



# Annual Statement of the Financial Condition of the Massachusetts Teachers' Retirement System

To the Public Employee Retirement Administration  
Commission  
for the year ended June 30, 2024

# Annual Statement of the Financial Condition of the Massachusetts Teachers' Retirement System

To the Public Employee Retirement Administration Commission  
for the fiscal year ended June 30, 2024

DATE OF FILING: DECEMBER 31, 2024

## THE MASSACHUSETTS TEACHERS' RETIREMENT BOARD

**Iraida J. Álvarez, Esq.**

Chair

Designee of the Commissioner of Elementary and Secondary Education

**Deborah B. Goldberg**

State Treasurer

Chair, Pension Reserves Investment Management (PRIM) Board

**Diana DiZoglio**

State Auditor

**Jacqueline A. Gorrie**

Elected by the membership

Retired Massachusetts educator

**Dennis J. Naughton**

Elected by the membership

MTRS appointed representative to the PRIM Board

Retired Massachusetts educator

**Anne Wass**

Appointed by the Governor

Retired Massachusetts educator

**Richard L. Liston**

Appointed by the Board

Retired Massachusetts educator

# MTRS Annual Statement

For the fiscal year ended June 30, 2024

## Contents

1	<b>Board Certification of Annual Statement</b>
2	<b>Transmittal Letter</b>
5	<b>Public Pension Coordinating Council Award</b>
6	<b>Members of the Board</b>
	<b>Financial Statements</b>
7	Annual Statement Balance Tests
9	Assets and Liabilities
10	Statement of Funds Flow
11	Receipts
12	Disbursements
13	Investment Income
14	<b>Membership Information</b>
15	<b>Significant Accounting Policies and Fund Descriptions</b>
17	<b>Notes on the Financial Statements</b>
	<b>Appendices</b>
20	<b>A Detail of Accounts Receivable and Accounts Payable</b>
	<b>B Massachusetts Pension Reserves Investment Trust Statements</b>
21	Cash Fund
22	MTRS General Allocation Account
	<b>C Supplementary Schedules</b>
23	Members' Balances in the Annuity Savings Account
24	Schedule 1: Cash Account Activity During the Year
25	Schedule 5: Schedule of PRIT Funds
26	Schedule 6: Summary of Investments Owned
27	<b>D Prior Years' Statements of Funds Flow</b>
29	<b>E Actuarial Valuation and Assumptions</b>

## Board Certification of Annual Statement

**ANNUAL STATEMENT**  
for the  
**FINANCIAL CONDITION**  
of the  
**MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**  
Organized under the Laws of the Commonwealth of Massachusetts  
to the

**COMMISSIONER OF PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**  
**OF THE COMMONWEALTH OF MASSACHUSETTS**  
**PURSUANT TO THE LAWS THEREOF**

Massachusetts Teachers' Retirement System  
500 Rutherford Avenue, Suite 210, Charlestown, MA 02129-1628  
Telephone: 617-679-6877

We, the undersigned members of the Teachers' Retirement System, certify under the penalties of perjury, that we are the official board members of said retirement system, and that on the thirtieth day of June last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all the assets, liabilities, income and disbursements, changes in fund balances and of the conditions and affairs of the said retirement system on the said thirtieth day of June last, and for the year ended on that date, according to the best of our information, knowledge and belief, respectively.

**MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

\_\_\_\_\_  
**Iraida J. Álvarez, Esq., Chair**

Designee of the Commissioner of Department of Elementary and Secondary Education

\_\_\_\_\_  
**Jacqueline A. Gorrie**, Board Member  
Term expires 12/31/2027

\_\_\_\_\_  
**Dennis J. Naughton**, Board Member  
Term expires 12/31/2027

\_\_\_\_\_  
**Anne Wass**, Board Member  
Serves until a successor is appointed

\_\_\_\_\_  
**Richard L. Liston**, Board Member  
Term expires 1/31/2028

\_\_\_\_\_  
**Sarah G. Kim**  
Designee of Deborah B. Goldberg

\_\_\_\_\_  
**Michael Leung-Tat**  
Designee of Diana DiZoglio

December 2024

To MTRS active and retired members:

I hope this message finds you well. On behalf of the MTRS Board and staff, I thank you for your past and current service to your communities and the children of the Commonwealth.

We are pleased to submit the Annual Financial Statement of the Massachusetts Teachers' Retirement System (MTRS, System) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the financial statements contained herein and the completeness and fairness of the presentation rests with the management of the MTRS. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in accordance with the financial reporting guidelines of the Public Employee Retirement Administration Commission (PERAC).

### System Overview

The Massachusetts Teachers' Retirement System is a contributory defined benefit plan established on July 1, 1914 pursuant to M.G.L. c. 15, § 16, and governed by M.G.L. c. 32. The largest of the Commonwealth's 104 public retirement systems, the MTRS maintains accounts and provides retirement, disability and survivor benefits to over 102,000 active, 34,000 inactive and 71,000 retired educators of the public schools, educational collaboratives and charter schools of the Commonwealth.<sup>1</sup> The MTRS is governed by a seven-member Board, as follows:

- Commissioner of Elementary and Secondary Education, or his designee, who serves as Chair
- State Treasurer, or her designee
- State Auditor, or her designee
- Two members elected by the active and retired members of the System.<sup>2</sup>
- A retired teacher appointed by the Governor
- A seventh member chosen by the other six Board members

The Board appoints the Executive Director who, together with a staff of 105 full-time and 18 part-time professionals in the main and western regional offices, administers the System.

### Benefit Payments

The primary purpose of the MTRS is to provide secure retirement and survivor benefits to Massachusetts public teachers and administrators, and their beneficiaries. Benefit payments to our 71,644 retirees and survivors totaled \$3.49 billion during the reporting period, an increase of 2.07% over the fiscal year ended June 30, 2023.

### Investments

The assets of the MTRS are held in the Pension Reserves Investment Trust (PRIT) fund, established by Chapter 661 of the Acts of 1983, and managed by the Pension Reserves Investment Management (PRIM) Board. The nine-member PRIM Board, which includes one of the elected members of the MTRS Board and another teacher representative elected by the full MTRS membership, acts as trustee for the MTRS and other participating Massachusetts public retirement systems. Its purpose is to assist the Commonwealth in reducing its unfunded pension liability by maximizing the return on investments within acceptable levels of risk through broad diversification, economies of scale, cost-effective operations, and access to high quality, innovative investments.

