

COMPARATIVE INVESTMENTS AT FAIR VALUE

FISCAL YEARS ENDED JUNE 30, 2023 & 2022

Asset Type	Fair Value June 30, 2023	Fair Value June 30, 2022	Change in Fair Value
Government Bonds	\$ 931,377,521	\$ 737,634,521	\$ 193,743,000
Municipal Bonds	11,379,626	13,972,398	(2,592,772)
Corporate Bonds	1,837,993,398	936,819,715	901,173,683
Mortgage Backed Securities	517,538,549	788,148,689	(270,610,140)
Asset Backed Securities	4,814,623	163,742,422	(158,927,799)
Commercial Mortgage Backed Securities	35,306,685	95,913,267	(60,606,582)
CMO/REMIC	2,890,308	9,428,223	(6,537,915)
TIPS	—	500,835,190	(500,835,190)
Derivatives	887,312	(19,522,267)	20,409,579
Commingled Debt Products	—	403,056,931	(403,056,931)
Absolute Return - Credit	889,123,672	948,249,857	(59,126,185)
Absolute Return - Risk Parity	1,376,156,249	1,472,153,421	(95,997,172)
Limited Partnerships - Credit	344,459,654	576,432,703	(231,973,049)
Bond Plus Alpha Engine	610,914,016	830,184,090	(219,270,074)
Total Fixed Income	6,562,841,613	7,457,049,160	(894,207,547)
Common Stock	\$ 3,783,844,231	\$ 3,397,257,910	\$ 386,586,321
Preferred Stock	3,547,772	7,920,518	(4,372,746)
REIT	332,137	5,266,707	(4,934,570)
Currency & Equity Derivatives	6,849,208	29,423,241	(22,574,033)
Commingled Equity Products	251,393,620	189,850,734	61,542,886
Absolute Return - Equity	1,559,008	1,715,542	(156,534)
Limited Partnerships - Equity	5,235,357,424	4,838,693,268	396,664,156
Total Equities	9,282,883,400	8,470,127,920	812,755,480
Subtotal Equities and Fixed Income	\$ 15,845,725,013	\$ 15,927,177,080	\$ (81,452,067)
Securities Lending Collateral Investments	349,930,189	299,344,582.00	50,585,607
Total Investments as Presented Above	\$ 16,195,655,202	\$ 16,226,521,662	\$ (30,866,460)
Deferred Comp Fund Investments Directed by Participants	768,875,859	705,296,028	63,579,831
Investments In State General Fund	54,371,384	37,105,074	17,266,310
Total Investments per the Statement of Plan Net Position	\$ 17,018,902,445	\$ 16,968,922,764	\$ 49,979,681

LIST OF LARGEST ASSETS HELD

As of June 30, 2023

Ten Largest Stock Holdings	Shares	Cost	Fair Value
MICROSOFT CORP	333,395	\$ 88,655,765	\$ 113,534,333
APPLE INC	543,374	68,099,865	105,398,255
ALPHABET INC	490,845	57,442,157	59,106,937
AMAZON.COM INC	324,929	46,291,175	42,357,744
NVIDIA CORP	86,114	19,913,188	36,427,944
JOHNSON & JOHNSON	170,609	25,290,341	28,239,202
VISA INC	117,669	20,156,553	27,944,034
BERKSHIRE HATHAWAY INC	78,280	19,076,999	26,693,480
TESLA INC	99,645	26,467,634	26,084,072
ELI LILLY & CO	53,471	9,609,439	25,076,830
TOTAL EQUITIES		\$ 381,003,116	\$ 490,862,831

Ten Largest Stock Holdings	Shares	Cost	Fair Value
U S TREASURY NOTE	501,686,674	\$ 599,411,290	\$ 604,219,890
U S TREASURY BOND	379,525,000	147,860,143	152,090,061
COMMIT TO PUR FNMA SF MTG	123,820,032	50,705,314	50,610,490
TURKEY GOVERNMENT INTERNATIONAL	94,592,700	20,178,972	19,983,362
PETROLEOS MEXICANOS	27,360,750	19,644,835	18,752,652
CCO HOLDINGS LLC/CCO HO 144A	21,339,270	18,822,358	18,439,678
CARNIVAL CORP 144A	22,645,000	14,333,367	16,261,495
FORD MOTOR CREDIT CO LLC	2,682,800,000	16,047,561	16,226,595
COMMIT TO PUR GNMA II JUMBOS	103,840,000	15,884,311	15,813,567
BANK OF AMERICA CORP	15,950,000	13,166,972	13,399,888
TOTAL FIXED INCOME		916,055,123	925,797,678
GRAND TOTAL		\$ 1,297,058,239	\$ 1,416,660,509

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

SCHEDULE OF INVESTMENT FEES

For Year Ended June 30, 2023

	Investment Fees	Trade Commissions	Trade Fees	Carried * Interest Fee	Other Fees	Total (a)
Domestic Equities	\$ 1,922,803	\$ 100,843	\$ 3,888	\$ —	\$ —	\$ 2,027,534
International Equities	2,304,109	352,901	525,983	—	—	3,182,993
Fixed Income	3,710,717	153,608	—	—	—	3,864,325
Illiquids	—	—	—	—	—	—
Security Lending	—	—	—	—	—	—
Liquid Real Assets	1,450,234	228,649	56,687	—	—	1,735,570
Subtotal	9,387,863	836,001	586,558	—	—	10,810,422
Custodian Bank Fees	—	—	—	—	1,223,892	1,223,892
Consultant Fees	—	—	—	—	2,572,422	2,572,422
Legal Fees	—	—	—	—	586,207	586,207
Subtotal	—	—	—	—	4,382,521	4,382,521
TOTAL	\$ 9,387,863	\$ 836,001	\$ 586,558	\$ —	\$4,382,521.00	\$ 15,192,943

*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.

ACTUARIAL SECTION

Public Employees Retirement Association of New Mexico



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023



November 9, 2023

The Retirement Board
Public Employees Retirement Association of New Mexico
33 Plaza La Prensa
Santa Fe, New Mexico 87507

Subject: Certification of PERA Actuarial Valuations as of June 30, 2023

Members of the Board,

At the request of the Public Employees Retirement Association of New Mexico (PERA), Gabriel Roeder Smith & Company (GRS) has performed the actuarial valuations of each division of the PERA Fund, the New Mexico Judicial Retirement Fund (Judicial Fund), the New Mexico Magistrate Retirement Fund (Magistrate Fund), and the Volunteer Firefighters Retirement Fund of New Mexico (Volunteer Firefighters Fund). The information in the Actuarial Section is based on our annual actuarial valuation reports for these programs, with the most recent valuations conducted as of June 30, 2023, and is intended to be used in conjunction with the full reports.

This letter and the schedules listed below represent GRS' certification of the funded status as required for the financial report for the fiscal year ended June 30, 2023 for the PERA Fund, the Judicial Fund, the Magistrate Fund, and the Volunteer Firefighters Fund. Full actuarial valuation reports have also been provided to PERA.

The following schedules in the Financial Section and Actuarial Section of the Annual Comprehensive Financial Report were prepared based upon certain information presented in the previously mentioned funding and financial reporting valuation reports:

Financial Section

- Net Pension Liability of Plan Membership
- Actuarial Methods and Assumptions
- Sensitivity of Net Pension Liability to Changes in the Discount Rate
- Schedule of Changes in Net Pension Liability
- Schedule of Net Pension Liability
- Schedules of Employer Contributions

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Actuarial Section

- Summary of Assumptions and Methods
- Rates of Retirement at First Eligibility
- Rates of Retirement Subsequent to First Eligibility
- Rates of Disability
- Rates of Separation from Active Membership
- Active Member Valuation
- Schedule of Retirees and Beneficiaries
- Solvency Test
- Analysis of Financial Experience
- Comparative Summary of Principal Results

Data

The valuations were based upon information as of June 30, 2023, furnished by PERA staff, concerning system benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by PERA staff.

Actuarial Assumptions and Methods

The assumptions and methods applied in this actuarial valuation were adopted by the Board of Trustees based on an experience investigation that covered the four-year period from July 1, 2013 to June 30, 2017, as well as the experience investigation that covered the four-year period from July 1, 2015 through June 30, 2019 for the Judicial Fund, Magistrate Fund, Volunteer Firefighters Fund, and the Legislative Division of PERA. We believe the assumptions for the funding valuations are internally consistent and are reasonable, based on the actual experience of the PERA Fund, the Judicial Fund, the Magistrate Fund, and the Volunteer Firefighters Fund, and meet the parameters set by Actuarial Standards of Practice issued by the Actuarial Standards Board. The actuarial assumptions and methods used to develop the *Schedule of Changes in the Employers' Net Pension Liability* and the *Schedule of Employer Contributions*, noted above, meet the parameters set forth in the disclosures presented in the Financial Section by Government Accounting Standards Board Statement No. 67.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. A review of the impact of a different set of assumptions on the funded status of the PERA Fund, the Judicial Fund, the Magistrate Fund, and the Volunteer Firefighters Fund is outside the scope of this actuarial valuation.

The current actuarial assumptions are outlined in the section titled "Summary of Assumptions and Methods."



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Benefits

The actuarial valuations as of June 30, 2023 reflect the benefit and contribution provisions that were in effect as of June 30, 2023. The current benefit provisions are outlined in the section titled “Summary of PERA Plan Provisions.” Since the prior valuation, House Bill 106 passed during the 2023 legislative session and increased the maximum pension benefit from 90% to 100% of final average salary for all PERA divisions. Additionally, Senate Bill 145 passed during the 2023 legislative session and provides the 20% enhanced service credit to certain state police members who had not previously been eligible.

Funding Adequacy – PERA Fund

The Actuarially Determined Contribution (ADC) according to the funding policy is the contribution rate necessary to fund the annual normal cost of PERA and fully amortize the UAAL over 25 years. The amount calculated is expected to remain a constant percentage of payroll over the remaining amortization period. This ADC is reasonable as of the valuation date. As demonstrated below, the current statutory rates are less than the ADC. This means that the funding period is in excess of the 25-year target set by the Board.

The ADC determined by this valuation and the statutory employer and member contribution rates for FY2024 are noted below:

	Actuarially Determined Contribution	Employer Contribution Rate*	Member Contribution Rate*	Shortfall /(Excess)
State General	41.51%	19.24%	10.92%	11.35%
State Police	7.19%	25.65%	9.06%	-27.52%
Municipal General	28.03%	11.06%	14.60%	2.37%
Municipal Police	47.45%	20.00%	18.37%	9.08%
Municipal Fire	58.08%	22.80%	20.02%	15.26%
All PERA Divisions	36.27%	16.66%	13.54%	6.07%

** For Municipal plans, employee and employer rates will increase by 0.5% of payroll effective July 1, 2024 and July 1, 2025.*

The total unfunded actuarial accrued liability (UAAL) for the PERA fund increased from \$7.2 billion as of June 30, 2022 to \$8.1 billion as of June 30, 2023. Additionally, the funded ratio—actuarial value of assets divided by the actuarial accrued liability—decreased from 70.0% to 67.7%, as of June 30, 2023. The current contribution rates, including the scheduled increases to member and employer contributions, are expected to eliminate the UAAL in 53 years. Therefore, the Board’s goal of eliminating the UAAL in 25 years is not currently being met. The funding period improved by six years compared to last year mainly because of significant payroll growth resulting in higher projected payroll which equates to more projected contributions to the Plan.



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The UAAL for the PERA fund was expected to increase to \$7.4 billion (an increase of \$0.2 billion) as of June 30, 2023, primarily because the current contributions are less than the normal cost plus interest accruing on the current UAAL. The additional \$0.7 billion increase in the UAAL is primarily attributable to salary increases larger than expected and investment losses on the actuarial value of assets.

As the Legislative Division is in a surplus funded position, the annual amortized amount of the surplus offsets some of the Legislative Division's annual normal cost amount. Members also contribute \$1,000 for each year of service. The Actuarially Determined Contribution determined by this actuarial valuation, net of member contributions, is \$1,147,166 compared to \$992,668 from the prior actuarial valuation. This ADC is reasonable as of the valuation date.

The unfunded actuarial accrued liability (UAAL) for the Legislative Division increased from \$(8.9) million as of June 30, 2022 to \$(7.7) million as of June 30, 2023. Additionally, the funded ratio—actuarial value of assets divided by the actuarial accrued liability—decreased from 123.5% to 119.5%, as of June 30, 2023. This decrease in the funded ratio is primarily due to there being no contributions made to the Legislative Division (outside of member contributions) during FY2023. **If contributions are not increased for the Legislative Division, the funded status is expected to continue to decrease.**

Funding Adequacy – Judicial Fund

The ADC for the Judicial Fund determined by this valuation is 43.87% of pay. This ADC is reasonable as of the valuation date. As described below, the current State contribution rate is less than the ADC. This means that the funding period is in excess of the 25-year target set by the Board.

The State currently contributes 15.0% of pay, a portion of docket fees, and \$100,000 every month until the Judicial Fund is 100% funded. The State contribution is expected to be approximately 31.54% of pay for FY2024. However, the \$100,000 monthly contribution and the docket fees are not expected to increase in the future so it is expected that the State contribution will decrease *as a percentage of payroll* in future years. Members contribute 10.5% of salary, for a total expected contribution equal to 42.04% of pay for FY2024.

The docket fees contributed to the Judicial Fund have been significantly impacted by the pandemic over the past few years. As a result, we have based our long-term projected contributions on the docket fees contributed to the Judicial Fund for FY2020 of approximately \$2.5 million. If docket fees do not increase back to the level they were at in FY2020, future assumed docket fees will need to be reduced to their current level, or approximately \$1.9 million.

It is important for the Board to understand that the currently scheduled contributions are not expected to accumulate sufficient assets in order to pay all of the currently scheduled benefits when due.

The unfunded actuarial accrued liability (UAAL) increased from \$72.7 million as of June 30, 2022 to \$76.0 million as of June 30, 2023. Additionally, the funded ratio—actuarial value of assets divided by the actuarial accrued liability—decreased from 61.2% to 60.5%, as of June 30, 2023. This decrease in the funded ratio was primarily due to asset losses on the actuarial value of assets.



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Funding Adequacy – Magistrate Fund

The ADC for the Magistrate Fund determined by this valuation is 49.12% of pay. This ADC is reasonable as of the valuation date. As demonstrated below, even though the current statutory rate along with docket fees and additional annual appropriation is currently more than the ADC, the funding period is in excess of the 25-year target set by the Board because the contribution outside of the statutory rates are not expected to increase over time.

The State currently contributes 15.0% of pay, a portion of docket fees, and \$100,000 every month until the Magistrate Fund is 100% funded. The State contribution is expected to be approximately 38.88% of pay for FY2024. However, the \$100,000 monthly contribution and the docket fees are not expected to increase in the future so it is expected that the State contribution will decrease *as a percentage of payroll* in future years. Members contribute 10.5% of salary, for a total expected contribution equal to 49.38% of pay for FY2024.

The docket fees contributed to the Magistrate Fund have been significantly impacted by the pandemic over the past few years. As a result, we have based our long-term projected contributions on the docket fees contributed to the Magistrate Fund for FY2020 of approximately \$364,000. These docket fees are assumed to remain level every year in the future. **If docket fees do not increase back to the level they were at in FY2020, the funded status of the Magistrates Fund will be significantly impacted. For example, if future docket fees remain at their current level of \$265,000, the amortization period will be over 100 years.**

The unfunded actuarial accrued liability (UAAL) increased slightly, equaling \$29.6 million as of June 30, 2023. Additionally, the funded ratio—actuarial value of assets divided by the actuarial accrued liability—increased from 52.9% to 53.1%, as of June 30, 2023. This increase in the funded ratio was primarily due to higher rates of termination than expected among the active members during the year. The amortization period decreased to 53 years. This was primarily due to the turnover experience of the active membership resulting in a decrease in the underlying cost of the Fund (i.e. the normal cost rate).

Funding Adequacy – Volunteer Firefighters Fund

The Actuarially Determined Contribution to satisfy the funding policy is the dollar amount necessary to fund the annual normal cost, the expected administrative expenses of the Volunteer Firefighters Fund, and fully amortize the UAAL over 25 years in constant dollar amounts. This resulting contribution amount is compared to the expected State contribution amount to assess the sufficiency of the State contribution. As the Volunteer Firefighters Fund is in a significant surplus funded position, the annual amortized amount of the surplus offsets the Volunteer Firefighters Fund's annual normal cost amount and expected administrative expenses. The Actuarially Determined Contribution determined by this actuarial valuation is zero. This ADC is reasonable as of the valuation date.

The State currently contributes \$750,000 annually to the Volunteer Firefighters Fund from the State's fire protection fund.



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The funding surplus increased from \$30.9 million as of June 30, 2022 to \$33.7 million as of June 30, 2023. Additionally, the funded ratio—actuarial value of assets divided by the actuarial accrued liability—increased from 161.5% to 167.7%, as of June 30, 2023. This increase in the funded ratio was primarily due to demographic gains resulting from active members accruing less service during the year than expected.

For all of the Funds noted, the funded status is one of many metrics used to show trends and develop future expectations about the health of a retirement system. The funded status measure itself is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations or assessing the need for or the amount of future contributions since it does not reflect normal cost contributions, the timing of amortization payments, or future experience other than expected.

Certification

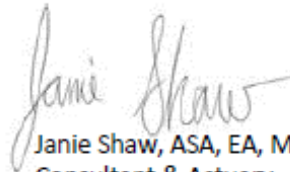
All of our work conforms with generally accepted actuarial principles and practices, and to the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of, where applicable, the Internal Revenue Code and ERISA.