The PRIT fund gained 9.93% (gross of fees) for the fiscal year ending June 30, 2024. The 5-year and 10-year returns were 8.51% and 7.76% respectively, and above the 7% actuarial assumed rate of return. At the close of FY 2024, the MTRS asset balance in the PRIT Fund reached a new high of \$40.19 billion.

### Funding

MTRS benefits are funded from three sources: member contributions, employer contributions paid by the Commonwealth, and the investment earnings on the assets of the System. Member contributions are established pursuant to M.G.L. c. 32, § 22. Effective July 1, 2001, all new MTRS members contribute at the rate of 11% of eligible payroll. The average of all MTRS member contributions is 10.31% of total payroll. Pursuant to M.G.L. c. 32, § 22C, in addition to paying the net normal cost<sup>3</sup> of benefits, the Commonwealth is required to make annual payments in accordance with a funding schedule, established triennially, which is designed to reduce the unfunded actuarial liability (UAL) to zero no later than June 30, 2040.

In FY 2024, the Commonwealth appropriated \$4.1 billion for its pension obligations pursuant to the funding schedule, of which \$2.35 billion was allocated to the MTRS. In addition to the \$2.35 billion payment pursuant to the funding schedule, the MTRS assets in the PRIT fund were increased by \$11.9 million from excess capital gains revenues in accordance with M.G.L. c. 29, §5G,

<sup>1</sup> MTRS membership does not include the teachers and administrators of the Boston Public Schools, who are members of the City of Boston Retirement System.

<sup>2</sup> One of two elected MTRS Board members also serves on the Pension Reserves Investment Management Board.

<sup>3</sup> The "normal cost" is the amount that must be contributed to fund the benefits earned by all members of the system in the current year. The "net normal cost" is the employer's share of the normal cost, funded by the Commonwealth.

and \$59 million as a transfer from the General Fund revenue surplus in accordance with Chapter 77 of the Acts of 2023.

FY 2024 was the first year of the triennial funding schedule established by the Commonwealth in January 2023. That schedule requires 9.63% annual increases in the pension appropriation through FY 2028, reduces the annual increase to 5.13% in FY 2029, and further reduces it to 4% per year through FY 2036 when the Commonwealth's unfunded liability will be eliminated, four years ahead of the 2040 statutory deadline.

Regarding the 9.63% increases in the first five years of the schedule, the State Actuary has noted, "since the level of annual increase exceeds 6.0%, there is some risk in whether such a level of annual increase is sustainable."<sup>4</sup> The MTRS Board continues to advocate for the responsible funding of System liabilities to ensure the long-term security and sustainability of member benefits. Although we are concerned about the Commonwealth's ability to pay the 9.63% increases in the future, which will reach \$5.93 billion in year five, we applaud the Governor's and Legislature's commitment to making the payments to date, and were pleased to see the adoption of the more actuarially reasonable schedule of 4% annual increases in the outer years of the schedule.

### Operational Updates

Over the course of the fiscal year ending June 30, 2024, the MTRS completed several strategic operational and service objectives, as follows:

#### Member Services

During the FY 2024 reporting period, we processed 2,400 new retirement benefits and met our service goal to provide benefit payments to members who file timely applications in their first full month of retirement. We held virtual benefits seminars attended by over 2,000 MTRS members and our staff presented at several webinars and in-person conferences hosted by our constituent organizations. After a long hiatus during the pandemic, we also re-instituted in-person *Your MTRS Benefits* seminars and small group retirement counseling sessions, both virtually and in-person. In addition, members continued to use the numerous MTRS videos, calculators and other online resources to assist with their retirement planning.

In FY 2024, MTRS staff responded to 6,829 emails and 47,908 telephone calls from our active and retired members, with a 97% answer rate. The number of phone calls was similar to FY 2023, but the number of emails was 26% fewer, largely due to the introduction of a new "GenInfo" form that helps members navigate to material on our web site that may answer their question.

#### Employer Reporting

In January 2022, we went live with a new version of our pension administration application that improved the security of the application and its compatibility with modern internet browsers, but introduced performance slowness for some of our 420 school district employers who use the system to submit their monthly retirement deduction reports. The system performance issues, coupled with significant local payroll staffing challenges during the pandemic, resulted in many districts falling behind in their statutory reporting requirements. Our system performance issues were resolved by the end of 2022, but many districts still have not caught up, which is impacting members' ability to view their creditable service through our MyTRS portal. Thus, in FY 2024, we increased our Employer Reporting staff by 40% to provide additional support to district payroll officers and have increased our escalation efforts with district superintendents. In addition, for the next legislative session, the MTRS Board filed legislation that, if passed, will impose monetary penalties on districts that fail to comply with the reporting deadlines.

#### Cyber Security

The protection of our members' personally identifiable information (PII) is of utmost importance to the MTRS. In FY 2024, we continued to enhance our cyber security infrastructure and tools, and conducted regular staff training sessions and phishing simulations to promote cyber threat detection and prevention. We also continue to perform regular audits to validate user access to our network, line of business application, and employer self-service application. In addition, we conduct regular network vulnerability assessments and penetration tests. Finally, we maintain a cyber insurance policy to provide necessary response coverage in the event of a cyber-attack.

### Legislation

Pursuant to the provisions of Section 33 of Chapter 30 of the General Laws, the Massachusetts Teachers' Retirement Board filed the following recommendations for consideration during the 2023-2024 legislative session, and have refiled these bills for the next legislative session.

#### Creditable Service Study

The purpose of this study would be to evaluate and study the costs and benefits attributable to all service purchases allowed under Chapter 32, to review the associated actuarial liabilities, to recommend appropriate cost-sharing between employee and employer, to explore whether the types of allowable service purchases can be expanded, and recommend any other changes deemed necessary to improve the long-term sustainability of the MTRS and other Massachusetts

<sup>4</sup> See Commonwealth Actuarial Valuation Report, January 1, 2023, p. 10.

contributory retirement systems.

**Pension Forfeiture**

This legislation would make substantive and technical changes to the retirement statutes regarding the forfeiture of a Massachusetts public employee retirement benefit. The legislation would: re-define the phrase “criminal offense involving violation of the laws applicable to his office or position” in the case of a member whose primary job responsibilities involve contact with children or any member of the Massachusetts Teachers’ Retirement System or a teacher who is a member of the Boston Retirement System to include possession of child pornography under G.L. c. 272, § 29C, as well as other sex offenses involving children; restrict forfeitures to felony convictions; allow for an “innocent beneficiary” named as an Option C beneficiary to collect the Option C survivor benefit notwithstanding the member’s forfeited benefit; continue to allow total forfeiture, but also allow retirement boards the option of a tiered reduction in pension benefits depending on the severity of the crime; and other technical changes.