The signing actuaries are independent of the plan sponsor. The undersigned are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries. Finally, each of the undersigned are experienced in performing valuations for large public retirement systems.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Paul Wood, ASA, MAAA
Senior Consultant & Actuary



Jamie Shaw, ASA, EA, MAAA
Consultant & 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, 2022 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, 2022 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			
25	0.02%	0.02%	0.03%	0.14%	0.03%	0.04%	0.06%	0.01%	0.02%
30	0.04%	0.03%	0.06%	0.16%	0.06%	0.04%	0.10%	0.01%	0.02%
35	0.08%	0.06%	0.08%	0.21%	0.09%	0.04%	0.15%	0.05%	0.02%
40	0.13%	0.12%	0.21%	0.27%	0.13%	0.06%	0.22%	0.11%	0.08%
45	0.24%	0.20%	0.25%	0.46%	0.18%	0.14%	0.32%	0.18%	0.08%
50	0.41%	0.39%	0.41%	0.90%	0.30%	0.25%	0.51%	0.28%	0.33%
55	0.57%	0.61%	0.95%	1.40%	0.49%	0.39%	0.85%	0.46%	0.33%
60	0.74%	0.73%	1.39%	1.88%	0.60%	0.51%	1.04%	0.74%	1.17%
65	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	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%				
	2022					9.92%	18.24%				
	2023					10.42%	18.74%				
State Police and Adult Corrections Plan 1	2014	9.10%	23.60%								
	2015	9.10%	25.10%								
	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%								
	2022	9.10%	25.50%								
	2023	9.10%	25.50%								
Juvenile Corrections (Plan 2)	2014			6.28%	24.22%						
	2015			6.28%	25.72%						
	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%						
	2022			6.28%	26.12%						
	2023			6.28%	26.12%						
Municipal General	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%		
	2019	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
	2020	8.50%	7.65%	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	2021	8.50%	7.65%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
General	2022	8.50%	7.65%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
(Cont)	2023	9.00%	8.15%	11.15%	10.30%	15.15%	10.30%	17.65%	19.65%		
Detention	2014	16.65%	16.65%								
Officers	2015	18.15%	16.65%								
(Plan 1)	2016	18.15%	17.05%								
	2017	18.15%	17.05%								
	2018	18.15%	17.05%								
	2019	18.15%	17.05%								
	2020	18.15%	17.3%								
	2021	18.15%	17.3%								
	2022	18.15%	17.3%								
	2023	18.65%	17.8%								
Municipal	2014	8.50%	10.00%	8.50%	15.00%	8.50%	18.50%	13.85%	18.50%	17.80%	18.50%
Police	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%
	2022	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2023	9.00%	10.90%	9.00%	15.90%	9.00%	19.40%	14.35%	19.40%	18.30%	19.40%
Municipal	2014	9.50%	11.00%	9.50%	17.50%	9.50%	21.25%	14.30%	21.25%	17.70%	21.25%
Fire	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%
	2022	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2023	10.00%	11.90%	10.00%	18.40%	10.00%	22.15%	14.80%	22.15%	18.20%	22.15%
Judicial	2014	7.50%	12.00%	*							
	2015	10.50%	15.00%	*							
	2016	10.50%	15.00%	*							
	2017	10.50%	15.00%	*							
	2018	10.50%	15.00%	*							
	2019	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 ¹)	2020	10.50%	15.00%		*						
	2021	10.50%	15.00%		*						
	2022	10.50%	15.00%		*						
	2023	10.50%	15.00%		*						
Magistrate	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%		*						
	2022	10.50%	15.00%		*						
	2023	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

ACTIVE MEMBER VALUATION

AS OF June 30, 2023

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
State General	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 %
	2022	122	18,330	1,006,972,042	54,936	3.64 %
	2023	123	18,570	1,134,325,271	61,084	11.19 %
State Police/ Hazardous Duty	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 %
	2022	3	2,273	121,017,701	53,241	3.76 %
	2023	3	2,239	134,687,976	60,155	12.99 %
Municipal General	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 %
	2022	194	20,196	949,969,039	47,037	6.17 %
	2023	194	20,196	949,969,039	47,037	— %
Municipal Police	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 %
	2020	102	3,773	229,730,475	60,888	4.65 %
2021	100	3,724	229,410,194	61,603	1.17 %	

ACTIVE MEMBER VALUATION (CONTINUED)

AS OF JUNE 30, 2023

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
	2022	101	3,608	\$ 229,103,348	\$ 63,499	3.08 %
	2023	101	3,645	259,111,866	71,087	11.95 %
Municipal Fire	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 %
	2022	48	2,492	156,156,285	62,613	7.83 %
	2023	48	2,643	181,169,253	68,547	9.48 %
Legislative	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
	2022	1	113	N/A	N/A	N/A
	2023	1	110	N/A	N/A	N/A
Judicial	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	16	128	17,165,992	134,109	0.03 %
	2022	16	131	18,747,165	143,108	6.71 %
	2023	16	129	21,089,910	163,488	14.24 %
Magistrate	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)%
	2017	1	65	5,487,517	84,423	0.09 %
	2018	1	65	5,849,815	89,997	6.60 %

ACTIVE MEMBER VALUATION (CONTINUED)

AS OF JUNE 30, 2023

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
	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 %
	2022	1	62	6,304,854	101,691	6.59 %
	2023	1	53	6,164,080	116,303	14.37 %
Volunteer	2014	365	7,499	N/A	N/A	N/A
Firefighter	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
	2022	363	7,711	N/A	N/A	N/A
	2023	363	7,578	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, 2023

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										
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 %
2022	918	21,507,826	466	11,643,445	9,864,381	20,452	613,021,280	1.64 %	29,974	1.25 %
2023	825	28,871,285	459	11,300,573	17,570,712	20,824	630,591,992	2.87 %	30,282	1.03 %
State Police/Hazardous Duty										
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 %
2022	122	5,722,132	27	784,008	4,938,124	1,754	59,820,992	9.00 %	34,105	0.98 %
2023	69	2,779,958	23	600,124	2,179,834	1,798	62,000,826	3.64 %	34,483	1.11 %
Municipal General										
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 %
2022	909	30,222,197	328	8,035,183	22,187,014	15,580	426,774,916	5.48 %	27,392	0.21 %
2023	879	25,276,810	373	9,375,801	15,901,009	16,085	442,675,925	3.73 %	27,521	0.47 %
Municipal Police										
2014	222	10,277,993	30	988,805	6,999,747	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 %
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 %

SCHEDULE OF RETIREES AND BENEFICIARIES (CONTINUED)**AS OF June 30, 2023**

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
Municipal Police (Cont)										
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 %
2022	243	14,539,322	89	3,391,924	11,147,398	4,113	170,202,543	7.01 %	41,382	0.53 %
2023	187	9,414,573	73	2,651,203	6,763,370	4,228	176,965,913	3.97 %	41,856	1.15 %
Municipal Fire										
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 %
2022	114	7,547,909	24	1,486,039	6,061,870	2,216	97,585,117	7.40 %	44,037	0.76 %
2023	90	4,794,684	21	813,221	3,981,463	2,281	101,566,580	4.08 %	44,527	1.11 %
Legislative										
2014	6	58,860	7	89,045	(30,185)	178	1,547,553	20.45 %	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 %
2022	9	97,896	7	20,954	76,942	206	2,340,444	3.40 %	11,361	2.39 %
2023	13	205,025	9	72,890	132,135	210	2,472,579	5.65 %	11,774	3.64 %
Judicial										
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 %
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 %

SCHEDULE OF RETIREES AND BENEFICIARIES (CONTINUED)

AS OF June 30, 2023

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)										
2022	7	\$ 460,532	5	\$ 265,506	\$ 195,026	204	\$ 12,940,643	1.53 %	\$63,435	0.54 %
2023	11	700,430	3	170,373	530,057	212	13,470,700	4.10 %	63,541	0.17 %
Magistrate										
2014	9	543,699	1	59,234	484,465	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 %
2022	2	74,540	2	104,947	(30,407)	111	4,302,313	-0.70 %	38,760	(0.70)%
2023	14	700,578	2	70,780	629,798	123	4,932,111	14.64 %	40,098	3.45 %
Volunteer Firefighter										
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	121,700	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 %
2022	74	134,000	22	43,800	90,200	1,642	2,886,998	3.23 %	1,758	(0.06)%
2023	56	91,000	18	47,301	43,699	1,680	2,930,697	1.51 %	1,744	(0.80)%

SOLVENCY TEST

June 30, 2023

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	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%
	2022	988,538,507	7,213,269,547	1,800,550,571	10,002,358,625	5,997,050,627	100%	71%	—%	69%
	2023	1,039,881,622	7,366,007,796	2,056,190,704	10,462,080,122	6,027,012,729	100%	68%	—%	69%
State Police/ Hazardous Duty	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%
	2022	77,133,211	767,641,435	337,444,901	1,182,219,547	1,502,208,686	100%	100%	100%	130%
	2023	77,133,211	767,641,435	337,444,901	1,182,219,547	1,502,208,686	100%	100%	100%	130%
Municipal General	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%	87%	—%	75%
	2022	1,265,376,864	5,224,918,127	1,132,776,515	7,623,071,506	5,787,799,706	100%	90%	—%	75%
	2023	1,316,328,786	5,398,250,867	1,320,889,595	8,035,469,248	5,917,412,199	100%	85%	—%	75%
Municipal Police	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%
	2020	327,110,526	1,993,453,153	565,984,579	2,886,548,258	2,161,723,690	100%	92%	—%	73%
	2021	340,676,470	2,108,040,665	547,207,468	2,995,924,603	2,283,030,585	100%	92%	—%	73%

SOLVENCY TEST (CONTINUED)

June 30, 2023

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	2022	\$ 342,930,119	\$ 2,274,798,175	\$ 562,633,834	\$ 3,180,362,128	\$ 2,335,040,372	100%	88%	—%	73%
Police (Cont')	2023	360,483,796	2,356,121,317	653,111,450	3,369,716,563	2,387,600,813	100%	86%	—%	73%
Municipal	2014	162,999,130	893,055,155	291,666,492	1,347,720,777	844,926,189	100%	76%	—%	63%
Fire	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%
	2022	249,494,664	1,260,087,905	426,889,376	1,936,471,945	1,113,393,538	100%	69%	—%	59%
	2023	268,750,619	1,304,702,478	498,189,717	2,071,642,814	1,150,324,324	100%	68%	—%	59%
Legislative	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%
	2022	839,405	22,784,449	14,116,392	37,740,246	46,590,656	100%	100%	100%	137%
	2023	869,643	24,644,001	13,647,058	39,160,702	46,822,823	100%	100%	100%	137%
Judicial	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%
	2022	14,016,425	137,036,322	36,123,296	187,176,043	114,524,130	100%	73%	—%	55%
	2023	15,106,629	139,313,749	37,915,885	192,336,263	116,320,787	100%	73%	—%	55%
Magistrate	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 %
	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 %

SOLVENCY TEST (CONTINUED)**June 30, 2023**

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)
	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 %
	2022	5,936,090	45,644,781	11,293,752	62,874,623	33,285,904	100 %	60 %	— %	54 %
	2023	4,868,145	54,087,389	4,162,239	63,117,773	33,498,155	100 %	53 %	— %	54 %
Volunteer Firefighter	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%
	2022	—	33,333,346	16,877,738	50,211,084	81,077,910	N/A	100%	100%	143%
	2023	—	32,925,899	16,932,107	49,858,006	83,601,347	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	2023	2022	2021	2020	2019	2018	2017	2016	2015
UAAL at Beginning of Year	\$ 7,188,990	\$ 6,582,200	\$ 6,651,000	\$ 6,662,600	\$ 6,060,500	\$ 5,070,600	\$ 4,819,500	\$ 4,711,600	\$ 4,301,700
Normal Cost for Year	466,650	415,500	403,700	380,500	379,400	358,000	352,500	385,700	372,500
Contributions (net of Refunds)	(740,076)	(692,300)	(688,700)	664,500	(621,200)	(602,200)	(604,200)	(587,900)	(573,600)
Interest Accrual and other income/exp	511,290	467,200	482,900	(485,800)	442,400	369,600	351,500	355,800	309,600
Expected UAAL before Non-Recurring Adjust	7,426,854	6,772,600	6,848,900	7,221,800	6,261,100	5,196,000	4,919,300	4,865,200	4,410,200
Effect of Assumption Changes	—	—	—	—	—	564,000	—	468,000	—
Effect of New Employers, Benefit Changes & Plan Coverage Shifts	—	—	—	(788,500)	—	—	—	(373,300)	—
Expected UAAL after Audit Adjustment	7,426,854	6,772,600	6,848,900	6,433,300	6,261,100	5,760,000	4,919,300	4,959,900	4,410,200
Actual UAAL	8,142,164	7,188,900	6,582,200	6,651,000	6,662,600	6,060,500	5,070,600	4,819,500	4,711,600
Gain (Loss)	\$ (715,310)	\$ (416,300)	\$ 266,700	\$ (217,700)	\$ (401,500)	\$ (300,500)	\$ (151,300)	\$ 140,400	\$ (301,400)

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

Legislative Fund	2023	2022	2021	2020	2019	2018	2017	2016	2015
UAAL at Beginning of Year	\$ (8,850,410)	\$ (13,414,247)	\$ (12,320,301)	\$ (11,618,279)	\$ (11,663,155)	\$ (14,422,685)	\$ (12,507,901)	\$ (10,257,790)	\$ (7,559,577)
Normal Cost for Year	1,858,285	1,054,879	988,578	815,910	931,257	739,695	802,336	786,119	749,175
Contributions (net of Refunds)	(1,105,668)	(68,400)	(70,800)	(967,200)	(72,000)	(66,600)	(73,200)	(72,600)	(117,474)
Interest Accrual and other Income/exp	(614,372)	(936,774)	(828,791)	(811,040)	(780,959)	(990,613)	(848,376)	(771,879)	(603,008)
Expected UAAL before Non-Recurring Adjust	(8,712,165)	(13,364,542)	(12,231,314)	(12,580,609)	(11,584,857)	(14,740,203)	(12,627,141)	(10,316,150)	(7,530,884)
Effect of Assumption Changes	—	—	—	—	—	—	—	—	—
Expected UAAL after Audit Adjustment	(8,712,165)	(13,364,542)	(12,231,314)	(12,580,609)	(11,584,857)	(14,740,203)	(12,627,141)	(10,316,150)	(7,530,884)
Actual UAAL	(7,662,121)	(8,850,410)	(13,414,247)	(12,320,301)	(11,618,279)	(11,663,155)	(14,422,685)	(12,507,901)	(10,257,790)
Gain (Loss)	\$ (1,050,044)	\$ (4,514,132)	\$ 1,182,933	\$ (260,308)	\$ 33,422	\$ (3,077,048)	\$ 1,795,544	\$ 2,191,751	\$ 2,726,906

ANALYSIS OF FINANCIAL EXPERIENCE (CONTINUED)

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

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

Judicial Fund	2023	2022	2021	2020	2019	2018	2017	2016	2015
UAAL at Beginning of Year	\$ 72,651,913	\$ 82,510,576	\$ 79,486,483	\$ 75,117,357	\$ 71,361,020	\$ 57,275,470	\$ 56,463,800	\$ 53,031,737	\$ 47,768,984
Normal Cost for Year	\$4,731,882	3,733,987	3,625,435	3,264,394	3,339,293	2,991,527	3,139,091	3,287,278	3,083,765
Contributions (net of Refunds)	(9,168,017)	(8,334,272)	(7,641,728)	(7,734,474)	(7,590,872)	(6,495,531)	(6,601,548)	(6,455,003)	(5,873,849)
Interest Accrual and other Income/exp	5,106,454	5,815,257	5,690,721	5,368,843	5,091,143	4,103,302	4,039,679	3,979,726	3,621,948
Expected UAAL before Non-Recurring Adjust	73,322,232	83,725,548	81,160,911	76,016,120	72,200,584	57,874,768	57,041,022	53,843,738	48,600,848
Effect of Assumption Changes	—	—	—	532,716	—	5,072,854	—	3,423,578	—
Expected UAAL after Audit Adjustment	73,322,232	83,725,548	81,160,911	76,548,836	72,200,584	62,947,622	57,041,022	57,267,316	48,600,848
Actual UAAL	76,015,476	72,651,913	82,510,576	79,486,483	75,117,357	71,361,020	57,275,470	56,463,800	53,031,737
Gain (Loss)	\$ (2,693,244)	\$ 11,073,635	\$ (1,349,665)	\$ (2,937,647)	\$ (2,916,773)	\$ (8,413,398)	\$ (234,448)	\$ 803,516	\$ (4,430,889)

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

Magistrate Fund	2023	2022	2021	2020	2019	2018	2017	2016	2015
UAAL at Beginning of Year	\$ 29,588,719	\$ 27,710,816	\$ 27,316,419	\$ 26,840,390	\$ 25,767,731	\$ 20,924,332	\$ 20,486,996	\$ 19,777,047	\$ 18,169,437
Normal Cost for Year	1,566,478	1,267,282	1,151,145	956,706	958,605	899,592	911,388	834,750	733,255
Contributions (net of Refunds)	(3,403,179)	(3,020,091)	(1,745,055)	(2,719,554)	(2,494,519)	(2,180,208)	(2,167,739)	(2,013,479)	(1,794,493)
Interest Accrual and other Income/exp	2,078,602	1,945,495	1,984,568	1,911,380	1,841,233	1,484,046	1,462,528	1,483,773	1,410,788
Expected UAAL before Non-Recurring Adjust	29,830,620	27,903,502	28,707,077	26,988,922	26,073,050	21,127,762	20,693,173	20,082,091	18,518,987
Effect of Assumption Changes	—	—	—	(36,649)	—	1,689,577	—	1,454,465	—
Expected UAAL after Audit Adjustment	29,830,620	27,903,502	28,707,077	26,952,273	26,073,050	22,817,339	20,693,173	21,536,556	18,518,987
Actual UAAL	29,619,618	29,588,719	27,710,816	27,316,419	26,840,390	25,767,731	20,924,332	20,486,996	19,777,047
Gain (Loss)	\$ 211,002	\$ (1,685,217)	\$ 996,261	\$ (364,146)	\$ (767,340)	\$ (2,950,392)	\$ (231,159)	\$ 1,049,560	\$ (1,258,060)

ANALYSIS OF FINANCIAL EXPERIENCE (CONTINUED)