**Non-public School Service Purchases**

This legislation would clarify ambiguities in the retirement statute regarding the types of service rendered in publicly funded non-public schools that are eligible for purchase. The current language allows the purchase of service when the member was “engaged in teaching pupils” rather than service as a “teacher” as defined in c. 32, § 1. Amending this language to service “as a teacher as defined in section 1” will align the types of non-public school service for which members can purchase credit with those that qualify for MTRS membership when rendered in a public school. In addition, this legislation would address a statutory flaw in the cost calculation introduced in 1973, making the cost of non-public school services consistent with all other service purchases.

**Interest on Refund Buybacks**

This technical change would correct a loophole in the statute. Before 1983, members who returned to service within two years after taking a refund were required to pay back their refund immediately upon re-employment, and therefore were charged interest through their date of re-employment. In 1983, that requirement was lifted, making the repayment of the refund optional. However, the statutory language regarding interest being charged only through the date of re-employment for those members who returned within two years was not updated. This legislation would eliminate the inconsistency caused by this oversight and calculate the interest on all refund buybacks through the date of repayment.

**Purchase of Service in all U.S. Territories**

This legislation would extend the opportunity to purchase up to five years of teaching service, which is presently limited to teaching in the public schools of Puerto Rico, to include the public schools of all Territories of the United States..

**Definition of Wages for Retirement Calculations**

This legislation would allow supplemental pay while on workers’ compensation benefits to be defined as wages for retirement calculations.

**Parental and Family Equity for Public Retirement System Members**

This legislation would extend membership rights to any member who is on an authorized leave of absence without pay for more than one year if such leave is permitted under the family and medical leave laws pertaining to his position.

**Acknowledgments**

The preparation of this report is through the combined efforts of MTRS professional staff, and represents our commitment to the MTRS mission: To ensure that members of the Massachusetts Teachers’ Retirement System achieve and maintain a successful and secure retirement through responsible benefits administration, financial integrity and the provision of outstanding services.

Respectfully submitted,



Erika M. Glaster  
Executive Director



## Public Pension Coordinating Council Award



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2024***

Presented to

***Massachusetts Teachers' Retirement System***

In recognition of meeting professional standards for  
plan funding and 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 dark ink, reading 'Alan H. Winkle'. The signature is fluid and cursive, with the first name 'Alan' and last name 'Winkle' clearly visible.

Alan H. Winkle  
Program Administrator



## Members of the Board



**Iraida J. Álvarez, Esq.**  
Chair

Designee of the  
Commissioner  
of Department of  
Elementary and  
Secondary Education



**Jacqueline A. Gorrie**

Elected by  
the membership

Retired Massachusetts  
educator



**Deborah B. Goldberg**  
State Treasurer

Chair,  
Pension Reserves  
Investment  
Management (PRIM)  
Board



**Dennis J. Naughton**

Elected by the  
membership

Retired Massachusetts  
educator;  
MTRS appointed  
representative  
to the PRIM Board



**Diana DiZoglio**  
State Auditor



**Anne Wass**

Appointed by  
the Governor

Retired  
Massachusetts  
educator



**Richard L. Liston**

Appointed by the  
Board

Retired  
Massachusetts  
educator

## Annual Statement Balance Tests

For the year ended June 30, 2024

Fiscal 2024

### ASSET BALANCE

Assets Previous Year	\$ 37,023,728,646
Income Current Year	7,495,194,940
Disbursements Current Year	4,096,384,966
<b>Assets Current Year</b>	<b>\$ 40,422,538,620</b>

### ASSET DIFFERENCE

Assets Current Year	\$ 40,422,538,620
Assets Previous Year	37,023,728,646
<b>Difference</b>	<b>\$ 3,398,809,974</b>

### INCOME DIFFERENCE

Income Current Year	\$ 7,495,194,940
Disbursements Current Year	4,096,384,966
<b>Difference</b>	<b>\$ 3,398,809,974</b>

### FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	\$ 8,181,172,169
Total Fund Change Debits Current Year	4,782,362,195
<b>Difference</b>	<b>\$ 3,398,809,974</b>

**Annual Statement Balance Tests**

Continued

## Three-Year Comparison

	Fiscal 2022	Fiscal 2023	Fiscal 2024
ASSET BALANCE			
Assets Previous Year	\$ 37,088,123,585	\$ 35,384,861,786	\$ 37,023,728,646
Income Current Year	2,114,216,653	5,581,850,131	7,495,194,940
Disbursements Current Year	3,817,478,452	3,942,983,271	4,096,384,966
<b>Assets Current Year</b>	<b>\$35,384,861,786</b>	<b>\$37,023,728,646</b>	<b>\$40,422,538,620</b>

## ASSET DIFFERENCE

Assets Current Year	\$ 35,384,861,786	\$ 37,023,728,646	\$ 40,422,538,620
Assets Previous Year	37,088,123,585	35,384,861,786	37,023,728,646
<b>Difference</b>	<b>\$(1,703,261,799)</b>	<b>\$ 1,638,866,860</b>	<b>\$ 3,398,809,974</b>

## INCOME DIFFERENCE

Income Current Year	\$ 2,114,216,653	\$ 5,581,850,131	\$ 7,495,194,940
Disbursements Current Year	3,817,478,452	3,942,983,271	4,096,384,966
<b>Difference</b>	<b>\$(1,703,261,799)</b>	<b>\$ 1,638,866,860</b>	<b>\$ 3,398,809,974</b>

## FUND CHANGE DIFFERENCE

Total Fund Change			
Credits Current Year	\$ 3,188,506,949	\$ 6,556,265,395	\$ 8,181,172,169
Total Fund Change			
Debits Current Year	4,891,768,748	4,917,398,535	4,782,362,195
<b>Difference</b>	<b>\$(1,703,261,799)</b>	<b>\$ 1,638,866,860</b>	<b>\$ 3,398,809,974</b>

## Assets and Liabilities

		Fiscal 2022	Fiscal 2023	Fiscal 2024
1100	Cash	\$ 171,270,702	\$ 112,849,765	\$ 106,800,854
1198	PRIT Cash Account	43,944,550	28,560,126	43,011,105
1199	PRIT Capital Fund	35,077,019,277	36,763,455,369	40,150,102,340
1398	Accounts Receivable	120,133,883	152,102,722	151,573,004
1400	Prepaid Postage	153,413	119,597	101,290
1350	Prepaid Contracts	322,623	247,699	338,376
1900	Intangible Software Costs <sup>1</sup>	—	—	—
2020	Accounts Payable	(25,838,566 )	(31,493,810)	(26,042,320)
2097	Deferred Revenue <sup>11</sup>	(2,144,096 )	(2,112,822)	(3,346,029)
	<b>Total</b>	<b>\$35,384,861,786</b>	<b>\$37,023,728,646</b>	<b>\$40,422,538,620</b>
3293	Annuity Savings Fund	\$ 9,759,464,884	\$ 10,312,047,215	\$ 10,969,285,706
3294	Annuity Reserve Fund	1,230,045,667	947,999,527	587,417,819
3295	Military Service Fund	343,847	338,875	345,087
3296	Pension Fund	—	—	—
3298	Expense Fund	—	—	—
3297	Pension Reserve Fund	24,395,007,388	25,763,343,029	28,865,490,008
	<b>Total</b>	<b>\$35,384,861,786</b>	<b>\$37,023,728,646</b>	<b>\$40,422,538,620</b>

## Statement of Funds Flow

	July 1 2023 Balance	Receipts	Inter-Fund Transfers	Disbursements	June 30 2024 Balance
Annuity Savings Fund	\$ 10,312,047,215	\$1,069,997,401	\$(345,188,730)	\$ 67,570,180	\$ 10,969,285,706
Annuity Reserve Fund	947,999,527	25,825,955	345,239,049	731,646,712	587,417,819
Pension Fund	—	2,666,962,964	340,738,390	3,007,701,354	—
Military Service Fund	338,875	17,823	(11,611)	—	345,087
Expense Fund	—	289,466,720	—	289,466,720	—
Pension Reserve Fund	25,763,343,029	3,442,924,077	(340,777,098)	—	28,865,490,008
<b>Total All Funds</b>	<b>\$37,023,728,646</b>	<b>\$7,495,194,940</b>	<b>\$ 0</b>	<b>\$4,096,384,966</b>	<b>\$40,422,538,620</b>

## INTER-FUND TRANSFERS

Description	Annuity Savings Fund	Annuity Reserve	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total
New retirees	\$(345,227,438)	\$ 345,227,438	0	0	0	0	\$0
Repay pension and annuity and unretirement	38,708	0	0	0	0	(38,708)	0
New retirees	0	11,611	0	(11,611)	0	0	0
Funding pension benefits	0	0	340,738,390	0	0	(340,738,390)	0
<b>Total</b>	<b>\$(345,188,730)</b>	<b>\$ 345,239,049</b>	<b>340,738,390</b>	<b>\$(11,611)</b>	<b>\$0</b>	<b>\$ (340,777,098)</b>	<b>\$0</b>

## Receipts

		Fiscal 2022	Fiscal 2023	Fiscal 2024
<b>Annuity Savings Fund</b>				
4891	Members' Deductions	\$ 892,124,206	\$ 943,929,106	\$ 987,837,481
4892	Transfers from Other Systems	14,737,964	24,406,588	48,538,010
4893	Member Make-Up Payments and Redeposits	8,551,548	10,292,729	10,059,904
4900	Member Payments from Rollovers	6,841,634	10,470,277	13,662,857
4820	Investment Income	8,828,066	9,314,385	9,899,149
	<b>Subtotal</b>	<b>\$ 931,083,416</b>	<b>\$ 998,413,084</b>	<b>\$ 1,069,997,401</b>

### Annuity Reserve Fund

4820	Investment Income	43,506,195	35,648,463	25,825,955
	<b>Subtotal</b>	<b>\$ 43,506,195</b>	<b>\$ 35,648,463</b>	<b>25,825,955</b>

### Pension Fund

4898	3(8)(c) Reimbursements from Other Systems <sup>2</sup>	58,852,060	67,344,478	75,971,095
4899	Received from Commonwealth for COLA <sup>3</sup>	316,914,962	348,046,545	361,050,107
4894	Pension Fund Appropriation <sup>3</sup>	1,749,814,795	1,918,886,413	2,229,911,337
4840	Workers' Compensation Settlement <sup>4</sup>	24,000	38,000	30,425
4841	Recovery of 91A and 91(b) Overearnings <sup>5</sup>	1,671	33,123	0
4825	Miscellaneous <sup>7</sup>	2,037	0	0
	<b>Subtotal</b>	<b>\$ 2,125,609,526</b>	<b>\$ 2,334,348,560</b>	<b>\$ 2,666,962,964</b>

### Military Service Fund

4890	Contributions Received for Military Service	17,584	15,686	17,478
4820	Investment Income	335	330	345
	<b>Subtotal</b>	<b>\$ 17,919</b>	<b>\$ 16,015</b>	<b>\$ 17,823</b>

### Expense Fund

4896	Expense Fund Appropriation	272,326,301	261,691,715	289,466,720
	<b>Subtotal</b>	<b>\$ 272,326,301</b>	<b>\$ 261,691,715</b>	<b>\$ 289,466,720</b>

### Pension Reserve Fund

4897	Federal Grant Reimbursement	3,492,868	4,519,306	2,337,119
4822	Interest Not Refunded <sup>6</sup>	252,512	201,155	139,371
4820	Excess Investment Income	(1,484,182,021)	1,863,373,143	3,369,475,778
4825	Miscellaneous <sup>7</sup>	0	393	210
4895	Additional Commonwealth Funding <sup>12</sup>	147,579,333	59,032,709	59,032,709
4889	Capital Gain Revenue, G.L. Ch29, 5G <sup>13</sup>	74,530,603	24,605,588	11,938,890
	<b>Subtotal</b>	<b>\$(1,258,326,705)</b>	<b>\$ 1,951,732,294</b>	<b>\$ 3,442,924,077</b>

<b>TOTAL RECEIPTS</b>		<b>\$ 2,114,216,653</b>	<b>\$ 5,581,850,131</b>	<b>\$ 7,495,194,940</b>
-----------------------	--	-------------------------	-------------------------	-------------------------