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

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

Volunteer Firefighters Fund	2023	2022	2021	2020	2019	2018	2017	2016	2015
UAAL at Beginning of Year	\$ (30,866,826)	\$ (28,339,222)	\$ (23,576,703)	\$ (21,492,419)	\$ (20,438,562)	\$ (21,596,867)	\$ (19,643,524)	\$ (17,658,912)	\$ (16,480,497)
Normal Cost for Year	2,097,943	1,966,355	1,987,314	2,220,228	2,159,827	2,022,277	2,111,322	1,490,704	1,433,147
Contributions (net of Refunds)	(750,000)	(750,000)	(750,000)	(549,550)	(573,276)	(289,024)	(565,979)	(60,072)	(55,987)
Interest Accrual and other Income/exp	(2,188,983)	(2,010,502)	(1,664,459)	(1,427,995)	(1,360,121)	(1,444,026)	(1,315,944)	(1,317,787)	(1,192,301)
Expected UAAL before Non-Recurring Adjust	(31,707,866)	(29,133,369)	(24,003,848)	(21,249,736)	(20,212,132)	(21,307,640)	(19,414,125)	(17,546,067)	(16,295,638)
Effect of Assumption Changes	—	—	—	(1,390,154.00)	—	1,330,595	—	1,201,717	—
Expected UAAL after Audit Adjustment	(31,707,866)	(29,133,369)	(24,003,848)	(22,639,890)	(20,212,132)	(19,977,045)	(19,414,125)	(16,344,350)	(16,295,638)
Actual UAAL	(33,743,341)	(30,866,826)	(28,339,222)	(23,576,703)	(21,492,419)	(20,438,562)	(21,596,867)	(19,643,524)	(17,658,912)
Gain (Loss)	\$ 2,035,475	\$ 1,733,457	\$ 4,335,374	\$ 936,813	\$ 1,280,287	\$ 461,517	\$ 2,182,742	\$ 3,299,174	\$ 1,363,274

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS

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

All PERA Divisions	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 2,803,762,525	\$ 2,463,218,413	\$ 2,388,518,383	\$ 2,409,950,766	\$ 2,271,770,279
Total Valuation Payroll	2,887,875,401	2,537,114,966	2,460,173,934	2,482,249,289	2,339,923,387
Actuarial Accrued Liability					
Active and Deferred Vested Members	8,703,595,834	7,828,631,276	7,628,431,322	7,542,860,001	7,073,283,818
Retired Members and Survivors	16,496,591,558	16,095,852,486	15,414,038,507	14,846,010,868	15,089,714,530
Total	\$25,200,187,392	\$23,924,483,762	\$23,042,469,829	\$22,388,870,869	\$22,162,998,348
Actuarial Value of Assets	\$17,058,022,761	\$16,735,492,929	\$16,460,210,558	\$15,737,838,938	\$15,500,330,667
Funded Ratio	67.70 %	70.00 %	71.40 %	70.30 %	69.90 %
Unfunded Actuarial Accrued Liability	\$ 8,142,164,631	\$ 7,188,990,833	\$ 6,582,259,271	\$ 6,651,031,931	\$ 6,662,667,681

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	16.66 %	16.18 %	15.73 %	15.50 %	15.12 %
Member Contribution Rate	13.54 %	12.99 %	12.41 %	12.20 %	12.01 %
Total	30.20 %	29.17 %	28.14 %	27.70 %	27.13 %
Less Normal Cost:					
Retirement	11.41 %	11.58 %	10.67 %	10.74 %	10.74 %
Termination	4.37 %	4.39 %	3.81 %	3.78 %	3.82 %
Pre-Retirement Survivors	0.88 %	0.89 %	0.85 %	0.85 %	0.84 %
Disability	0.91 %	0.92 %	0.91 %	0.90 %	0.86 %
Total Normal Cost	17.57 %	17.78 %	16.24 %	16.27 %	16.27 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	13.54 %	12.99 %	11.40 %	10.93 %	10.37 %
Amortization Period	53 years	59 years	72 years	106 years	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	6.07 %	7.4 %	5.87 %	6.37 %	6.27 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

All PERA Divisions (Continued)	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 2,221,079,274	\$ 2,204,414,890	\$ 2,135,171,462	\$ 2,248,254,276	\$ 2,102,265,325
Total Valuation Payroll	2,287,711,652	2,265,036,299	2,193,888,677	2,326,943,176	2,175,844,611
Actuarial Accrued Liability					
Active and Deferred Vested Members	6,850,306,745	6,640,876,002	6,275,078,080	6,549,111,175	6,166,509,262
Retired Members and Survivors	14,463,144,438	13,553,822,288	13,199,163,304	12,237,375,375	11,617,867,424
Total	\$21,313,451,183	\$ 20,194,698,290	\$19,474,241,384	\$18,786,486,550	\$17,784,376,686
Actuarial Value of Assets	\$15,252,860,672	\$ 15,124,167,297	\$14,654,814,373	\$14,074,919,042	\$13,482,815,522
Funded Ratio	71.60 %	74.90%	75.30 %	74.90 %	75.80 %
Unfunded Actuarial Accrued Liability	\$ 6,060,590,511	\$ 5,070,530,993	\$ 4,819,427,011	\$ 4,711,567,508	\$ 4,301,561,164

Calculation of Required Contribution

Statutory Contribution Rate

Employer Contribution Rate	14.81 %	14.86%	14.86%	15.08 %	15.04 %
Member Contribution Rate	12.03 %	11.90%	11.95%	12.02 %	12.05 %
Total	26.84 %	0.00%	0.00 %	27.10 %	27.09 %
Less Normal Cost:					
Retirement	10.73 %	10.60%	10.81%	11.42 %	11.59 %
Termination	3.81 %	3.68%	3.70%	3.90 %	3.79 %
Pre-Retirement Survivors	1.10 %	0.56%	0.58%	0.48 %	0.50 %
Disability	0.95 %	0.97%	0.98%	0.78 %	0.79 %
Total Normal Cost	16.59 %	0.00%	0.00 %	16.58 %	16.67 %
Less Administrative Expenses	0.50 %	0.45%	45.00 %	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	9.75 %	10.50%	10.29%	10.07 %	9.97 %
Amortization Period	Infinite	55 years	56 years	41 years	40 years
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	5.73 %	2.93%	2.91%	1.76 %	1.58 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - State General	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 1,134,325,271	\$ 1,006,872,042	\$ 989,784,230	\$ 1,002,475,715	\$ 935,478,450
Total Valuation Payroll	1,168,355,029	1,037,181,203	1,019,477,757	1,032,549,986	963,542,804
Actuarial Accrued Liability					
Active and Deferred Vested Members	3,470,924,937	3,128,616,181	3,087,468,686	3,082,550,456	2,932,732,812
Retired Members and Survivors	6,991,155,185	6,873,742,444	6,791,048,303	6,607,155,638	6,603,870,095
Total	\$10,462,080,122	\$10,002,358,625	\$ 9,878,516,989	\$9,689,706,094	\$ 9,536,602,907
Actuarial Value of Assets	\$ 6,027,012,729	\$ 5,997,050,627	\$ 5,981,582,669	\$5,807,551,328	\$ 5,805,041,751
Funded Ratio	57.60 %	60.00 %	60.60 %	59.90 %	60.90 %
Unfunded Actuarial Accrued Liability	\$ 4,435,067,393	\$ 4,005,307,998	\$ 3,896,934,320	\$3,882,154,766	\$ 3,731,561,156
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	19.24 %	18.74 %	18.24 %	17.74 %	17.24 %
Member Contribution Rate	10.92 %	10.42 %	9.92 %	9.42 %	8.92 %
Total	30.16 %	29.16 %	28.16 %	27.16 %	26.16 %
Less Normal Cost:					
Retirement	10.34 %	10.51 %	9.50 %	9.66 %	9.75 %
Termination	4.24 %	4.08 %	3.65 %	3.62 %	3.68 %
Pre-Retirement Survivors	0.88 %	0.88 %	0.84 %	0.84 %	0.82 %
Disability	1.05 %	1.05 %	1.09 %	1.08 %	1.05 %
Total Normal Cost	16.51 %	16.52 %	15.08 %	15.20 %	15.30 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	10.92 %	10.42 %	12.58 %	10.36 %	9.68 %
Amortization Period	Infinite	Infinite	Infinite	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over	11.35 %	12.78 %	12.81 %	12.27 %	11.71 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - State General	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 900,513,193	\$ 928,864,843	\$ 904,829,688	\$ 938,168,776	\$ 863,797,166
Total Valuation Payroll	927,528,589	954,408,626	929,712,504	971,004,683	894,030,067
Actuarial Accrued Liability					
Active and Deferred Vested Members	2,846,188,979	2,838,047,375	2,710,277,993	2,759,790,183	2,592,459,108
Retired Members and Survivors	6,349,256,438	5,973,769,583	5,818,644,574	5,441,215,570	5,193,531,789
Total	\$ 9,195,445,417	\$ 8,811,816,958	\$ 8,528,922,567	\$ 8,201,005,753	\$ 7,785,990,897
Actuarial Value of Assets	\$ 5,799,854,720	\$ 5,831,916,099	\$ 5,720,834,981	\$ 5,549,137,149	\$ 5,334,025,804
Funded Ratio	63.10 %	66.20%	67.10 %	67.70 %	68.50 %
Unfunded Actuarial Accrued Liability	\$ 3,395,590,697	\$ 2,979,900,859	\$ 2,808,087,586	\$ 2,651,868,604	\$ 2,451,965,093

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	16.99 %	16.99%	16.99%	16.99 %	16.99 %
Member Contribution Rate	8.92 %	8.92%	8.92%	8.92 %	8.92 %
Total	25.91 %	25.91 %	25.91 %	25.91 %	25.91 %
Less Normal Cost:					
Retirement	9.74 %	9.89%	10.09%	10.50 %	10.73 %
Termination	3.68 %	3.52%	3.55%	3.73 %	3.66 %
Pre-Retirement Survivors	1.16 %	0.59%	0.60%	0.45 %	0.49 %
Disability	1.15 %	1.05%	1.06%	0.86 %	0.87 %
Total Normal Cost	15.73 %	15.05 %	15.30 %	15.54 %	15.75 %
Less Administrative Expenses	0.50 %	0.45 %	0.45 %	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	9.68 %	10.41%	10.16%	9.92 %	9.71 %
Amortization Period	Infinite	Infinite	Infinite	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over	11.71 %	8.32%	7.99%	6.03 %	6.31 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - State Police/Corrections	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 134,687,976	\$ 121,017,701	\$ 116,842,280	\$ 113,842,830	\$ 88,220,403
Total Valuation Payroll	138,728,615	124,648,232	120,347,548	117,258,115	90,867,015
Actuarial Accrued Liability					
Active and Deferred Vested Members	486,243,601	427,970,282	427,473,543	388,547,885	299,347,891
Retired Members and Survivors	775,035,044	754,249,275	683,557,586	659,603,204	685,634,245
Total	\$ 1,261,278,645	\$ 1,182,219,557	\$ 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	\$ 1,332,772,683	\$ 1,282,058,570
Funded Ratio	124.90%	127.10%	129.10%	127.20%	130.20%
Unfunded Actuarial Accrued Liability	\$ (314,394,051)	\$ (319,989,129)	\$ (323,336,058)	\$ (284,621,594)	\$ (297,076,434)

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	25.65%	25.65%	25.59%	25.56%	25.58%
Member Contribution Rate	9.06%	9.01%	9.01%	8.99%	8.74%
Total	34.71%	34.66%	34.60%	34.55%	34.32%
Less Normal Cost:					
Retirement	13.43%	13.53%	16.06%	14.96%	15.98%
Termination	5.15%	5.21%	4.30%	4.29%	4.08%
Pre-Retirement Survivors	0.68%	0.70%	0.71%	0.68%	0.71%
Disability	2.06%	2.12%	1.74%	1.69%	1.60%
Total Normal Cost	21.32%	21.56%	22.81%	21.62%	22.37%
Less Administrative Expenses	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	9.06%	11.29%	11.29%	12.43%	11.45%
Amortization Period	—	—	—	—	—
Increase in Statutory Rate Necessary to Amortize UAAL over	N/A	N/A	N/A	N/A	N/A

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - State Police/Corrections	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 84,845,998	\$ 87,941,130	\$ 78,225,782	\$ 97,352,917	\$ 91,551,934
Total Valuation Payroll	87,391,378	90,359,511	80,376,991	100,760,269	94,756,252
Actuarial Accrued Liability					
Active and Deferred Vested Members	275,833,201	270,894,903	246,170,322	301,393,813	286,704,115
Retired Members and Survivors	670,133,517	638,978,282	629,189,411	589,740,952	563,218,677
Total	\$ 945,966,718	\$ 909,873,185	\$ 875,359,733	\$ 891,134,765	\$ 849,922,792
Actuarial Value of Assets	\$ 1,231,975,474	\$ 1,196,338,715	\$ 1,136,076,589	\$ 1,075,204,637	\$ 1,016,533,008
Funded Ratio	130.20%	131.50 %	129.80 %	120.70 %	119.60 %
Unfunded Actuarial Accrued Liability	\$ (286,008,756)	\$ (286,465,530)	\$ (260,716,856)	\$ (184,069,872)	\$ (166,610,216)

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	25.58%	25.58 %	25.59 %	25.58 %	25.59 %
Member Contribution Rate	8.75%	8.73 %	8.70 %	8.72 %	8.71 %
Total	34.33%	34.31 %	34.29 %	34.30 %	34.30 %
Less Normal Cost:					
Retirement	16.09%	14.75 %	15.25 %	15.33 %	15.57 %
Termination	4.12%	3.75 %	3.77 %	3.61 %	3.60 %
Pre-Retirement Survivors	0.75%	0.50 %	0.50 %	0.45 %	0.46 %
Disability	1.79%	1.81 %	1.83 %	1.48 %	1.50 %
Total Normal Cost	22.75%	20.81 %	21.35 %	20.87 %	21.13 %
Less Administrative Expenses	0.50 %	13.05 %	12.49 %	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	11.08%	10.41%	10.16%	12.98 %	12.72 %
Amortization Period	—	—	—	—	—
Increase in Statutory Rate Necessary to Amortize UAAL over	N/A	N/A	N/A	N/A	N/A

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Municipal General	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 1,094,468,159	\$ 949,969,039	\$ 912,307,045	\$ 924,361,625	\$ 901,598,748
Total Valuation Payroll	1,127,302,204	978,468,110	939,676,256	952,092,474	928,646,710
Actuarial Accrued Liability					
Active and Deferred Vested Members	2,919,526,037	2,651,510,917	2,576,082,656	2,548,387,539	2,477,879,338
Retired Members and Survivors	5,115,943,211	4,971,560,589	4,705,461,568	4,506,418,609	4,579,055,430
Total	\$ 8,035,469,248	\$ 7,623,071,506	\$ 7,281,544,224	\$ 7,054,806,148	\$ 7,056,934,768
Actuarial Value of Assets	\$ 5,917,412,199	\$ 5,787,799,706	\$ 5,679,750,605	\$ 5,410,004,791	\$ 5,301,086,178
Funded Ratio	71.50 %	75.90 %	78.00 %	76.70 %	75.10 %
Unfunded Actuarial Accrued Liability	\$ 2,118,057,049	\$ 1,835,271,800	\$ 1,601,793,619	\$ 1,644,801,357	\$ 1,755,848,590

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	11.06 %	10.47 %	10.01 %	10.03 %	10.02 %
Member Contribution Rate	14.60 %	13.97 %	13.53 %	13.53 %	13.49 %
Total	25.66 %	24.44 %	23.54 %	23.56 %	23.51 %
Less Normal Cost:					
Retirement	8.88 %	9.04 %	7.95 %	8.04 %	8.13 %
Termination	4.77 %	5.06 %	4.05 %	4.04 %	4.08 %
Pre-Retirement Survivors	0.99 %	1.00 %	0.93 %	0.93 %	0.91 %
Disability	0.76 %	0.76 %	0.76 %	0.76 %	0.73 %
Total Normal Cost	15.40 %	15.86 %	13.69 %	13.77 %	13.85 %
Less Administrative Expenses					
Amount Remaining to Amortize UAAL	14.60 %	9.35 %	9.35 %	9.29 %	9.16 %
Amortization Period	28 years	32 years	34 years	35 years	49 years
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	2.37 %	4.03 %	1.65 %	1.86 %	1.89 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Municipal General	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 901,617,649	\$ 871,633,574	\$ 845,735,646	\$ 857,243,239	\$ 814,827,128
Total Valuation Payroll	928,666,178	895,603,497	868,993,376	887,246,752	843,346,077
Actuarial Accrued Liability					
Active and Deferred Vested Members	2,437,854,958	2,347,545,739	2,225,312,415	2,222,277,828	2,103,396,604
Retired Members and Survivors	4,360,288,421	4,047,489,782	3,935,143,789	3,637,317,927	3,433,780,808
Total	\$ 6,798,143,379	\$ 6,395,035,521	\$ 6,160,456,204	\$ 5,859,595,755	\$ 5,537,177,412
Actuarial Value of Assets	\$ 5,184,797,302	\$ 5,106,489,938	\$ 4,916,985,846	\$ 4,696,871,223	\$ 4,515,120,417
Funded Ratio	76.30 %	79.90%	79.80%	80.20%	81.50%
Unfunded Actuarial Accrued Liability	\$ 1,613,346,077	\$ 1,288,545,583	\$ 1,243,470,358	\$ 1,162,724,532	\$ 1,022,056,995

Calculation of Required Contribution

Statutory Contribution Rate

Employer Contribution Rate	9.78 %	9.73%	9.81%	9.86%	9.87%
Member Contribution Rate	13.47 %	13.41%	13.54%	13.56%	13.59%
Total	23.25 %	23.14%	23.35%	23.42%	23.46%

Less Normal Cost:

Retirement	8.11 %	8.07%	8.33%	8.69%	8.76%
Termination	4.05 %	3.93%	3.95%	4.31%	4.14%
Pre-Retirement Survivors	1.20 %	0.56%	0.58%	0.51%	0.51%
Disability	0.80 %	0.86%	0.88%	0.69%	0.69%
Total Normal Cost	14.16 %	13.42%	13.74%	14.20%	14.10%

Less Administrative Expenses

Amount Remaining to Amortize UAAL	8.59 %	9.27%	9.16%	8.77%	8.91%
Amortization Period	43 years	26 years	26 years	24 years	20 years
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	1.56 %	N/A	N/A	N/A	N/A

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Municipal Police	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 259,111,866	\$ 229,103,348	\$ 229,410,194	\$ 229,730,475	\$ 214,508,600
Total Valuation Payroll	266,885,222	235,976,448	236,292,500	236,622,389	220,943,858
Actuarial Accrued Liability					
Active and Deferred Vested Members	1,044,432,467	931,133,832	913,240,294	912,825,415	808,317,496
Retired Members and Survivors	2,325,284,096	2,249,228,296	2,082,684,309	1,973,722,843	2,075,880,383
Total	\$ 3,369,716,563	\$ 3,180,362,128	\$ 2,995,924,603	\$ 2,886,548,258	\$ 2,884,197,879
Actuarial Value of Assets	\$ 2,387,600,813	\$ 2,335,040,372	\$ 2,283,030,585	\$ 2,161,723,690	\$ 2,109,268,722
Funded Ratio	70.90 %	73.40 %	76.20 %	74.90 %	73.10 %
Unfunded Actuarial Accrued Liability	\$ 982,115,750	\$ 845,321,756	\$ 712,894,018	\$ 724,824,568	\$ 774,929,157