## Disbursements

		Fiscal 2022	Fiscal 2023	Fiscal 2024
<b>Annuity Savings Fund</b>				
5757	Refunds to Members	\$ 39,040,411	\$ 41,815,614	\$ 44,418,741
5757.1	Section 11 Active Death Refunds	1,729,841	1,629,637	1,935,664
5756	Transfers to Other Systems	9,891,856	11,387,877	21,215,775
	<b>Subtotal</b>	<b>\$ 50,662,108</b>	<b>\$ 54,833,129</b>	<b>\$ 67,570,180</b>
<b>Annuity Reserve Fund</b>				
5750	Annuities Paid	676,465,370	706,782,103	730,304,881
5759	Option B Refunds <sup>8</sup>	1,230,156	2,009,582	1,341,830
	<b>Subtotal</b>	<b>\$ 677,695,526</b>	<b>\$ 708,791,685</b>	<b>\$ 731,646,711</b>
<b>Pension Fund</b>				
5751	Pensions Paid (Regular Pension Payments)	2,314,500,702	2,367,085,551	2,402,189,781
5755	3(8)(c) Reimbursements to Other Systems <sup>2</sup>	6,010,192	5,701,687	5,989,055
5755.1	Boston Teachers' Payment	179,368,662	196,832,959	238,472,411
5753	QEBA <sup>9</sup>	845	0	0
5752	COLAs Paid	316,914,962	348,046,545	361,050,107
	<b>Subtotal</b>	<b>\$ 2,816,794,518</b>	<b>\$ 2,917,666,742</b>	<b>\$ 3,007,701,354</b>
<b>Military Service Fund</b>				
4890	Return to Municipality for Members Who Withdrew their Funds	—	—	—
	<b>Subtotal</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Expense Fund</b>				
5119	Salaries	10,410,440	11,612,857	13,230,007
5304	Management Fees	194,278,193	173,014,972	193,375,688
5308	Legal Expenses	3,837	10,881	6,141
5310	Insurance	60,836	60,224	119,829
5311	Service Contracts	3,669,171	3,316,255	2,752,608
5312	Rent Paid	1,018,959	1,056,818	1,078,291
5320	Education and Training	9,277	44,886	38,097
5589	Administrative Expenses	381,328	569,228	438,954
5599	Furniture and Equipment	113,219	80,297	53,516
5719	Travel	5,612	30,464	34,275
5897	Federal Grants Distributed	3,492,868	4,519,306	2,337,119
5900	3(8)(c) Reimbursement to General Fund <sup>2</sup>	58,852,060	67,344,478	75,971,094
5315	Professional Expense	30,500	31,100	31,100
	<b>Subtotal</b>	<b>\$ 272,326,301</b>	<b>\$ 261,691,715</b>	<b>\$ 289,466,720</b>
<b>Pension Reserve Fund</b>				
	<b>Subtotal</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>TOTAL DISBURSEMENTS</b>		<b>\$ 3,817,478,452</b>	<b>\$ 3,942,983,271</b>	<b>\$ 4,096,384,966</b>

## Investment Income

	Fiscal 2022	Fiscal 2023	Fiscal 2024
INVESTMENT INCOME			
Investment Income received from:			
Cash	\$ 298,261	\$ 1,036,925	\$ 962,862
Pooled or Mutual Funds	916,487,805	945,401,432	1,025,024,030
<b>Total Investment Income</b>	<b>\$ 916,786,066</b>	<b>\$ 946,438,357</b>	<b>\$1,025,986,892</b>
4884 Realized Gains	1,615,469,637	214,870,194	941,358,965
4886 Unrealized Gains	2,271,239,434	5,625,827,271	5,002,397,857
	<b>\$ 3,886,709,071</b>	<b>\$ 5,840,697,464</b>	<b>5,943,756,822</b>
4887 Less Unrealized Losses	(5,963,016,262)	(4,617,107,786)	(3,238,933,054)
4885 Realized loss	0	0	(36,142,713)
<b>Net Investment Income (loss)</b>	<b>\$(1,159,521,124)</b>	<b>\$ 2,170,028,035</b>	<b>\$3,694,667,947</b>
INCOME REQUIRED			
3293 Annuity Savings Fund	8,828,066	9,314,385	9,899,149
3294 Annuity Reserve Fund	43,506,195	35,648,463	25,825,955
3295 Military Service Fund	335	330	345
3298 Expense Fund	272,326,301	261,691,715	289,466,720
<b>Total Income Required</b>	<b>\$ 324,660,897</b>	<b>\$ 306,654,892</b>	<b>\$ 325,192,169</b>
<b>Net Investment Income</b>	<b>\$(1,159,521,124)</b>	<b>\$ 2,170,028,035</b>	<b>\$3,694,667,947</b>
<b>Less Income Required</b>	<b>324,660,897</b>	<b>306,654,892</b>	<b>325,192,169</b>
<b>Excess Income (Loss) to Pension Reserve Fund</b>	<b>\$(1,484,182,021)</b>	<b>\$ 1,863,373,143</b>	<b>\$ 3,369,475,778</b>

## Membership Information

### Active Members

Previous Year Ending June 30, 2023	102,510
Net Change During Report Year 2024	115
<b>Active Membership Current Year Ending June 30, 2024</b>	<b>102,625</b>

### Inactive Members

Previous Year Ending June 30, 2023	35,962
Net Change During Report Year 2024	(1,941)
<b>Inactive Membership Current Year Ending June 30, 2024</b>	<b>34,021</b>

### Retired Members, Beneficiaries and Survivors

Previous Year Ending June 30, 2023	71,208
Net Change During Report Year 2024	436
<b>Retired, Beneficiary and Survivor Membership Current Year Ending June 30, 2024</b>	<b>71,644</b>

Superannuation	38,301
Minimum Pension Retirements	91
Pop-Up Retirements	1,363
Early Retirements	446
RetirementPlus Retirements	26,319
Survivors—Active	1,968
Survivors—Retiree	2,301
Accidental Death Retirements	11
Ordinary Disability	348
Accidental Disability	284
Termination	176
Guardian	26
Minimum Pension—Survivor	10

<b>Total Membership, June 30, 2024</b>	<b>208,290</b>
--	----------------

## Significant Accounting Policies and Fund Descriptions

The accounting records of the System for June 30, 2024 are maintained on a fiscal year basis in accordance with the standards and procedures established by the Executive Director of the Public Employee Retirement Administration Commission. All investments are stated at market value at the end of the year.