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	20.00 %	19.47 %	18.96 %	18.93 %	18.91 %
Member Contribution Rate	18.37 %	17.83 %	17.30 %	17.28 %	17.24 %
Total	38.37 %	37.30 %	36.26 %	36.21 %	36.15 %
Less Normal Cost:					
Retirement	18.09 %	18.37 %	17.51 %	17.75 %	17.55 %
Termination	3.87 %	3.69 %	3.77 %	3.73 %	3.77 %
Pre-Retirement Survivors	0.67 %	0.68 %	0.67 %	0.68 %	0.68 %
Disability	0.57 %	0.57 %	0.54 %	0.54 %	0.53 %
Total Normal Cost	23.20 %	23.31 %	22.49 %	22.70 %	22.53 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	18.73 %	13.27 %	13.27 %	13.01 %	13.12 %
Amortization Period	61 years	59 years	59 years	70 years	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over	9.08 %	9.63 %	6.21 %	6.77 %	7.38 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Municipal Police	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 206,898,932	\$ 196,767,735	\$ 192,670,656	\$ 222,085,818	\$ 209,092,483
Total Valuation Payroll	213,105,900	202,178,848	197,969,099	229,858,822	216,410,720
Actuarial Accrued Liability					
Active and Deferred Vested Members	760,169,317	696,153,419	657,284,475	764,622,849	723,213,906
Retired Members and Survivors	1,990,208,711	1,866,609,116	1,795,745,974	1,637,758,091	1,540,350,902
Total	\$ 2,750,378,028	\$ 2,562,762,535	\$ 2,453,030,449	\$ 2,402,380,940	\$ 2,263,564,808
Actuarial Value of Assets	\$ 2,058,403,842	\$ 2,027,593,334	\$ 1,952,310,191	\$ 1,865,190,859	\$ 1,772,210,104
Funded Ratio	74.80 %	79.10 %	79.60 %	77.60 %	78.30 %
Unfunded Actuarial Accrued Liability	\$ 691,974,186	\$ 535,169,201	\$ 500,720,258	\$ 537,190,081	\$ 491,354,704

Calculation of Required Contribution

Statutory Contribution Rate					
Employer Contribution Rate	18.66 %	18.66%	18.68%	18.69 %	18.65 %
Member Contribution Rate	17.21 %	17.22%	17.22%	17.27 %	17.23 %
Total	35.87 %	35.88 %	35.90 %	35.96 %	35.88 %
Less Normal Cost:					
Retirement	17.74 %	16.85%	17.07%	17.69 %	18.10 %
Termination	3.77 %	3.74%	3.74%	3.77 %	3.62 %
Pre-Retirement Survivors	0.71 %	0.51%	0.51%	0.46 %	0.46 %
Disability	0.58 %	0.92%	0.93%	0.75 %	0.76 %
Total Normal Cost	22.80 %	22.02 %	22.25 %	22.67 %	22.94 %
Less Administrative Expenses	0.50 %	0.45 %	0.45 %	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	12.57 %	13.41%	13.20%	12.84 %	12.49 %
Amortization Period	Infinite	42 years	39 years	32 years	32 years
Increase in Statutory Rate Necessary to Amortize UAAL over	6.41 %	2.47%	2.00%	0.81 %	0.77 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Municipal Fire	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 181,169,253	\$ 156,156,285	\$ 140,174,634	\$ 139,540,121	\$ 131,964,078
Total Valuation Payroll	186,604,331	160,840,973	144,379,873	143,726,325	135,923,000
Actuarial Accrued Liability					
Active and Deferred Vested Members	782,468,792	689,400,064	624,166,143	610,548,706	555,006,281
Retired Members and Survivors	1,289,174,022	1,247,071,881	1,151,286,741	1,099,110,574	1,145,274,377
Total	\$ 2,071,642,814	\$ 1,936,471,945	\$ 1,775,452,884	\$ 1,709,659,280	\$ 1,700,280,658
Actuarial Value of Assets	\$ 1,150,324,324	\$ 1,133,393,538	\$ 1,081,479,512	\$ 1,025,786,446	\$ 1,002,875,446
Funded Ratio	55.50 %	57.50 %	60.90 %	60.00 %	59.00 %
Unfunded Actuarial Accrued Liability	\$ 921,318,490	\$ 803,078,407	\$ 693,973,372	\$ 683,872,834	\$ 697,405,212
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	22.80 %	22.26 %	21.79 %	21.81 %	21.80 %
Member Contribution Rate	20.02 %	19.53 %	17.57 %	17.57 %	17.56 %
Total	42.82 %	41.79 %	39.36 %	39.38 %	39.11 %
Less Normal Cost:					
Retirement	21.34 %	21.34 %	21.08 %	21.31 %	21.06 %
Termination	3.07 %	3.07 %	2.98 %	2.92 %	2.92 %
Pre-Retirement Survivors	0.73 %	0.73 %	0.75 %	0.75 %	0.75 %
Disability	0.58 %	0.58 %	0.55 %	0.53 %	0.52 %
Total Normal Cost	25.72 %	25.72 %	25.36 %	25.51 %	25.25 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	20.02 %	20.02 %	13.50 %	13.37 %	13.36 %
Amortization Period	Infinite	Infinite	Infinite	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over	15.26 %	15.26 %	17.53 %	17.35 %	16.37 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Municipal Fire	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 127,203,502	\$ 119,207,608	\$ 113,709,690	\$ 133,403,526	\$ 122,996,614
Total Valuation Payroll	131,019,607	122,485,817	116,836,706	138,072,649	127,301,495
Actuarial Accrued Liability					
Active and Deferred Vested Members	530,260,290	488,234,566	436,032,875	501,026,502	460,735,529
Retired Members and Survivors	1,093,257,351	1,026,975,525	1,020,439,556	931,342,835	886,985,248
Total	\$1,623,517,641	\$ 1,515,210,091	\$ 1,456,472,431	\$ 1,432,369,337	\$ 1,347,720,777
Actuarial Value of Assets	\$ 977,829,334	\$ 961,829,211	\$ 928,606,766	\$ 888,515,174	\$ 844,926,189
Funded Ratio	60.20 %	63.50 %	63.80 %	62.00 %	62.70 %
Unfunded Actuarial Accrued Liability	\$ 645,688,307	\$ 553,380,880	\$ 527,865,665	\$ 543,854,163	\$ 502,794,588
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	21.55 %	21.57%	21.57%	21.58 %	21.56 %
Member Contribution Rate	17.55 %	17.58%	17.56%	17.58 %	17.58 %
Total	39.10 %	39.15 %	39.13 %	39.16 %	39.14 %
Less Normal Cost:					
Retirement	21.37 %	21.22%	21.43%	21.99 %	22.38 %
Termination	2.90 %	2.92%	2.92%	2.93 %	2.84 %
Pre-Retirement Survivors	0.76 %	0.55%	0.55%	0.51 %	0.51 %
Disability	0.56 %	0.50%	0.50%	0.43 %	0.44 %
Total Normal Cost	25.59 %	25.19 %	25.40 %	25.86 %	26.17 %
Less Administrative Expenses	0.50 %	0.45 %	0.45 %	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	13.01 %	13.51%	13.28%	12.85 %	12.52 %
Amortization Period	Infinite	Infinite	Infinite	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over	15.79 %	13.59%	13.87%	10.16 %	10.55 %

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - Legislative	2023	2022	2021	2020	2019
Total Annual Payroll	\$ —	\$ —	\$ —	\$ —	\$ —
Total Valuation Payroll	—	—	—	—	—
Actuarial Accrued Liability					
Active and Deferred Vested Members	15,637,775	16,008,523	11,897,546	12,675,870	11,322,019
Retired Members and Survivors	23,522,927	21,731,723	20,868,986	19,470,195	20,198,815
Total	\$ 39,160,702	\$ 37,740,246	\$ 32,766,532	\$ 32,146,065	\$ 31,520,834
Actuarial Value of Assets	\$ 46,822,823	\$ 46,590,656	\$ 46,180,779	\$ 44,466,366	\$ 43,139,113
Funded Ratio	119.60%	123.50%	140.90%	138.30%	136.90%
Unfunded Actuarial Accrued Liability	\$ (7,662,121)	\$ (8,850,410)	\$ (13,414,247)	\$ (12,320,301)	\$ (11,618,279)
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Member Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%	0.00%
Less Normal Cost:					
Retirement	\$ 1,833,756	\$ 1,782,172	\$ 965,994	\$ 796,628	\$ 903,878
Pre-Retirement Survivors	32,653	33,427	44,436	19,282	27,379
Disability					
Total Normal Cost	\$ 1,866,409	\$ 1,815,599	\$ 1,010,430	\$ 815,910	\$ 931,257
Less Expected Member Contribution	110,000	113,000	68,400	67,200	72,000
Employer Normal Cost	\$ 1,756,409	\$ 1,702,599	\$ 942,030	\$ 917,778	\$ 859,257
Expected Administrative Expenses	40,000	40,000	40,000	6,000	6,000
UAAL Amortization Amount (25 Years)	\$ 1,796,409	\$ 1,742,599	\$ 982,030	\$ (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 years, as of June 30th.

PERA Division - Legislative	2018	2017	2016	2015	2014
Total Annual Payroll	\$ —	\$ —	\$ —	\$ —	\$ —
Total Valuation Payroll	—	—	—	—	—
Actuarial Accrued Liability					
Active and Deferred Vested Members	12,748,308	10,235,731	11,503,185	10,543,236	11,685,079
Retired Members and Survivors	18,191,437	17,820,955	16,439,766	16,067,095	14,148,263
Total	\$ 30,939,745	\$ 28,056,686	\$ 27,942,951	\$ 26,610,331	\$ 25,833,342
Actuarial Value of Assets	\$ 42,602,900	\$ 42,479,371	\$ 40,450,852	\$ 36,868,121	\$ 33,392,919
Funded Ratio	137.70%	151.40%	144.80%	138.50%	129.30%
Unfunded Actuarial Accrued Liability	\$ (11,663,155)	\$ (14,422,685)	\$ (12,507,901)	\$ (10,257,790)	\$ (7,559,577)
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Member Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%	0.00%
Less Normal Cost:					
Retirement	\$ 903,878	\$ 728,503	\$ 789,913	\$ 773,824	\$ 731,076
Pre-Retirement Survivors	27,379	11,192	12,423	12,295	12,099
Disability					
Total Normal Cost	\$ 931,257	\$ 739,695	\$ 802,336	\$ 786,119	\$ 743,175
Less Expected Member	72,000	66,600	73,200	72,600	63,000
Employer Normal Cost	\$ 859,257	\$ 673,095	\$ 729,136	\$ 713,519	\$ 680,175
Expected Administrative Expenses	6,000	6,000	6,000	6,000	6,000
UAAL Amortization Amount (25 Years)	\$ (931,036)	\$ (1,187,541)	\$ (1,012,641)	\$ (857,172)	\$ (631,701)
Total Employer Contribution	\$ —	\$ —	\$ —	\$ —	\$ 54,474

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Judicial Fund	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 21,089,910	\$ 18,747,165	\$ 17,165,992	\$ 16,490,136	\$ 15,621,802
Total Valuation Payroll	22,363,621	21,443,202	17,680,972	16,984,840	16,090,456
Actuarial Accrued Liability					
Active and Deferred Vested Members	60,487,502	58,725,220	45,975,720	48,544,753	47,413,874
Retired Members and Survivors	131,848,761	128,450,823	130,559,770	122,210,894	119,784,661
Total	\$ 192,336,263	\$ 187,176,043	\$ 176,535,490	\$ 170,755,647	\$ 167,198,535
Actuarial Value of Assets	\$ 116,320,787	\$ 114,524,130	\$ 94,024,914	\$ 91,269,164	\$ 92,081,178
Funded Ratio	60.50%	61.20%	53.30%	53.50%	55.10%
Unfunded Actuarial Accrued Liability	\$ 76,015,476	\$ 72,651,913	\$ 82,510,576	\$ 79,486,483	\$ 75,117,357
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	15.00%	15.00%	15.00%	15.00%	15.00%
Expected Docket Fees	0.00%	0.00%	14.85%	14.71%	14.76%
Member Contribution Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Total	25.50%	25.50%	40.35%	40.21%	40.26%
Less Normal Cost:					
Retirement	16.78%	16.98%	16.23%	16.76%	15.99%
Termination	3.65%	3.66%	3.40%	3.56%	3.25%
Pre-Retirement Survivors	1.01%	1.01%	0.99%	1.03%	1.05%
Disability	0.00%	0.00%	0.00%	0.00%	0.00%
Total Normal Cost	21.44%	21.65%	20.62%	21.35%	20.29%
Administrative Expenses	0.50%	0.50%	0.50%	0.50%	0.50%
UAAL 25 Year Amortization Rate	21.86%	21.86%	23.34%	23.14%	30.14%
Total Required Contribution Rate	43.80%	44.01%	44.46%	44.99%	50.93%
Total Required Contribution Amount	\$ 9,810,921	\$ 9,437,153	\$ 7,861,005	\$ 7,641,728	\$ 7,734,474
Expected Statutory Amount	\$ 9,402,723	\$ 9,168,017	\$ 7,134,272	\$ 6,829,604	\$ 6,478,018
Deficiency in Statutory Rate	1.83%	1.26%	4.11%	4.78%	7.81%
Deficiency in Expected Statutory Amount	\$ 408,198	\$ 269,136	\$ 726,733	\$ 812,124	\$ 1,256,456

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Judicial Fund	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 15,817,424	\$ 14,721,304	\$ 15,078,274	\$ 15,084,263	\$ 13,163,305
Total Valuation Payroll	16,291,947	15,126,140	15,492,927	15,612,212	13,624,021
Actuarial Accrued Liability					
Active and Deferred Vested Members	52,890,230	48,086,756	47,080,690	47,095,010	44,903,133
Retired Members and Survivors	110,493,062	101,326,030	99,854,220	94,186,145	88,443,282
Total	\$ 163,383,292	\$ 149,412,786	\$ 146,934,910	\$ 141,281,155	\$ 133,346,415
Actuarial Value of Assets	\$ 92,022,272	\$ 92,137,316	\$ 90,471,110	\$ 88,249,418	\$ 85,577,431
Funded Ratio	56.30%	61.70%	61.60%	62.50%	64.20%
Unfunded Actuarial Accrued Liability	\$ 71,361,020	\$ 57,275,470	\$ 56,463,800	\$ 53,031,737	\$ 47,768,984
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	15.00%	15.00%	15.00%	15.00%	15.00%
Expected Docket Fees	15.14%	14.46%	12.77%	12.69%	14.87%
Member Contribution Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Total	40.64%	39.96%	38.27%	38.19%	40.37%
Less Normal Cost:					
Retirement	16.00%	15.99%	16.47%	17.87%	18.78%
Termination	3.19%	3.15%	3.15%	2.51%	2.69%
Pre-Retirement Survivors	1.31%	0.64%	0.64%	0.68%	0.71%
Disability	0.00%	0.00%	0.00%	0.00%	0.00%
Total Normal Cost	20.50%	19.78%	20.26%	21.06%	22.18%
Administrative Expenses	0.50%	0.45%	0.45%	0.45%	0.45%
UAAL 25 Year Amortization Rate	25.60%	22.72%	21.90%	19.84%	20.48%
Total Required Contribution Rate	46.60%	19.78%	20.26%	41.35%	43.11%
Total Required Contribution Amount	\$ 7,590,872	\$ 6,495,531	\$ 6,601,548	\$ 6,455,003	\$ 5,873,849
Expected Statutory Amount	\$ 6,621,047	\$ 6,044,406	\$ 5,929,143	\$ 5,962,304	\$ 5,500,017
Deficiency in Statutory Rate	5.96%	2.99%	4.34%	3.16%	2.74%
Deficiency in Expected Statutory Amount	\$ 969,825	\$ 451,125	\$ 672,405	\$ 492,699	\$ 373,832

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Magistrate Fund	2023	2022	2021	2020	2019
Total Annual Payroll	\$ 6,164,080	\$ 6,304,854	\$ 6,106,006	\$ 5,849,795	\$ 5,849,815
Total Valuation Payroll	6,550,035	7,212,465	6,289,187	6,025,289	6,025,309
Actuarial Accrued Liability					
Active and Deferred Vested Members	13,396,167	20,400,924	17,406,822	18,745,945	18,596,411
Retired Members and Survivors	49,721,606	42,473,699	42,948,791	39,977,132	39,503,070
Total	\$ 63,117,773	\$ 62,874,623	\$ 60,355,613	\$ 58,723,077	\$ 58,099,481
Actuarial Value of Assets	\$ 33,498,155	\$ 33,285,904	\$ 32,644,797	\$ 31,882,687	\$ 32,331,750
Funded Ratio	53.10 %	52.90 %	54.10%	54.30%	55.60%
Unfunded Actuarial Accrued Liability	\$ 29,619,618	\$ 29,588,719	\$ 27,710,816	\$ 26,840,390	\$ 25,767,731
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	15.00 %	15.00 %	15.00%	15.00%	15.00%
Expected Docket Fees	0.00 %	0.00 %	3.44%	5.77%	6.69%
Member Contribution Rate	10.50 %	10.50 %	10.50%	10.50%	10.50%
Total	25.50 %	25.50 %	28.94%	31.27%	32.19%
Less Normal Cost:					
Retirement	13.07 %	14.67 %	13.03%	10.97%	10.63%
Termination	5.68 %	6.02 %	5.86%	4.28%	4.54%
Pre-Retirement Survivors	0.69 %	0.61 %	0.76%	0.63%	0.74%
Disability	0.00 %	0.00 %	0.00%	0.00%	0.00%
Total Normal Cost	19.44 %	21.30 %	19.65%	15.88%	15.91%
Administrative Expenses	0.50 %	0.50 %	0.50%	0.50%	0.50%
UAAL 25 Year Amortization Rate	9.44 %	9.36 %	9.36%	9.25%	28.76%
Rate	29.38 %	31.16 %	29.51%	28.65%	42.41%
Total Required Contribution Amount	\$ 3,217,377	\$ 3,481,457	\$ 1,856,377	\$ 2,719,554	\$ 2,494,519
Expected Statutory Amount	\$ 3,234,259	\$ 3,403,179	\$ 1,820,091	\$ 1,884,108	\$ 1,939,547
Deficiency in Statutory Rate	(0.26)%	0.28 %	0.57%	13.87%	9.21%
Deficiency in Expected Statutory Amount	\$ (16,882)	\$ 78,278	\$ 36,286	\$ 835,446	\$ 554,972

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Magistrate Fund	2018	2017	2016	2015	2014
Total Annual Payroll	\$ 5,849,815	\$ 5,487,517	\$ 5,482,360	\$ 5,065,798	\$ 3,515,567
Total Valuation Payroll	6,025,309	5,638,423	5,633,125	5,243,101	3,638,612
Actuarial Accrued Liability					
Active and Deferred Vested Members	18,596,411	15,680,716	14,711,744	13,384,385	12,476,654
Retired Members and Survivors	39,503,070	38,406,350	38,835,116	39,196,377	38,663,761
Total	\$ 58,099,481	\$ 54,087,066	\$ 53,546,860	\$ 52,580,762	\$ 51,140,415
Actuarial Value of Assets	\$ 32,331,750	\$ 33,162,734	\$ 33,059,864	\$ 32,803,715	\$ 32,970,978
Funded Ratio	55.60 %	61.30 %	61.70 %	62.40 %	64.50 %
Unfunded Actuarial Accrued Liability	\$ 25,767,731	\$ 20,924,332	\$ 20,486,996	\$ 19,777,047	\$ 18,169,437
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	15.00%	15.00%	15.00%	15.00 %	11.00 %
Expected Docket Fees	6.69%	7.46%	7.99%	7.99 %	11.63 %
Member Contribution Rate	10.50%	10.50%	10.50%	10.50 %	10.50 %
Total	32.19 %	32.96 %	33.49 %	33.49 %	33.13 %
Less Normal Cost:					
Retirement	10.63%	11.02%	11.33%	11.66 %	14.42 %
Termination	4.54%	4.54%	4.45%	3.83 %	4.82 %
Pre-Retirement Survivors	0.74%	0.39%	0.40%	0.43 %	0.46 %
Disability	0.00%	0.00%	0.00%	0.00 %	0.00 %
Total Normal Cost	15.91 %	15.95 %	16.18 %	15.92 %	19.70 %
Administrative Expenses	0.50%	0.45%	0.45%	0.45 %	0.45 %
UAAL 25 Year Amortization Rate	24.99%	22.26%	21.85%	22.03 %	29.17 %
Rate	41.4 %	38.66 %	38.48 %	38.4 %	49.32 %
Total Required Contribution Amount	\$ 2,494,519	\$ 2,180,208	\$ 2,167,739	\$ 2,013,479	\$ 1,794,493
Expected Statutory Amount	\$ 1,939,547	\$ 1,858,425	\$ 1,886,534	\$ 1,755,915	\$ 1,205,472
Deficiency in Statutory Rate	9.21%	5.70%	4.99%	4.91 %	16.19 %
Deficiency in Expected Statutory Amount	\$ 554,972	\$ 321,783	\$ 281,205	\$ 257,564	\$ 589,021

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Volunteer Firefighters Fund	2023	2022	2021	2020	2019
Total Annual Payroll	\$ —	\$ —	\$ —	\$ —	\$ —
Total Valuation Payroll	—	—	—	—	—
Actuarial Accrued Liability					
Active and Deferred Vested Members	\$ 21,033,235	\$ 21,282,122	\$ 21,894,376	\$ 22,331,698	\$ 24,226,222
Non-Vested Inactive Members *	210,239	345,355	244,699	718,655	627,940
Retired Members and Survivors	28,614,532	28,583,607	28,011,888	27,289,313	25,664,698
Total	\$ 49,858,006	\$ 50,211,084	\$ 50,150,963	\$ 50,339,666	\$ 50,518,860
Actuarial Value of Assets	\$ 83,601,347	\$ 81,077,910	\$ 78,490,185	\$ 73,916,369	\$ 72,011,279
Funded Ratio	167.7%	161.50%	156.5%	146.8%	142.5%
Unfunded Actuarial Accrued Liability	\$ (33,743,341)	\$ (30,866,826)	\$ (28,339,222)	\$ (23,576,703)	\$ (21,492,419)
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Member Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%	0.00%
Less Normal Cost:					
Retirement	\$ 1,569,511	\$ 1,564,724	\$ 1,449,121	\$ 1,477,389	\$ 1,703,488
Termination	406,386	428,930	406,994	415,597	480,885
Pre-Retirement Survivors	26,921	28,172	33,556	34,252	35,855
Disability					
Total Normal Cost	\$ 2,002,818	\$ 2,021,826	\$ 1,889,671	\$ 1,927,238	\$ 2,220,228
Less Expected Member Contribution					
Employer Normal Cost	\$ 2,002,818	\$ 2,021,826	\$ 1,889,671	\$ 1,927,238	\$ 2,220,228
Expected Administrative Expenses	60,000	60,000	60,000	60,000	45,000
UAAL Amortization Amount (25 Years)	(2,859,209)	(2,615,471)	(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.

COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Volunteer Firefighters Fund	2018	2017	2016	2015	2014
Total Annual Payroll	\$ —	\$ —	\$ —	\$ —	\$ —
Total Valuation Payroll	—	—	—	—	—
Actuarial Accrued Liability					
Active and Deferred Vested Members	\$ 24,007,091	\$ 24,175,796	\$ 24,977,772	\$ 24,275,708	\$ 23,141,368
Non-Vested Inactive Members *	562,389	532,928	382,664	2,388,648	3,001,453
Retired Members and Survivors	24,666,292	21,679,729	19,895,842	17,252,036	15,374,005
Total	\$ 49,235,772	\$ 46,388,453	\$ 45,256,278	\$ 43,916,392	\$ 41,516,826
Actuarial Value of Assets	\$ 69,674,334	\$ 67,985,320	\$ 64,899,802	\$ 61,575,304	\$ 57,997,323
Funded Ratio	141.5%	146.60%	143.4%	140.2%	139.7%
Unfunded Actuarial Accrued Liability	\$ (20,438,562)	\$ (21,596,867)	\$ (19,643,524)	\$ (17,658,912)	\$ (16,480,497)
Calculation of Required Contribution					
Statutory Contribution Rate					
Employer Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Member Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%	0.00%
Less Normal Cost:					
Retirement	\$ 1,657,097	\$ 1,587,745	\$ 1,661,996	\$ 1,053,050	\$ 991,568
Termination	463,436	411,526	425,443	425,915	385,891
Pre-Retirement Survivors Disability	39,294	23,006	23,883	11,739	10,688
Total Normal Cost	\$ 2,159,827	\$ 2,022,277	\$ 2,111,322	\$ 1,490,704	\$ 1,388,147
Less Expected Member Contribution					
Employer Normal Cost	\$ 2,159,827	\$ 2,022,277	\$ 2,111,322	\$ 1,490,704	\$ 1,388,147
Expected Administrative Expenses	45,000	45,000	45,000	45,000	45,000
UAAL Amortization Amount (25 Years)	(1,631,551)	(1,778,253)	(1,590,343)	(1,475,632)	(1,377,160)
Total Employer Contribution	\$ 573,276	\$ 289,024	\$ 565,979	\$ 60,072	\$ 55,987

* 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 2023 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 14% 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.

STATISTICAL SECTION

Public Employees Retirement Association of New Mexico



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions:										
Contributions:										
Employers	\$ 296,409	\$ 314,764	\$ 322,352	\$ 332,473	\$ 319,499	\$ 339,676	\$ 367,525	\$ 379,185	\$ 395,408	\$ 454,462
Members	240,180	253,637	260,025	264,939	273,680	271,489	289,777	298,573	314,280	364,139
Appropriations / Legislative	—	—	—	—	—	—	55,900	—	2,415	—
Purchased service credits by members	8,214	7,682	7,904	7,890	9,167	7,617	7,376	10,979	12,440	9,075
Total contributions	544,803	576,083	590,281	605,302	602,346	618,782	720,578	688,737	724,543	827,676
Investment income:										
Interest	122,474	294,214	115,151	121,571	137,920	154,891	121,302	61,154	63,020	148,101
Dividends	174,628	191,912	170,644	162,384	161,066	151,500	119,568	112,706	85,400	85,516
Net change in fair value of investments	1,860,874	(205,270)	(249,588)	1,240,714	694,887	581,382	(457,795)	3,478,447	(1,122,360)	523,759
Securities lending income (loss)	(8,311)	(1,264)	2,551	3,965	68,554	3,351	3,072	2,017	1,516	2,676
Other investment income (loss)	—	—	30,586	29,145	3,462	108,877	55,079	230,805	316,081	202,375
	2,149,665	279,592	69,344	1,557,779	1,065,889	1,000,001	(158,774)	3,885,129	(656,343)	962,427
Less investment expenses										
Securities lending expenses	(335)	(368)	(353)	(633)	(530)	(497)	(455)	(297)	(238)	(399)
Brokerage fees and other investment expenses	(31,422)	(27,735)	(21,547)	(56,387)	(61,134)	(63,943)	(64,316)	(85,691)	(88,637)	(63,867)
Net investment income	2,117,908	251,489	47,444	1,500,759	1,004,225	935,561	(223,545)	3,799,141	(745,218)	898,161
Other income(loss) and special item	17,390	25,296	12,318	451	2,110	2,047	1,645	1,991	2,713	2,391
Total additions	2,680,101	852,868	650,043	2,106,512	1,608,683	1,556,390	498,678	4,492,269	(17,962)	1,728,228
Deductions:										
Benefits Paid										
Retirement Benefits	905,329	966,236	1,024,399	1,084,818	1,133,418	1,193,944	1,255,018	1,314,820	1,367,738	1,417,003
Death Benefits/Survivors	—	—	—	—	—	—	—	—	—	—
Disability	—	—	—	—	—	—	—	—	—	—
Refunds to terminated employees	47,377	46,010	44,937	44,396	50,288	54,337	44,903	40,354	57,591	51,448
Administrative expenses	10,417	9,886	10,754	11,486	12,667	13,583	14,319	12,731	16,011	15,595
Total deductions	963,123	1,022,132	1,080,090	1,140,700	1,196,373	1,261,864	1,314,240	1,367,905	1,441,340	1,484,046
Net increase(decrease) in plan net position	1,716,978	(169,264)	(430,047)	965,812	412,310	294,526	(815,562)	3,124,364	(1,459,302)	244,182
Net position held in trust for pension benefits										
Beginning of year	12,707,814	14,424,792	14,255,528	13,826,658	14,798,918	15,210,483	15,507,546	14,691,984	17,813,948	16,354,646
Prior Period Adjustment	—	—	—	—	—	—	6447	—	—	—
End of year	\$14,424,792	\$14,255,528	\$13,826,658	\$ 14,798,918	\$15,210,482	\$15,505,009	\$14,691,984	\$17,813,948	\$16,354,646	\$16,598,828

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions:										
Contributions:										
Employers	\$ 3,741	\$ 4,196	\$ 4,237	\$ 4,524	\$ 4,723	\$ 4,731	\$ 4,683	\$ 4,426	\$ 4,419	\$ 5,152
Members	1,085	1,546	1,582	1,636	1,580	1,649	1,783	1,838	1,956	2,286
Purchased service credits by members	—	33	—	—	52	42	—	1,200	21,200	1,200
Total contributions	4,826	5,775	5,819	6,160	6,355	6,422	6,466	7,464	27,575	8,638
Investment income:										
Interest	757	1,825	705	738	841	949	723	347	355	1,554
Dividends	1,081	1,178	1,037	975	958	893	693	638	475	481
Net change in fair value of investments	11,605	(1,312)	(1,580)	7,450	4,159	3,400	(2,637)	19,682	(6,189)	3,000
Securities lending income (loss)	(51)	(7)	16	24	407	20	322	1,306	1,760	1,133
(loss)	—	—	186	175	21	642	18	11	8	15
	13,392	1,684	364	9,363	6,386	5,904	(881)	21,984	(3,591)	6,183
less investment expenses										
Securities lending expenses	(2)	(2)	(2)	(4)	(3)	(3)	(3)	(1)	(1)	(2)
Brokerage fees and other investment expenses	(193)	(170)	(130)	(347)	(363)	(373)	(368)	(481)	(504)	(372)
Net investment income	13,197	1,512	232	9,012	6,020	5,528	(1,252)	21,502	(4,096)	5,809
Other income and special item										
	486	33	72	—	—	10	—	—	63	—
Total additions	18,509	7,320	6,123	15,172	12,375	11,960	5,214	28,966	23,542	14,447
Deductions:										
Benefits Paid										
Retirement Benefits	8,770	9,373	9,813	10,096	10,585	11,352	12,013	12,538	13,080	13,297
Death Benefits/Survivors	—	—	—	11	—	—	—	—	—	—
Disability	—	—	—	—	—	—	—	—	—	—
Refunds to terminated employees	52	40	45	—	—	100	8	1	—	—
Administrative expenses	64	60	64	69	75	79	82	71	88	89
Total deductions	8,886	9,473	9,922	10,176	10,660	11,531	12,103	12,610	13,168	13,386
Net increase (decrease) in plan net position	9,623	(2,153)	(3,799)	4,996	1,715	428	(6,889)	16,356	10,373	1,061
Net position held in trust for pension benefits										
Beginning of year	81,518	91,141	88,988	84,932	89,616	91,331	91,759	84,870	101,226	111,599
Prior Period Adjustment	—	—	(257)	(312)	—	—	—	—	—	—
End of year	\$ 91,141	\$ 88,988	\$ 84,932	\$ 89,616	\$ 91,331	\$ 91,759	\$ 84,870	\$ 101,226	\$ 111,599	\$ 112,660

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions:										
Contributions:										
Employers	\$ 793	\$ 936	\$ 1,280	\$ 1,282	\$ 1,232	\$ 1,236	\$ 1,293	\$ 1,148	\$ 1,185	\$ 1,338
Members	266	490	587	603	580	640	650	652	673	751
Purchased service credits by members	—	—	—	—	—	—	—	1,200	1,200	1,200
Total contributions	1,059	1,426	1,867	1,885	1,812	1,876	1,943	3,000	3,058	3,289
Investment income:										
Interest	296	675	262	268	297	328	248	120	124	315
Dividends	423	443	386	356	342	314	241	222	168	168
Net change in fair value of investments	4,574	(471)	(605)	2,721	1,495	1,196	(916)	6,832	(2,204)	1,018
Securities lending income (loss)	(19)	(3)	6	9	146	7	112	453	620	396
Other investment income (loss)	—	—	69	64	7	226	6	4	3	5
	5,274	644	118	3,418	2,287	2,071	(309)	7,631	(1,289)	1,902
less investment expenses										
Securities lending expenses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	—	(2)
Brokerage fees and other investment expenses	(74)	(64)	(48)	(126)	(130)	(130)	(127)	(168)	(180)	(126)
Net investment income	5,199	579	69	3,291	2,156	1,940	(437)	7,462	(1,469)	1,774
Other income (loss) and special item	217	(19)	27	3	14	—	—	—	—	—
Total additions	6,475	1,986	1,963	5,178	3,982	3,814	1,506	10,462	1,589	5,063
Deductions:										
Benefits Paid										
Retirement Benefits	3,690	3,956	3,976	3,966	3,951	4,026	4,204	4,294	4,321	4,689
Death Benefits/Survivors	—	—	—	—	—	—	—	—	—	—
Disability	—	—	—	—	—	—	—	—	—	—
Refunds to terminated employees	16	5	14	—	63	56	—	50	—	263
Administrative expenses	24	23	24	25	27	28	28	25	31	30
Total deductions	3,730	3,984	4,014	3,991	4,041	4,110	4,232	4,369	4,352	4,982
Net increase (decrease) in plan net position	2,745	(1,998)	(2,051)	1,187	(59)	(295)	(2,726)	6,093	(2,763)	81
Net position held in trust for pension benefits										
Beginning of year	32,439	35,184	33,186	31,038	32,225	32,092	31,797	29,071	35,164	35,164
Prior Period Adjustment	—	—	—	—	—	—	—	—	—	—
End of year	\$ 35,184	\$ 33,186	\$ 31,035	\$ 32,225	\$ 32,092	\$ 31,797	\$ 29,071	\$ 35,164	\$ 35,164	\$ 35,245

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

Volunteer Firefighter Fund	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions:										
Contributions:										
Employers	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Members	—	—	—	—	—	—	—	—	—	—
Appr from the State of NM	750	750	750	750	750	750	750	750	750	750
Purchased service credits	—	—	—	—	—	—	—	—	—	—
Total contributions	750	750	750	750	750	750	750	750	750	750
Investment income:										
Interest	519	1278	507	544	628	720	573	289	302	733
Dividends	738	831	750	724	727	694	558	532	407	415
Net change in fair value of investments	7,834	(888)	(1,099)	5,528	3,111	2,687	(2,154)	16,437	(5,363)	2,555
Securities lending income (loss)	(36)	(5)	11	18	310	15	14	10	7	13
Other investment income (loss)	—	—	134	130	16	499	256	1,091	1,508	980
	9,055	1,216	303	6,944	4,792	4,615	(753)	18,359	(3,139)	4,696
less investment expenses										
Securities lending expenses	(1)	(2)	(1)	(3)	(2)	(2)	(2)	(1)	(1)	(2)
Brokerage fees and other investment expenses	(135)	(120)	(95)	(258)	(276)	(296)	(302)	(408)	(439)	(317)
Net investment income	8,919	1,094	207	6,683	4,514	4,317	(1,057)	17,950	(3,579)	4,377
Other income (loss) and special item	405	12	51	1	1	1	—	1	1	
Total additions	10,074	1,856	1,008	7,434	5,263	5,069	(307)	18,701	(2,828)	5,127
Deductions:										
Benefits Paid										
Retirement Benefits	935	1,419	1,633	1,835	2,031	2,319	2,457	2,758	2,847	2,910
Death Benefits/Survivors	34	—	—	—	—	—	—	—	—	—
Disability	—	—	—	—	—	—	—	—	—	—
Administrative expenses	—	44	43	47	52	58	63	60	77	76
Total deductions	969	1,463	1,676	1,882	2,083	2,377	2,520	2,818	2,924	2,986
Net increase (decrease) in plan net position	5,949	8,611	180	(874)	5,351	2,886	2,549	15,882	(5,752)	2,141
Net position held in trust for pension benefits										
Beginning of year	47,363	53,312	61,923	62,103	61,050	66,401	69,287	68,836	84,718	78,966
Prior Period Adjustment										
End of year	\$ 53,312	\$ 61,923	\$ 62,103	\$ 61,050	\$ 66,401	\$ 69,287	\$ 71,836	\$ 84,718	\$ 78,966	\$ 81,107