### ■ Annuity Savings Fund

The Annuity Savings Fund is the fund to which all members' contributions are deposited. Members withdrawing from the System receive a refund of their total accumulated contributions and a required amount of interest. Refunds to members for the report year 2024 were \$44,418,741, refunds to beneficiaries of deceased active members were \$1,935,664 and transfers to other systems were \$21,215,775. The value of the Annuity Savings Fund was \$10.969 billion as of June 30, 2024. In 2024, interest is accrued at a rate of 0.1%.

### ■ Annuity Reserve Fund

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and the Special Fund for Military Service credit. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance. In 2024, an amount of \$345.227 million was transferred to the Annuity Reserve Fund. The value of the Annuity Reserve Fund was \$587.4 billion as of June 30, 2024.

### ■ Military Service Fund

The Military Service Fund contains contributions and interest for members who receive creditable service while on a military leave. The balance in the Military Service Fund on June 30, 2024 was \$345,087. Contributions and interest income credited to the Military Service Fund were \$17,479 and \$345 respectively. In 2024, an amount of \$11,610 was transferred to the Annuity Reserve Fund.

### ■ Pension Fund

The Pension Fund contains the amounts appropriated by the Commonwealth of Massachusetts and investment funds liquidated from the Pension Reserve Investment Trust designated to pay the pension portion of each retirement allowance. The fund is fully funded by the Pension Reserve Fund.

### ■ Expense Fund

The Expense Fund is fully funded from amounts transferred from investment income for the purpose of administering the Teachers' Retirement System.

Management Fees are amounts paid by the Pension Reserve Investment Trust for managing investments. PERAC requires these costs be accounted for in the expense fund.

3(8)(c) Reimbursements to the General Fund are \$75,971,094 for 3(8)(c) payments received from other retirement systems, which are deposited into the MTRS account at Bank of America and then swept by Treasury and posted to the Commonwealth's General Fund. MTRS does not have spending authority on these funds.

---

Federal Grants Distributed equal fringe assessments collected in the amount of \$2,337,119. Federal grant fringe payments are a pass-through from school districts to MTRS to the Commonwealth's General Fund; MTRS role is administrative in that we collect, deposit and record federal grant fringe amounts to the Commonwealth's General Fund with no spending authority.

■ **Pension Reserve Fund**

The Pension Reserve Fund is administered by the Pension Reserves Investment Management Board (PRIM Board). The Fund contains amounts appropriated by the Commonwealth of Massachusetts for the purpose of funding future retirement benefits. Any investment income in excess of the amount required to credit the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund and the Special Military Service fund is credited to the Pension Reserve Fund. In 1996, Massachusetts State Teachers' and Employees' Retirement Systems Trust (MASTERS) was merged into the Pension Reserves Investment Trust (PRIT) Fund to form a consolidated pension fund under the management of the Pension Reserves Investment Management Board. Inactive member account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

## Notes on the Financial Statements

### 1. Intangible Software Costs: New Line of Business Solution/MyTRS

#### Capital Asset Activity

Computer hardware and software are recorded at cost and were amortized on a straightline basis over a useful life of 3 years and 7 years respectively.

	July 1, 2023	Increase	Decrease	June 30, 2024
<b>Assets Being Amortized:</b>				
Infrastructure	\$ 936,319	\$ —	\$ —	\$ 936,319
Computer Hardware	163,171	—	—	163,171
Computer Software	27,582,698	—	—	27,582,698
Total	\$ 28,682,188	\$ —	\$ —	\$ 28,682,188
<b>Less: Accumulated Amortization</b>				
Computer Hardware	\$ 163,170	\$ —	\$ —	\$ 163,170
Computer Infrastructure	936,319	—	—	936,319
Computer Software	27,582,699	—	—	27,582,699
	\$ 28,682,188	\$ —	\$ —	\$ 28,682,188
Net Book Value	\$ —	\$ —	\$ —	\$ —

### 2. 3(8)(c)

Pursuant to G.L. c. 32, § 3(8)(c), these are pension benefit reimbursements received from other Massachusetts public retirement systems for the portion of the benefit attributable to the creditable service rendered in the other system. The total 3(8)(c) reimbursements received in 2024 for calendar year 2023 were credited to the Commonwealth General Fund. The Teachers' Retirement System's 3(8)(c) reimbursements from other systems during report year 2024 were \$75,971,095. The amount the Teachers' Retirement System paid to other systems was \$5,989,055.

### 3. Commonwealth Pension Funding

The Commonwealth appropriated \$2,590,961,444 for State and Boston Teachers for fiscal 2024.

#### Pension Funding Schedule

Boston Teachers Appropriation	\$ 238,472,411
State Teachers Appropriation	1,991,438,926
COLA	361,050,107
<b>Total</b>	<b>\$ 2,590,961,444</b>



**4. Workers' Compensation**

Pursuant to G.L. c. 32 § 14, members who receive disability retirement benefits and also receive workers' compensation benefits are subject to an offset. If the member settles their workers' compensation claim and receives a lump-sum payment therefrom, the MTRS is paid the portion of the lump-sum representing future lost wages to account for the offset that would otherwise have been taken from the member's monthly disability retirement payments. In fiscal 2024, the MTRS received a total of \$30,425 from the workers' compensation settlements of three disability retirement recipients.

**5. Recovery of 91A and 91(b) Overearnings**

Members who exceed the earnings limits are required to remit payments to MTRS. For fiscal 2024, all overpayments were paid by a reduction of benefits. For fiscal 2023 and 2022, \$33,123 and \$1,671 were received by check.

**6. Interest Not Refunded**

Interest not refunded is interest forfeited by members due to criminal convictions or upon withdrawal from the system. Members hired on or after January 1, 1984, who leave service and take a refund are only eligible to receive the interest that was credited to their account for up to two years immediately following their date of separation from service. The 2024 Interest Not Refunded of \$139,371 is recorded as revenue in the Pension Reserve Fund.

**7. Miscellaneous Income**

Miscellaneous income in the Pension Reserve Fund is \$210 which includes a \$20 badge replacement fee and \$190 due to an investment legal settlement between the MTRS and the State Board. In fiscal 2023, the settlement was \$393.

Miscellaneous income in the Pension Fund for fiscal 2022 was \$2,037 which was a \$2,000 pension overpayment redeposited and \$37 for witness fees.