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions:										
Contributions:										
Employers	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Members	35,911	34,628	35,261	47,753	40,032	43,135	41,705	42,905	44,773	46,278
Purchased service credits by members	—	—	—	—	—	—	—	—	—	—
Total contributions	35,911	34,628	35,261	47,753	40,032	43,135	41,705	42,905	44,773	46,278
Investment income:										
Interest	427	450	502	58,957	3,055	3,077	8,946	17,948	27,803	16,656
Dividends	—	—	—	—	—	—	—	—	—	—
Net change in fair value of investments	59,543	18,933	994	—	44,426	34,479	14,657	145,258	(113,557)	53,447
Securities lending income (loss)	—	—	—	—	—	—	—	—	—	—
Other investment income (loss)	—	—	—	—	—	—	708	841	910	722
	59,970	19,383	1,496	58,957	47,481	37,556	24,311	164,047	(84,844)	70,825
less investment expenses										
Securities lending expenses	—	—	—	—	—	—	—	—	—	—
Brokerage fees and other investment expenses	—	—	—	—	—	—	—	—	—	—
Net investment income	59,970	19,383	1,496	58,957	47,481	37,556	24,311	164,047	(84,844)	70,825
Other income	—	—	—	—	82	107	108	105	107	100
Total additions	95,881	54,011	36,757	106,710	87,595	80,798	66,124	207,057	(39,964)	117,203
Deductions:										
Benefits Paid										
Retirement Benefits	37,303	38,954	34,153	39,511	48,221	41,198	47,481	55,089	54,059	51,974
Life insurance premiums	76	62	55	42	34	25	18	13	—	—
Administrative expenses	930	996	1,055	1,165	1,317	1,458	1,558	1,791	1,873	2,024
Total deductions	38,309	40,012	35,263	40,718	49,572	42,681	49,057	56,893	55,932	53,998
Net increase (decrease) in plan net position	57,572	13,999	1,494	65,992	38,023	38,117	17,067	150,164	(95,896)	63,205
Net position held in trust for pension benefits										
Beginning of year	429,775	487,347	501,346	502,840	568,833	606,898	645,015	662,082	812,246	716,350
Prior Period Adjustment	—	—	—	—	—	44,603	—	—	—	—
End of year	\$ 487,347	\$ 501,346	\$ 502,840	\$ 568,833	\$ 606,898	\$ 645,015	\$ 662,082	\$ 812,246	\$ 716,350	\$ 779,555

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	2019			2020		
	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Single life pension terminating on death	15,571	\$ 475,991,087	\$ 30,569	16,107	\$ 502,570,678	\$ 31,202
Two Life 100% survivor pension						
Retired member recipient	13,562	434,725,915	32,055	13,802	450,128,365	32,613
Survivor member recipient	2,476	60,647,476	24,494	2,586	65,204,638	25,214
Two life 50% survivor pension						
Retired member recipient	4,930	166,585,035	33,790	5,092	174,975,685	34,363
Survivor member recipient	951	13,150,784	13,828	990	14,074,515	14,217
Single Life with temporary child survivor pension						
Retired member recipient	189	7,870,229	41,641	177	7,464,072	42,170
Child recipient	6	152,792	25,465	6	155,847	\$25,975
Total Normal Retirement Pensions	37,685	\$1,159,123,318	\$ 30,758	38,760	\$ 1,214,573,800	\$ 31,336
DISABILITY RETIREMENT PENSIONS:						
Single life pension terminating on death	487	\$ 8,882,199	\$ 18,239	503	\$ 9,326,815	\$18,542
Two Life 100% survivor pension						
Retired member recipient	774	13,787,766	17,814	788	14,357,427	18,220
Survivor member recipient	205	3,295,869	16,077	220	3,533,326	16,061
Two life 50% survivor pension						
Retired member recipient	186	3,719,808	19,999	187	3,836,939	20,518
Survivor member recipient	27	226,014	8,371	28	238,262	8,509
Single Life with temporary child survivor pension						
Retired member recipient	9	143,358	15,929	10	161,954	16,195
Child recipient	—	—	N/A	—	—	N/A
Total Disability Retirement Pensions	1,688	\$ 30,055,014	\$ 17,805	1,736	\$ 31,454,723	\$ 18,119
PRE-RETIREMENT SURVIVOR PENSIONS:						
Pre-retirement survivor pension						
Spouse recipient	1,137	20,173,213	\$17,742	1,163	\$2,103,261	\$18,085
Child recipient	40	418,020	10,451	37	390,394	10,551
Total Pre-Retirement Survivor Pensions	1,177	\$ 20,591,233	\$17,495	1,200	\$ 21,423,655	\$17,853
LEGISLATIVE RETIREMENT PENSIONS:						
Legislative retirement						
Retired member recipient	185	\$1,966,525	\$10,630	157	\$ 1,713,418	\$11,622
Survivor member recipient	9	108,819	12,091	38	404,233	9,702
Pensions	194	\$ 2,075,344	\$10,698	195	\$ 2,117,651	\$ 10,860
TOTAL PENSIONS BEING PAID	40,744	\$1,211,844,909	\$29,743	41,891	\$1,269,569,829	\$30,307

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.

2021			2022			2023		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
16,601	\$ 524,964,669	\$ 31,622	17,228	\$ 551,518,293	31,622	17,712	\$ 571,934,540	\$ 32,291
14,085	461,789,561	32,786	14,237	469,311,899	\$32964	14,473	480,670,023	33,211
2,721	69,831,668	25,664	2,919	76,515,315	\$26213	3,092	82,753,593	26,764
5,164	178,929,585	34649	5,379	189,266,055	35,186	5,497	195,237,575	35,517
1,028	15,268,891	14853	1,073	15,643,189	14,579	1,122	16,701,881	14,886
181	7,760,638	42,846	197	8,315,501	\$42211	188	8,061,586	42,881
7	207,318	29,617	8	270,321	\$33,790	7	270,320	38,617
39,787	\$ 1,258,752,330	\$ 31,637	41,041	\$ 1,310,840,573	\$ 31,940	42,091	\$ 1,355,629,518	\$ 32,207
506	\$ 9,370,634	\$ 18,519	507	\$ 8,517,224	\$ 18,772	508	\$ 9,629,017	\$ 18,955
786	14,495,893	18,443	791	14,902,789	18,840	793	15,079,884	18,955
218	3,527,785	16,183	230	3,758,760	16,342	231	3,940,909	17,060
189	3,937,191	20,832	196	4,139,922	21,122	199	4,239,287	21,303
28	243,286	8,689	28	253,500	9,054	30	269,308	8,977
9	159,737	17,749	11	184,140	16,740	11	186,704	16,973
1	10,401.00	\$10,401	—	—	\$—	—	—	\$—
1,737	\$ 31,744,927	\$ 18,276	1,763	\$ 31,756,335	\$ 18,580	1,772	\$ 33,345,109	\$ 18,818
1,187	21,732,573	\$ 18,309	1,271	\$23,395,235	\$18,407	1,313	\$24,429,218	\$ 18,606
32	313,247	9,789	40	412,705	10,318	40	397,392	9,935
1,219	\$ 22,045,820	\$ 18,085	1,311	\$ 23,807,940	\$ 18,160	1,353	\$ 24,826,610	\$ 18,349
193	\$2,104,736	\$10,905	195	\$2,179,696	\$11,178	195	\$2,312,261	\$ 11,561
11	158,766	14,333	11	160,748	14,613	11	160,318	16,032
195	\$ 2,263,502	\$ 10,860	206	\$ 2,340,444	\$ 11,361	206	\$ 2,472,579	\$ 27,593
42,938	\$ 1,314,806,579	\$ 30,621	44,321	\$ 1,368,745,292	\$ 30,883	45,422	\$ 1,416,273,816	\$ 31,180

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	2019			2020		
	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Regular Benefit - 75% joint and survivor	133	\$ 9,402,971	\$ 70,699	136	\$ 9,642,817	\$ 70,903
Survivor/co-payee beneficiary recipient	45	1,945,874	43,242	49	2,119,238	35,984
Total Normal Retirement Pensions	178	\$ 11,348,845	\$ 63,758	185	\$ 11,762,055	\$ 63,578
DISABILITY RETIREMENT PENSIONS:						
Duty Disability	1	\$ 32,433	\$ 32,433	2	\$ 74,659	\$ 37,330
Survivor/co-payee Recipient	—	—	n/a	—	—	n/a
Non-Duty Disability	1	42,226	42,226	1	42,226	42,226
Total Disability Retirement Pensions	2	\$ 74,659	\$74,659	3	\$ 116,885	\$ 79,556
PRE-RETIREMENT SURVIVOR PENSIONS:						
Pre-retirement survivor pension						
Spouse recipient	6	\$ 291,949	\$ 48,658	6	\$ 291,949	\$48,658
Child recipient	—	—	n/a	—	—	n/a
Total Pre-Retirement Survivor Pensions	6	\$ 291,949	\$ 48,658	6	\$ 291,949	\$ 48,658
TOTAL PENSIONS BEING PAID	186	\$ 11,715,453	\$ 62,986	194	\$ 12,170,889	\$ 62,737

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.

2021			2022			2023		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
143	\$ 10,186,346	\$ 71,233	142	\$ 10,201,386	\$ 71,841	149	\$ 10,697,328	\$ 71,794
51	2,177,669	42,699	54	2,351,148	43,540	57	2,486,069	43,615
194	\$ 12,364,015	\$ 63,732	196	\$ 12,552,534	\$ 64,044	206	\$ 13,183,397	\$ 63,997
2	\$ 74,659	\$ 37,330	2	\$ 76,152	\$ 38,076	1	\$ 33,081	\$ 33,081
	—	n/a	—	—	n/a	—	—	n/a
—	—	\$ —	—	—	\$ —	—	\$0	\$ —
2	\$ 74,659	\$ 37,330	2	\$ 76,152	\$ 38,076	1	\$ 33,081	\$ 33,081
6	\$ 306,943	51,157	6	\$ 311,957	\$ 51,993	5	\$ 254,222	\$ 50,844
—	—	n/a	—	—	n/a	—	—	n/a
6	\$ 306,943	\$ 51,157	6	\$ 311,957	\$ 51,993	5	\$ 254,222	\$ 50,844
202	\$ 12,745,617	\$ 63,097	204	\$ 12,940,643	\$ 63,435	212	\$ 13,470,700	\$ 63,541

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.

Magistrate Fund						
Benefit Option	Number	2019		2020		
		Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Regular Benefit - 75% joint and survivor	77	\$ 3,067,438	\$ 39,837	81	\$ 3,348,233	\$ 41,336
Survivor/co-payee beneficiary recipient	24	750,262	49,685	24	694,608	28,942
Total Normal Retirement Pensions	101	\$ 3,817,700	\$ 37,799	105	\$ 4,042,841	\$ 38,503
DISABILITY RETIREMENT PENSIONS:						
Duty Disability	1	\$ 47,100	\$ 47,100	—	\$ —	n/a
Survivor/co-payee Recipient	—	—	n/a	—	—	n/a
Non-Duty Disability	2	97,270	48,635	2	97,270	48,635
Total Disability Retirement Pensions	3	\$ 144,370	\$ 48,123	2	\$ 97,270	\$ 48,635
PRE-RETIREMENT SURVIVOR PENSIONS:						
Pre-retirement survivor pension						
Spouse recipient	1	\$ 47,264	\$ 47,264	1	\$ 47,264	\$ 47,264
Child recipient	—	—	n/a	—	—	n/a
Total Pre-Retirement Survivor Pensions	1	\$ 47,264	\$ 47,264	1	\$ 47,264	\$ 47,264
TOTAL PENSIONS BEING PAID	105	\$ 4,009,334	\$ 38,184	108	\$ 4,187,375	\$ 38,772

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.

2021			2022			2023		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
80	\$ 3341807	\$ 41,773	77	\$ 3,198,910	\$ 41,544	90	\$ 3,863,457	\$ 42,927
27	811,887	30,070	30	924,996	30,833	29	890,246	30,698
107	\$ 4,153,694	\$ 38,820	107	\$ 4,123,906	\$ 38,541	119	\$ 4,753,703	\$ 39,947
—	\$ —	n/a	—	\$ —	n/a	—	—	n/a
—	—	n/a	—	—	n/a	—	—	n/a
2	99,214	\$ 49,607	2	99,215	49,608	2	99,215	49,608
2	\$ 99,214	\$ 49,607	2	\$ 99,215	\$ 49,608	2	\$ 99,215	\$ 49,608
2	\$ 79,812	\$ 39,906	2	\$ 79,192	\$ 39,596	2	\$ 79,192	\$ 39,596
—	—	n/a	—	—	n/a	—	—	n/a
2	\$ 79,812	\$ 39,906	2	\$ 79,192	\$ 39,596	2	\$ 79,192	\$ 39,596
111	\$ 4,332,720	\$ 39,034	111	\$ 4,302,313	\$ 38,760	123	\$ 4,932,110	\$ 40,098

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.

Volunteer Firefighters Fund		2019		2020		
Benefit Option	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Regular Benefit - 66 2/3% joint and survivor	1,330	\$ 2,411,250	\$ 1,813	1,423	\$ 2,583,750	\$ 1,816
Survivor/co-payee Recipient	99	97,749	987	114	113,749	998
Total Normal Retirement Pensions	1,429	\$ 2,508,999	\$ 1,756	1,537	\$ 2,697,499	\$ 1,755
TOTAL PENSIONS BEING PAID	1,429	\$ 2,508,999	\$ 1,756	1,537	\$ 2,697,499	\$ 1,755

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.

2021			2022			2023		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
1,467	\$ 2,672,250	\$ 1,822	1,501	\$ 2,741,250	\$ 1,826	1,514	\$ 2,751,750	\$ 1,818
123	124,548	1,013	141	145,748	1,034	166	178,947	1,078
1,590	\$ 2,796,798	\$ 1,759	1,642	\$ 2,886,998	\$ 1,758	1,680	\$ 2,930,697	\$ 1,744
1,590	\$ 2,796,798	\$ 1,759	1,642	\$ 2,886,998	\$ 1,758	1,680	\$ 2,930,697	\$ 1,744

SCHEDULE OF AVERAGE BENEFIT PAYMENT

FISCAL YEAR ENDED June 30, 2023

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
State General									
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	16,689
2022	Average Monthly Benefit	\$ 1,896	\$ 911	\$ 1,550	\$ 2,261	\$ 3,040	\$ 3,595	\$ 3,763	\$ 2,687
	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)	1,421	1,927	1,975	1,879	2,260	6,811	560	16,833
2023	Average Monthly Benefit	\$ 1,919	\$ 922	\$ 1,579	\$ 2,288	\$ 3,083	\$ 3,629	\$ 3,885	\$ 2,714
	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)	1,387	1,984	2,030	1,952	2,299	6,888	559	17,099

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

- (a) Excludes 792 members who did not have service reported
- (b) Excludes 488 members who did not have service reported
- (c) Excludes 403 members who did not have service reported
- (d) Excludes 278 members who did not have service reported
- (e) Excludes 113 members who did not have service reported

- (f) Excludes 93 members who did not have service reported
- (g) Excludes 184 members who did not have service reported
- (h) Excludes 173 members who did not have service reported
- (i) Excludes 3 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, 2023

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+	
State Police									
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
2022	Average Monthly Benefit	\$ 2,841	\$ 1,471	\$ 1,754	\$ 2,356	\$ 2,957	\$ 3,557	\$ 4,163	\$ 3,163
	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)	103	53	52	75	337	657	67	1,344
2023	Average Monthly Benefit	\$ 3,037	\$ 1,525	\$ 1,735	\$ 2,366	\$ 2,974	\$ 3,574	\$ 4,185	\$ 3,195
	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)	112	52	54	79	336	684	65	1,382

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

- (a) Excludes 270 members who did not have service reported
- (b) Excludes 202 members who did not have service reported
- (c) Excludes 160 members who did not have service reported
- (d) Excludes 158 members who did not have service reported
- (e) Excludes 34 members who did not have service reported

- (f) Excludes 13 members who did not have service reported
- (g) Excludes 7 members who did not have service reported.
- (h) Excludes 7 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, 2023

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+	
Municipal General									
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
2022	Average Monthly Benefit	\$ 1,739	\$ 769	\$ 1,303	\$ 2,007	\$ 2,844	\$ 3,423	\$ 3,755	\$ 2,484
	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)	879	755	1,585	1,494	1,686	4,756	495	12,332
2023	Average Monthly Benefit	\$ 1,738	\$ 755	\$ 1,316	\$ 2,009	\$ 2,849	\$ 3,449	\$ 3,835	\$ 2,494
	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)	884	1,505	1,652	1,545	1,737	4,884	519	12,726

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

- (a) Excludes 609 members who did not have service reported
- (b) Excludes 319 members who did not have service reported
- (c) Excludes 269 members who did not have service reported
- (d) Excludes 226 members who did not have service reported
- (e) Excludes 134 members who did not have service reported

- (f) Excludes 106 members who did not have service reported
- (g) Excludes 31 members who did not have service reported
- (h) Excludes 29 members who did not have service reported
- (i) Excludes 1 members who did not have service reported
- (j) Excludes 3 members who did not have service reported

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED June 30, 2023

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+	
Municipal Police									
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
2022	Average Monthly Benefit	\$ 3,275	\$ 1,605	\$ 2,177	\$ 3,405	\$ 3,931	\$ 4,768	\$ 4,642	\$ 3,795
	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)	188	63	90	389	2,352	186	41	3,309
2023	Average Monthly Benefit	\$ 3,330	\$ 1,503	\$ 2,177	\$ 3,399	\$ 3,968	\$ 4,903	\$ 4,769	\$ 3,836
	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)	188	65	93	385	2,426	199	41	3,397

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

- (a) Excludes 136 members who did not have service reported
- (b) Excludes 136 members who did not have service reported
- (c) Excludes 88 members who did not have service reported
- (d) Excludes 87 members who did not have service reported
- (e) Excludes 53 members who did not have service reported

- (f) Excludes 36 members who did not have service reported
- (g) Excludes 12 members who did not have service reported
- (h) Excludes 12 members who did not have service reported
- (i) Excludes 2 members who did not have service reported
- (j) Excludes 2 members who did not have service reported

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED June 30, 2023

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+	
Municipal Fire									
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
2022	Average Monthly Benefit	\$ 3,878	\$ 2,182	\$ 2,712	\$ 3,611	\$ 4,087	\$ 5,130	\$ 3,968	\$ 4,023
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	106	23	37	167	1,318	84	44	1,779
2023	Average Monthly Benefit	\$ 3,825	\$ 2,115	\$ 2,696	\$ 3,641	\$ 4,119	\$ 5,296	\$ 3,980	\$ 4,065
	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)	98	24	35	166	1,363	96	44	1,826

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

(a) Excludes 111 members who did not have service reported

(b) Excludes 54 members who did not have service reported

(c) Excludes 44 members who did not have service reported

(d) Excludes 32 members who did not have service reported

(e) Excludes 18 members who did not have service reported

(f) Excludes 13 members who did not have service reported

(g) Excludes 7 members who did not have service reported

(h) Excludes 7 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, 2023

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+	
Legislative									
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
2022	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
2023	Average Monthly Benefit	\$ 502	\$ 547	\$ 959	\$ 1,156	\$ 1,438	\$ 1,281	\$ 1,800	\$ 993
	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)	11	38	51	22	21	8	11	162

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

- (a) Excludes 31 members who did not have service reported
- (b) Excludes 4 members who did not have service reported
- (c) Excludes 2 members who did not have service reported
- (d) Excludes 3 members who did not have service reported
- (e) Excludes 3 members who did not have service reported

- (f) Excludes 3 members who did not have service reported
- (g) Excludes 5 members who did not have service reported
- (h) Excludes 5 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, 2023

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+	
Judicial									
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
2022	Average Monthly Benefit	\$ 5,310	\$ 3,769	\$ 5,637	\$ 7,084	\$ 6,005	\$ 8,217	\$ 7,514	\$ 5,983
	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)	18	21	32	41	15	4	10	141
2023	Average Monthly Benefit	\$ 5,563	\$ 3,934	\$ 5,468	\$ 7,088	\$ 6,005	\$ 8,217	\$ 7,514	\$ 5,980
	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)	19	23	34	43	15	4	10	148

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

- (a) Excludes 17 members who did not have service reported
- (b) 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
- (j) Excludes 1 members who did not have service reported

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED June 30, 2023

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+	
Magistrate									
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
2022	Average Monthly Benefit	\$ 1,650	\$ 3,129	\$ 4,334	\$ 4,271	\$ 3,014	\$ 5,139	N/A	\$ 3,462
	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)	14	18	18	17	7	3	0	77
2023	Average Monthly Benefit	\$ 2,504	\$ 3,104	\$ 4,354	\$ 4,271	\$ 3,398	\$ 5,524	N/A	\$ 3,577
	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)	19	22	17	17	11	4	0	90

*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 4 member who did not have service reported
- (i) Excludes 6 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, 2023

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+	
Volunteer Firefighter									
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	1,363
2021	Average Monthly Benefit	\$ 0	\$ 0	\$ 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)	0	0	833	249	70	265	50	1,467
2022	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 129	\$ 247	\$ 248	\$ 153
	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)	4	4	826	232	71	274	54	1,465
2023	Average Monthly Benefit	\$ —	\$ —	\$ 125	\$ 125	\$ 129	\$ 247	\$ 248	\$ 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)	—	—	842	239	73	265	56	1,475

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

- (a) Excludes 11 members who did not have service reported
- (b) Excludes 6 members who did not have service reported
- (c) Excludes 6 members who did not have service reported
- (d) Excludes 6 members who did not have service reported
- (e) Excludes 10 members who did not have service reported

- (f) Excludes 10 members who did not have service reported
- (g) Excludes 14 members who did not have service reported
- (h) Excludes 14 members who did not have service reported
- (i) Excludes 36 members who did not have service reported
- (j) Excludes 39 members who did not have service reported

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED June 30, 2023

As of June 30 - Ten 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
2023	PERA	37,878	\$1,255,815,275	1,497	\$ 29,050,988	5,841	\$ 128,934,974	45,216	\$ 1,413,801,237	3.28 %
	Legislative	166	1,949,358	—	—	44	532,221	210	2,481,579	5.69 %
	Judicial	161	11,003,542	1	33,081	50	2,434,077	212	13,470,700	5.35 %
	Magistrate	94	3,912,350	2	99,215	27	920,546	123	4,932,111	12.77 %
	VFF	1,515	2,752,500	—	—	165	178,197	1,680	2,930,697	1.49 %
2022	PERA	37,002	1,216,994,709	1,492	28,658,805	5,621	121,751,334	44,115	1,367,404,848	4.01 %
	Legislative	160	1,808,597	—	—	46	531,847	206	2,340,444	3.29 %
	Judicial	154	10,507,600	2	76,152	48	2,166,289	204	12,750,041	0.03 %
	Magistrate	82	3,247,803	2	99,215	28	955,295	112	4,302,313	-0.71 %
	VFF	1,501	2,741,250	—	—	141	145,748	1,642	2,886,998	3.12 %
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 %

SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED June 30, 2023

As of June 30 - Ten 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
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 %
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 %

DISTRIBUTION OF RECENT RETIREE AGES AT RETIREMENT

FISCAL YEAR ENDED June 30, 2023

Five year comparison showing the number of added retirees per fiscal year, their average monthly benefit and the average age the year of retirement.

	2019			2020			2021		
	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	800	\$ 2,557	60.56	697	\$ 2,525	59.93	696	\$ 2,504	61.05
State Police/ Corrections	37	3,489	51.47	53	3,144	53.03	59	3,146	52.72
Municipal General	716	2,178	61.27	677	2,337	60.79	709	2,387	61.25
Municipal Police	136	3,711	49.39	106	3,745	50.17	106	4,248	50.15
Municipal Fire	76	4,434	49.89	62	3,913	50.59	72	4,679	48.31
Legislative	12	1,648	64.42	1	5,293	56.42	11	1,449	71.18
Judicial	16	6,833	64.97	6	5,928	65.14	10	6,266	63.84
Magistrate	3	4,256	63.64	5	5,461	62.60	2	3,670	60.79
Volunteer Firefighter	79	215	62.83	79	215	62.83	115	151	65.13

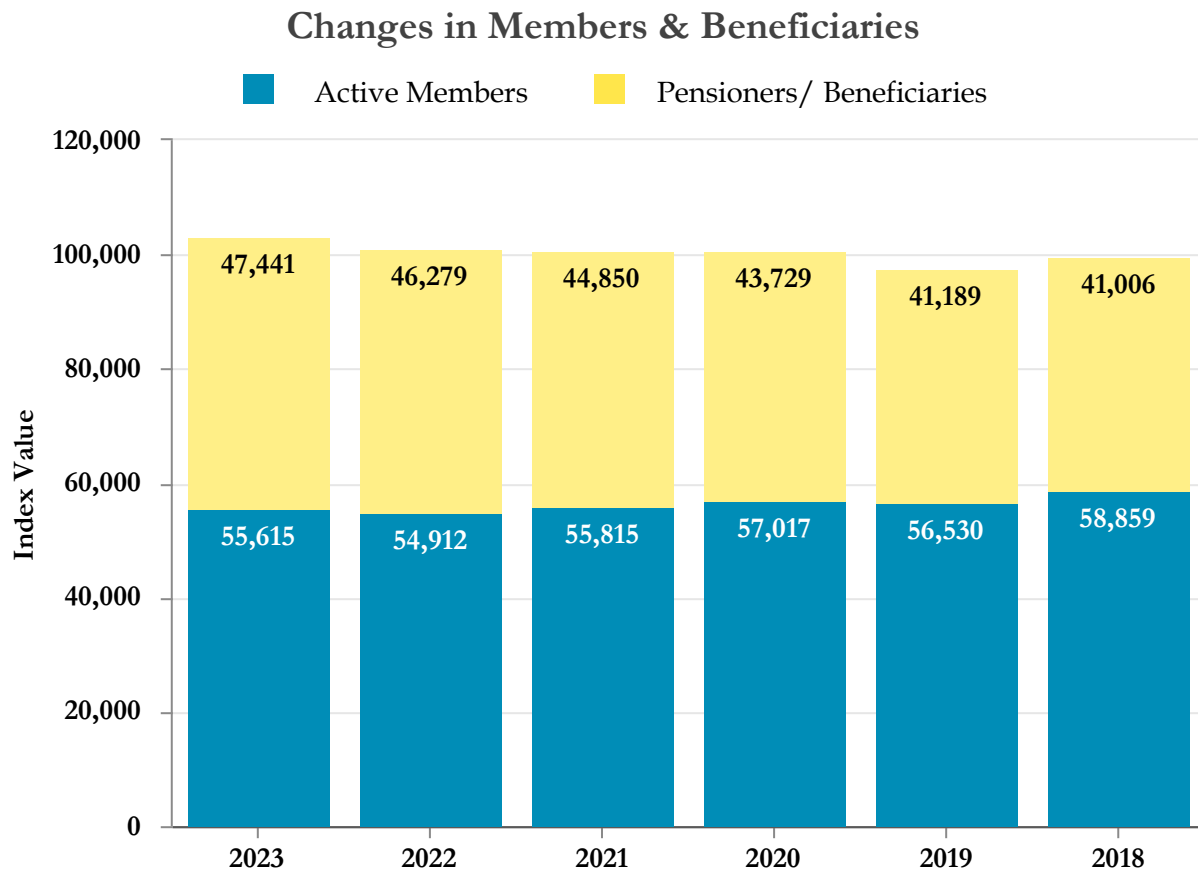
DISTRIBUTION OF RECENT RETIREE AGES AT RETIREMENT

FISCAL YEAR ENDED June 30, 2023

Five year comparison showing the number of added retirees per fiscal year, their average monthly benefit and the average age the year of retirement.

	2022			2023			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	720	\$ 2,867	61.39	698	\$ 2,788	61.72	17,106	\$ 2,714	58.05
State Police/ Corrections	98	3,450	51.74	58	3,616	50.33	1,382	3,195	50.88
Municipal General	695	2,334	61.60	745	2,395	61.84	12,729	2,493	58.61
Municipal Police	192	4,282	50.12	152	4,445	58.61	3,399	3,836	48.05
Municipal Fire	89	4,801	48.96	77	4,718	48.05	1,826	4,065	48.07
Legislative	6	961	60.77	13	1,230	60.83	162	1,230	60.83
Judicial	4	4,226	65.13	9	5,354	66.19	149	5,983	62.94
Magistrate	2	4,857	60.38	14	4,242	62.44	90	3,577	60.95
Volunteer Firefighter	71	151	64.34	50	140	62.79	1,514	151	61.50

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
2023	55,615	1.28 %	47,441	2.51 %	103,056	1.84 %
2022	54,912	(1.62)%	46,279	3.19 %	101,191	0.52 %
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 %	99,865	1.99 %

(1) Excludes Inactive Members

MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION

Comparison at June 30, 2023 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	269	—	—	—	—	—	—	269
20 to 24	2,460	21	—	—	—	—	—	2,481
25 to 29	3,574	942	13	—	—	—	—	4,529
30 to 34	3,349	2,015	626	50	—	—	—	6,040
35 to 39	2,646	1,720	1,289	835	59	—	—	6,549
40 to 44	1,971	1,307	1,137	1,472	511	25	—	6,423
45 to 49	1,656	1,082	774	1,169	881	149	7	5,718
50 to 54	1,475	1,005	753	1,009	891	318	23	5,474
55 to 59	1,207	869	649	851	734	262	56	4,628
60 & Over	1,453	1,223	910	1,067	689	272	130	5,744
Total	20,060	10,184	6,151	6,453	3,765	1,026	216	47,855

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	2	—	—	—	—	—	—	2
30 to 34	—	—	—	—	—	—	—	0
35 to 39	6	1	—	—	—	—	—	7
40 to 44	9	1	—	—	—	—	—	10
45 to 49	6	0	1	—	—	—	—	7
50 to 54	9	1	4	—	—	—	—	14
55 to 59	5	4	6	1	—	—	—	16
60 & Over	18	12	8	5	3	6	2	54
Total	55	19	19	6	3	6	2	110

MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION (CONTINUED)

Comparison at June 30, 2023 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	2	—	—	—	—	—	—	2
40 to 44	17	3	—	—	—	—	—	20
45 to 49	11	8	2	—	—	—	—	21
50 to 54	7	8	4	3	—	—	—	22
55 to 59	5	7	2	3	—	—	—	17
60 & Over	13	5	14	10	3	1	—	46
Total	56	31	22	16	3	1	—	129

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	1	—	—	—	—	—	—	1
30 to 34	—	—	—	—	—	—	—	—
35 to 39	5	—	—	—	—	—	—	5
40 to 44	6	1	—	—	—	—	—	7
45 to 49	3	1	1	—	—	—	—	5
50 to 54	10	1	—	1	—	—	—	12
55 to 59	1	3	—	—	—	—	—	4
60 & Over	5	2	1	2	—	—	—	10
Total	31	8	2	3	—	—	—	44

MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION (CONTINUED)

Comparison at June 30, 2023 of Age Breakdown in 5 year increments to the Years of Service

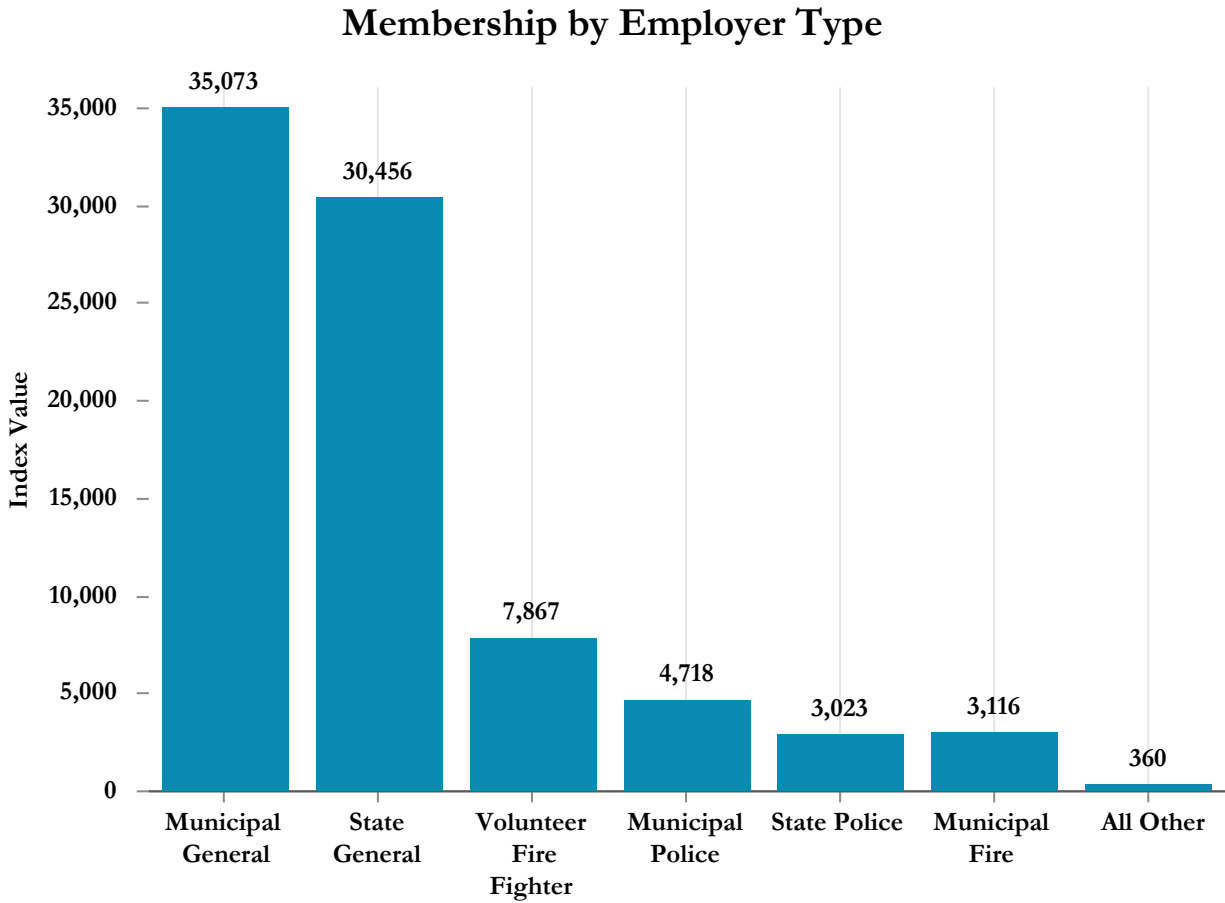
Nearest Age	Volunteer Firefighter Completed Years of Service							Total
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 30	1,695	126	10	—	—	—	—	1,831
30 to 34	902	156	39	6	—	—	—	1,103
35 to 39	640	159	54	15	4	—	—	872
40 to 44	440	152	82	27	11	1	—	713
45 to 49	380	128	82	30	16	10	—	646
50 to 54	291	97	65	36	26	14	—	529
55 to 59	258	121	76	31	18	5	5	514
60 & Over	781	329	147	53	36	19	5	1,370
Total	5,387	1,268	555	198	111	49	10	7,578

MEMBERSHIP BY STATUS PER DIVISION

Six Year Comparison of active and inactive members per division.