**8. Option B Refunds**

Upon the death of retirees electing Option B, refund payments are made to their beneficiary(ies) for the remaining balance in their annuity savings account.

**9. Qualified Excess Benefit Arrangement (QEBA)**

To comply with Section 415(b) of the Internal Revenue Code which imposes limits on retirement benefits, the MTRS has funded a QEBA account.

The QEBA account will provide benefits that cannot be provided under a qualified plan due to the limits of Section 415(b).

The balance is a separate account in MMARS and is reported with the Cash account 1100 on page 9.

The Activity in the Account:	Beginning Balance	\$60,795
	Revenue	—
	Less Payments	—
	Balance 6/30/24	\$ 60,795

**10. Estate Accounts Receivable and Payable**

When a benefit recipient dies, depending on the timing of the death notification relative to the monthly benefit warrant, this event may create a receivable or payable between the retirement system and the estate. At June 30, 2024 the amount due to be received from estates from 2020 to present is \$468,765 and the amount payable to estates including the deceased members' remaining annuity balance is \$2,264,959.

**11. Installment Accounts Receivable and Deferred Revenue**

Members may purchase creditable service on an installment basis. There are approximately 421 members with \$5,821,990 in potential receivables due for service purchases. Of that total, \$2,475,961 is due to be collected within one year. The remaining \$3,346,029, due to be collected after one year, is reported as a deferred revenue.

**12. Additional Commonwealth Funding**

Pursuant to Chapter 77 of the Acts of 2023, Section 2A, the MTRS received a total of \$59,032,709 of a \$100,000,000 total transfer from the General Fund to the Commonwealth's Pension Liability Fund (CPLF).

A separate transfer from the General fund to the CPLF of \$59,032,709 was received in FY23 pursuant to Chapter 126 of the Acts of 2022, Section 102.

**13. Capital Gains Revenue from the Commonwealth**

In accordance with M.G.L. Chapter 29 Section 5G, The Commonwealth transferred to MTRS \$11,938,890 in fiscal 2024, \$24,605,588 in fiscal 2023 and \$74,530,603 in fiscal 2022 to pay down pension debt from excess capital gains revenue.

## Appendix A

## Detail of Accounts Receivable and Accounts Payable

			2024 Amount
ACCOUNTS RECEIVABLE			
4893	Estate Accounts Receivable <sup>10</sup>	\$	468,765
4893	Allowance for Doubtful Accounts		(289,149)
	<b>Net, Estate Accounts Receivable</b>	<b>\$</b>	<b>179,616</b>
1395	3(8)(c) Accounts Receivable	\$	21,849,292
1395.1	Allowance for Doubtful Accounts		(1,256,480)
	<b>Net, 3(8)(c) Accounts Receivable</b>	<b>\$</b>	<b>20,592,812</b>
4893	Installment Accounts Receivable <sup>11</sup>		5,821,990
4891	Member Deductions		124,961,227
1396.2	Overpayment Receivable		17,360
	<b>Total Accounts Receivable</b>	<b>\$</b>	<b>151,573,004</b>
ACCOUNTS PAYABLE			
2021	Accrued Payroll	\$	34,955
5311	Service Contracts		146,377
5589	Administrative Expense		10,235
5757	Estate Accounts Payable <sup>10</sup>		2,264,959
2022	Escrow Assets Held in Trust for Members		68,044
2020	Rent		2,622
2020.2	3(8)(c) Payable		1,021,583
5900	3(8)(c) Due to General Fund		20,592,812
5599	Furniture & Expenses		8,862
2020.4	V10 Upgrade Service Retainage		225,000
1401	Prepaid Hardware/Software		66,703
1404	Education and Training Prepaid		366
5719	Travel		3,015
2020.3	Annuity Accounts Payable		1,596,789
	<b>Total Accounts Payable</b>	<b>\$</b>	<b>26,042,320</b>

## Appendix B

## Massachusetts Pension Reserves Investment Trust Statements

**MTRS Cash Fund** For the year ending June 30, 2024**Pension Reserves Investment Management Board**

53 State Street, Suite 600  
Boston, Massachusetts 02109

Deborah B. Goldberg, Treasurer and Receiver General, Chair  
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer

**State Teachers Retirement System****Cash Investment****June 01, 2024 to June 30, 2024**

	<b>Month To Date</b>	<b>Fiscal Year To Date</b>	<b>Calendar Year To Date</b>
<b>Your beginning net asset value for the period was:</b>	17,128,569.39	28,560,125.65	11,053,137.99
<b>Your investment income for the period was:</b>	305,970.83	3,357,142.48	1,706,522.23
<b>Your total contributions for the period were:</b>	110,227,880.72	1,136,487,401.47	636,494,902.03
<b>Your total redemptions for the period were:</b>	(98,703,485.51)	(1,235,718,847.70)	(610,961,193.28)
<b>Your total exchanges for the period were:</b>	14,052,169.77	110,325,283.30	4,717,736.23
<b>Your state appropriations for the period were:</b>	0.00	0.00	0.00
<b>Your ending net asset value for the period was:</b>	<b>43,011,105.20</b>	<b>43,011,105.20</b>	<b>43,011,105.20</b>

As of June 30, 2024 the net asset value of your investment in the Cash Fund was:

**\$43,011,105.20**

If you have any questions regarding your statement, please contact the Client Services team at [clientservice@mapension.com](mailto:clientservice@mapension.com).  
A detailed statement of your account is attached to this summary sheet.