Division				
PERA		Active	Inactive	Total
	2023	47,855	28,531	76,386
	2022	46,901	26,846	73,747
	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
Legislative				
	2023	110	32	142
	2022	113	24	137
	2021	118	25	143
	2020	118	25	143
	2019	99	29	128
	2018	120	12	132
Judicial				
	2023	129	31	160
	2022	131	49	180
	2021	123	27	150
	2020	123	27	150
	2019	124	26	150
	2018	125	22	147
Magistrate				
	2023	53	24	77
	2022	62	18	80
	2021	62	19	81
	2020	62	19	81
	2019	65	21	86
	2018	65	14	79
VFF				
	2023	7,578	289	7,867
	2022	7,711	316	8,027
	2021	7,830	315	8,145
	2020	8,014	367	8,381
	2019	8,182	360	8,542
	2018	7,939	374	8,313

MEMBERSHIP BY EMPLOYER TYPE AS OF June 30, 2023

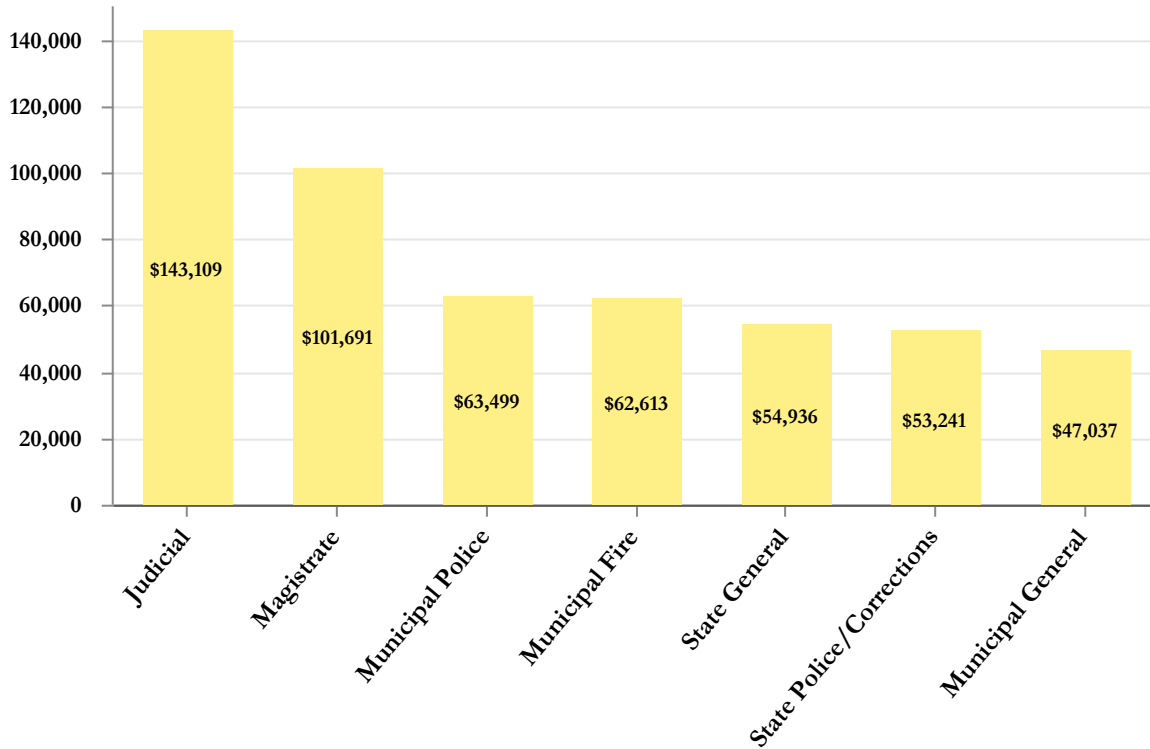


A summarized listing of members by employer type as of June 30, 2023

	Total	Active	Inactive
State General	30,456	18,570	11,886
State Police	3,023	2,239	784
Municipal General	35,073	20,758	14,315
Municipal Police	4,718	3,645	1,073
Municipal Fire	3,116	2,643	473
Judicial	160	129	31
Magistrate	77	53	24
Volunteer Fire Fighter	7,867	7,578	289
Legislative	142	110	32

AVERAGE SALARY BY EMPLOYER TYPE AS OF June 30, 2023

Average Salary



Average salary by employer type as of June 30, 2023.

	Average Salary	Members *	Total Salaries
State General	\$61,084	18,750	\$1,134,325,271
State Police/Corrections	60,155	2,239	134,687,976
Municipal General	52,725	20,578	1,094,468,159
Municipal Police	71,087	3,645	259,111,866
Municipal Fire	68,547	2,643	181,169,253
Judicial	163,488	129	21,089,910
Magistrate	116,303	53	6,164,080
Volunteer Fire Fighter	N/A **	7,578	N/A **
Legislative	N/A **	110	N/A **

PARTICIPATING EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

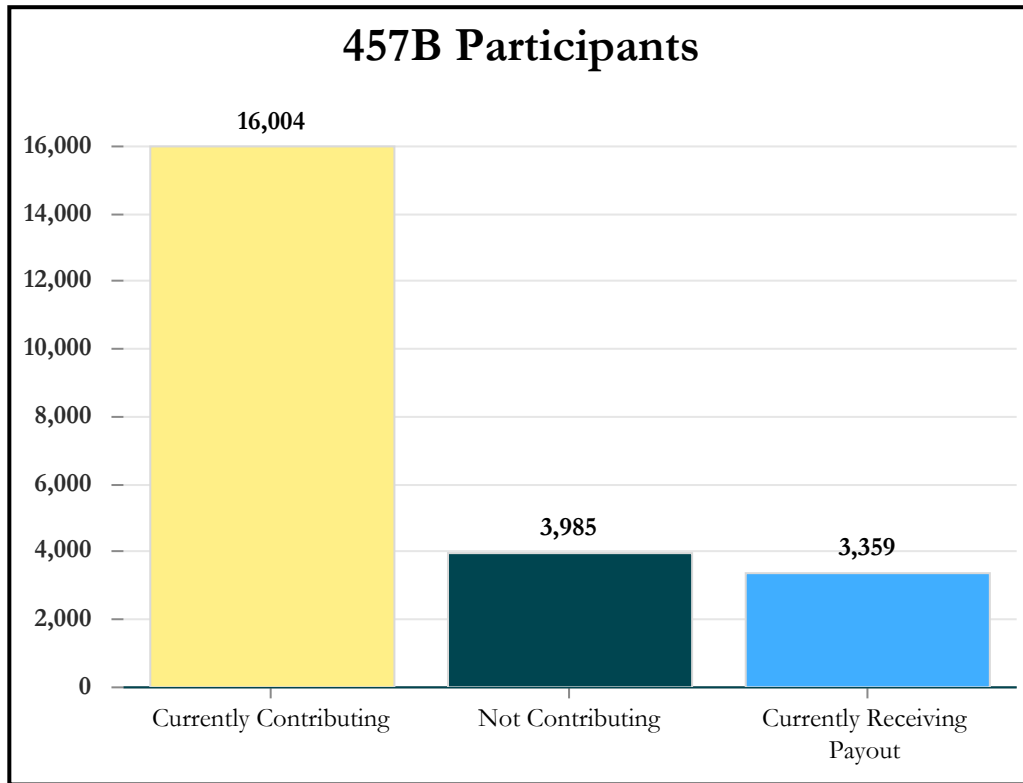
Ten year direct comparison of employers, active employees, and percentage of employees per division type.

	2023			2013		
	Employers	Active Employees	Percentage of Employees	Employers	Active Employees	Percentage of Employees
Public Employees Retirement Fund:						
State Agencies	122			126		
Subtotal State Division	122	20,809	37.42%	126	21,936	38.85%
Municipalities	93			88		
Counties	33			33		
Other local public bodies	55			55		
Housing Authorities	15			16		
Subtotal Municipal Division	196	27,046	48.63%	192	28,076	49.57%
Judicial Retirement Fund	16	129	0.23%	16	123	0.22%
Magistrate Retirement Fund	12	53	0.10%	9	41	0.07%
Volunteer Firefighters Fund	363	7,578	13.63%	363	6,461	11.41%
TOTAL	709	55,615	100.00%	706	56,637	100.13%

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, 2023

Total Plan Participants	23,348
Currently Contributing	16,004
Not Contributing	3,985
Currently Receiving Payout	3,359

NEW MEXICO PERA SMART SAVE DEFERRED COMPENSATION PLAN

Asset Allocation by Asset Class for June 30, 2023

	Assets as of June 30, 2023	% of Total Assets
Domestic Equity Funds:		
Large Cap Funds	\$ 226,050,555	27.43 %
Mid Cap Funds	52,122,715	6.33 %
Small Cap Funds	17,055,649	2.07 %
International Equity Funds	44,098,147	5.35 %
Global Real Estate Funds	2,056,276	0.25 %
Balanced Funds	—	0.00 %
Fixed Income Funds	53,266,270	6.46 %
Asset Allocation	230,909,393	28.02 %
Stable Value	130,424,046	15.83 %
Self-Directed Option	11,189,669	1.36 %
Contributions Receivable	46,278,410	5.62 %
Loans Receivable	10,619,496	1.29 %
TOTAL	\$ 824,070,626	100.00 %

DEFERRED COMPENSATION PROGRAM COMPARATIVE INVESTMENT RESULTS**FISCAL YEAR ENDED June 30, 2023**

Manager	1-Year 2023	3-Year 2021-2023	5-year 2019-2023
Large Cap Funds			
Dodge & Cox Stock Fund	12.40 %	18.20 %	10.00 %
Vanguard Institutional Index	19.60 %	14.60 %	12.30 %
Fidelity Contrafund			
Mid Cap Funds			
Principal MidCap Blend Fund	21.10 %	11.50 %	11.30 %
Fidelity Low-Priced Stock Fund	13.50 %	16.00 %	8.30 %
T. Rowe Price Mid Cap Growth	17.80 %	8.00 %	9.40 %
Small Cap Funds			
DFA US Small Cap Portfolio	12.60 %	10.90 %	4.30 %
International Funds			
Fidelity Diversified Int'l	19.50 %	6.00 %	5.70 %
American EuroPacific Growth Fund	15.80 %	5.50 %	4.30 %
Aberdeen Emerging Markets			
Vanguard Total International Stock Index	12.30 %	7.50 %	3.70 %
Fixed Income Funds			
Vanguard Inflation Protected Securities Fund	(1.80)%	(0.20)%	2.40 %
Vanguard Total Bond Market Index Fund	(0.90)%	(4.00)%	0.80 %
Templeton Global Bond Fund	7.90 %	(2.90)%	0.80 %
Real Estate			
Principal Diversified Real Asset Fund	(0.90)%	8.70 %	3.80 %
INVESCO Global Real Estate Fund			
Balanced Funds			
Oakmark Equity & Income Fund			
Stable Value Fund			
New Mexico Stable Value Fund	2.30 %	2.00 %	2.20 %
Asset Allocation			
Conservative Portfolio	3.50 %	3.00 %	3.70 %
LifeCycle 2020 Portfolio	4.70 %	4.50 %	4.70 %
LifeCycle 2025 Portfolio	6.50 %	5.70 %	5.40 %
LifeCycle 2030 Portfolio	7.70 %	6.70 %	5.80 %
LifeCycle 2035 Portfolio	8.40 %	7.60 %	6.20 %
LifeCycle 2040 Portfolio	8.90 %	8.40 %	6.40 %
LifeCycle 2045 Portfolio	8.30 %	8.20 %	6.50 %
LifeCycle 2050 Portfolio	9.60 %	8.60 %	6.60 %
LifeCycle 2055 Portfolio	9.70 %		

SYSTEM AND PLANS STATISTICAL HIGHLIGHTS

FISCAL YEAR ENDED June 30, 2023

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
Membership Information					
Total Membership	121,602	352	372	171	9,547
Active	47,855	110	129	53	7,578
Inactive	28,531	32	31	18	289
Retired	45,216	210	212	100	1,680
Active Members	47,855	113	131	62	7,711
Average Age	43.30	58.90	54.90	54.50	42.03
Average Years of Service	8.80	7.50	7.80	8.20	3.71
Average Annual Salary	\$ 58,589	N/A (1)	\$ 143,108	\$ 101,691	N/A (1)
Retirees	44,115	206	204	111	1,642
Average Age	68.80	75.60	72.50	72.40	70.50
Average Annual Benefit	\$ 30,996	\$ 11,361	\$ 63,435	\$ 38,760	\$ 1,826
Financial Information					
Change in Net Position	\$ 244,182,884	(2)	\$ 1,061,394	\$ 82,333	\$ 2,141,465
Net Assets at Fair Value	17,076,617,280	(2)	115,344,243	33,475,439	83,387,454
Liabilities	477,787,523	(2)	2,683,257	993,963	2,279,350
Totals for:					
Contributions	827,675,318	(2)	8,638,462	3,288,912	750,000
Investment Income	900,552,529	(2)	5,808,887	1,774,877	4,376,446
Pension Benefits	1,417,002,889	(2)	13,296,526	4,688,683	2,909,864
Refunds	51,448,291	(2)	—	262,550.00	—
Administrative Expenses	15,593,783	(2)	89,429	30,223	76,117

(1) Legislative and Volunteer Firefighters are not based on payroll contributions.

(2) Legislative Statutory Contribution is \$0 for 2023.

SYSTEM AND PLANS STATISTICAL HIGHLIGHTS (CONTINUED)

FISCAL YEAR ENDED June 30, 2023

DEFERRED CONTRIBUTION FUND**Membership Information**

Total Membership	23,348
Currently Contributing	16,004
Not Contributing	3,985
Currently Receiving Payout	3,359

Financial Information

Change in Net Position	\$ 63,204,825
Net Assets at Fair Value	768,924,339
Totals for:	
Contributions	46,278,410
Investment Income	70,823,396
Other Income	100,000
Pension Benefits	(51,974,163)
Life Insurance Benefits	0
Administrative Expenses	2,024,323

Schedule of Asset Management Costs-Unaudited FY 2023
Name of Agency: Public Employees Retirement Association of New Mexico

2.2.2.12(F)(1) New Mexico Administrative Code

For all asset classes except private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement	Fees
Wilshire	Santa Monica, CA	General Consultant (Fixed Fee)	\$ 795,000

Third-party marketers	Location	Description of Investments Subject to the Agreement	Fees, Commission or Retainers
N/A	N/A	N/A	N/A

Name of Investment	Asset Class	Value of the Investment at 6/30/23	Management Fees	Performance Fees
STO	Cash	54,372,426	—	—
Cash and Suspense Account	Cash	43,692,885	—	—
DFA Small Cap	Domestic Equity	—	—	—
Kayne Anderson SCC	Domestic Equity	284,737,735	868,460	940,055
TimesSquare	Domestic Equity	—	—	—
Acadian Intl Equity	Global & International Equity	270,640,244	452,084	709,031
Alliance Bernstein	Global & International Equity	277,327,074	185,613	308,830
Axiom Investors	Global & International Equity	242,181,116	743,022	95,066
Blackrock Equity Transition	Global & International Equity	18,179	—	—
Blackrock Low Vol Intl Equity	Global & International Equity	940,474,038	576,474	—
Equity Cash Overlay	Global & International Equity	73,974,211	89,533	—
KBI	Global & International Equity	381,513	—	—
LGIMA Global Equity Overlay	Global & International Equity	—	—	—
MFS	Global & International Equity	225,220,846	251,433	784,780
NTGI ACWI X US	Global & International Equity	270,200	—	—
Portable Alpha	Global & International Equity	2,455,993	—	—
Principal	Global & International Equity	533,144	—	—

Name of Investment	Asset Class	Value of the Investment at 6/30/23	Management Fees	Performance Fees
Russell Transition	Global & International Equity	1,611,541	—	—
Schroder	Global & International Equity	170,062	—	—
SSGA ACWI IMI	Global & International Equity	690,388,581	88,740	—
SSGA R1000 Index	Global & International Equity	1,091,899,031	115,227	—
Black Rock Core	Risk Reduction & Mitigation	5,148	490,190	—
MACKAY SHIELDS	Risk Reduction & Mitigation	—	—	—
Prudential	Risk Reduction & Mitigation	—	—	—
Blackrock Glb Fixed Income	Risk Reduction & Mitigation	439,014	110,573	—
Manulife	Risk Reduction & Mitigation	5	—	—
LGIMA Overlay	Risk Reduction & Mitigation	—	—	—
LGIMA TAA Overlay	Risk Reduction & Mitigation	—	11,796	—
Parametric Risk Mitigation O/L	Risk Reduction & Mitigation	211,421,752	44,884	—
Parametric Bonds Plus	Risk Reduction & Mitigation	41,568,584	292,604	—
GUGGENHEIM GLOBAL HY	Liquid Credit	(3,387)	—	—
LGIMA Credit Overlay	Liquid Credit	—	—	—
Parametric Credit Cash Ovrlly	Liquid Credit	324,857,216	87,687	—
PINEBRIDGE HY	Liquid Credit	1,551,572,709	2,657,480	—
DFA REIT	Real Estate Investment Trusts (REIT's)	298,273	265	—
Security Capital Alpha		566	—	—
Security Capital Beta		1	—	—
Security Capital REIT	Real Estate Investment Trusts (REIT's)	—	—	—
Deutsche Listed Infrastructure	Listed Infrastructure	54,370,896	792,374	—
PIMCO Commodities	Commodities	285	273,709	—
PIMCO TIPS	TIPS	39,453	634,374	—
Para RL AS CSH OVRLY	Real Asset Cash Overlay	113,497,567	50,583	—
Harvest MLP	MLP	435,916	—	—
Zia Risk Parity LP	Other	1,344,204,307	1,634,690	—

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For private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement	Fees
Albourne	San Francisco, CA	Illiquid Selection Consultant (Fixed Fee)	920,000
Torrey Cove	San Diego, CA	Illiquid Selection Consultant (Fixed Fee)	826,822
Third-party marketers		Description of Investments Subject to the Agreement	Fees, Commission or Retainers
N/A		N/A	N/A

Asset Class *	Brief Description of Investments	Management Fees	Carried Interest
Hedge Funds/ Fund of Funds	Includes Domestic and Global HF: Credit Oriented, Long/Short, Market Neutral, Portable Alpha, and Bonds Plus Alpha Engine	12,337,016	11,148,415
Illiquid Credit & Structured	Includes Global and Domestic: Private Debt, High Return Seeking Opportunities	16,230,707	6,265,900
Private Equity	Includes Domestic and Global: Buyout, Growth, Venture, and Secondary Strategies	25,404,299	14,299,251
Real Return/Real Assets	Includes Global and Domestic: Energy and Natural Resources, Infrastructure and Agriculture	16,937,579	1,212,718
Real Estate	Includes Global and Domestic: Core, Opportunistic and Value Add RE	15,023,462	29,336,627
Risk Parity	Risk Parity	—	—

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