## Appendix B

## Massachusetts Pension Reserves Investment Trust Statements

**MTRS General Allocation Account** For the year ending June 30, 2024**Pension Reserves Investment Management Board**

53 State Street, Suite 600  
Boston, Massachusetts 02109

Deborah B. Goldberg, Treasurer and Receiver General, Chair  
Michael G. Trosky, CFA, Executive Director and Chief Investment Officer

**State Teachers Retirement System**  
General Allocation Account  
June 01, 2024 to June 30, 2024

	Month To Date	Fiscal Year To Date	Calendar Year To Date
Your beginning net asset value for the period was:	39,872,780,991.86	36,763,453,369.08	38,217,399,662.41
Your change in investment value for the period was:	291,373,518.25	3,496,972,254.56	1,937,420,414.16
Your exchanges from (to) the Cash Fund for the period were:	(14,052,169.77)	(110,325,283.30)	(4,717,736.23)
Your ending net asset value for the period was:	<u>40,150,102,340.34</u>	<u>40,150,102,340.34</u>	<u>40,150,102,340.34</u>
Net Change in Investment Value represents the net change through investment activities as follows:			
Gross Investment Income:	110,256,238.16	1,021,666,887.92	554,557,606.20
Less Management Fees:	(21,032,422.95)	(193,375,688.13)	(98,709,895.24)
Net Investment Income:	89,223,805.21	828,291,199.79	455,847,710.96
Net Fund Unrealized Gains/Losses:	92,555,901.44	1,763,464,802.88	839,006,442.64
Net Fund Realized Gains/Losses:	109,593,811.60	905,216,251.89	642,566,360.56
Net Change in Investment Value as Above:	<u>291,373,518.25</u>	<u>3,496,972,254.56</u>	<u>1,937,420,414.16</u>

As of June 30, 2024 the net asset value of your investment in the PRIT Fund was: \$40,150,102,340.34

## Appendix C

### Supplementary Schedules

#### **Members' Balances in the Annuity Savings Account**

For the fiscal year ending June 30, 2024

Previous Balance	\$ 10,312,047,215
Total Additions Current Year	1,060,098,252
Total Interest Current Year	9,899,149
Reductions	(67,570,180)
Transfer to Annuity Reserves	(345,227,438)
Transfer to Military Service Fund	0
Transfer from Pension Reserve Fund	38,708
<b>Balance Current Year</b>	<b>\$ 10,969,285,706</b>



## Appendix C

## Supplementary Schedules

**Schedule 1: Cash Account Activity During the Year**

For the fiscal year ending June 30, 2024

Type of Account, Account Number, Interest Rate	Book value at the End of the Previous Year	Total Deposits this Year	Income Reinvested/ Redeposited into Account	Withdrawals During the Year	Total Book Value 6/30 this Year	Cash Income Paid to System Not Reinvested or Redeposited	Interest due and accrued 6/30
Bank of America	\$ 0	\$ 65,138,997	\$ 0	\$ 65,138,997	\$ 0	\$ 0	\$ 0
Mellon	1,161,619	1,056,035,492	0	1,054,089,495	3,107,616	0	0
M&T Bank Advance	0	264,290	0	264,290	0	0	0
M&T Bank Escrow	158,587	77,989	0	168,532	68,044	0	0
MMDT	\$ 1,862,125	\$ 962,862	\$ 0	\$ 0	\$ 2,824,987	\$ 0	\$ 0
Bank Cash	\$ 3,182,331	\$1,122,479,629	\$ 0	\$ 1,119,661,314	\$ 6,000,646	\$ 0	\$ 0
Cash Available on MMARS	109,667,434	\$3,905,343,161	\$ 0	\$ 3,914,210,386	\$100,800,208	0	0
Total Cash	\$112,849,765	\$5,027,822,789	\$ 0	\$ 5,033,871,701	\$106,800,854	\$ 0	\$ 0
PRIT Cash Fund	\$ 28,560,126	\$1,328,363,396	\$ 0	\$ 1,313,912,416	\$ 43,011,105	\$ 0	\$ 0

## Appendix C

## Supplementary Schedules

**Schedule 5: Schedule of PRIT Funds**

For the year ending June 30, 2024

	PERAC Ledger Number 1199 PRIT Capital Fund
Market Value, End of Previous Year	\$ 36,763,455,369
Total Purchases this Year at Cost/Member Deductions	—
Reinvested Investment Income	1,021,666,888
Realized Gains	941,358,965
Realized Losses	(36,142,713 )
Unrealized Gains	5,002,397,857
Unrealized Losses	(3,238,933,054 )
Total Sales/Redemptions this Year: Amount Received	—
Cash Exchanged with Cash Fund	(110,325,284 )
Fees Paid	(193,375,688 )
Market Value at the End of this Year	\$ 40,150,102,340

## Appendix C

## Supplementary Schedules

**Schedule 6: Summary of Investments Owned**

For the year ending June 30, 2024

	PERAC Ledger Number			
	1100 Cash	1198 PRIT Cash	1199 PRIT Fund	Total
Current Market Value	\$ 106,800,854	\$ 43,011,105	\$ 40,150,102,340	<b>\$40,299,914,300</b>
Commissions Paid During Current Year	\$ —	\$ —	\$ 193,375,688	<b>\$ 193,375,688</b>
Investment Income Received During Year	\$ 962,962	\$ 3,357,142	\$ 1,021,666,888	<b>\$ 1,025,986,992</b>

## Appendix D

## Prior Years' Statements of Funds Flow

For the year ended June 30, 2023

	July 1 2022 Balance	Receipts	Inter-Fund Transfers	Disbursements	June 30 2023 Balance
Annuity Savings Fund	\$ 9,759,464,884	\$ 998,413,084	\$(390,997,624)	\$ 54,833,120	\$ 10,312,047,215
Annuity Reserve Fund	1,230,045,667	35,648,463	391,097,082	708,791,685	947,999,527
Pension Fund	—	2,334,348,560	583,318,182	2,917,666,742	—
Military Service Fund	343,847	16,015	(20,988)	—	338,875
Expense Fund	—	261,691,715	—	261,691,715	—
Pension Reserve Fund	24,395,007,388	1,951,732,291	(583,396,652)	—	25,763,343,029
<b>Total All Funds</b>	<b>\$35,384,861,786</b>	<b>\$5,581,850,131</b>	<b>\$ 0</b>	<b>\$3,942,983,272</b>	<b>\$37,023,728,646</b>

## INTER-FUND TRANSFERS

Description	Annuity Savings Fund	Annuity Reserve	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total
New retirees	\$(391,076,094)	\$ 391,076,094	0	0	0	0	\$0
Repay pension and annuity and unretirement	78,470	0	0	0	0	(78,470)	0
New retirees	0	20,988	0	(20,988)	0	0	0
Funding pension benefits	0	0	583,318,182	0	0	(583,318,182)	0
<b>Total</b>	<b>\$(390,997,624)</b>	<b>\$ 391,097,082</b>	<b>583,318,182</b>	<b>\$(20,988)</b>	<b>\$0</b>	<b>\$ (583,396,652)</b>	<b>\$0</b>

## Appendix D

**Prior Years' Statements of Funds Flow** (continued)

For the year ended June 30, 2022

	July 1 2021 Balance	Receipts	Inter-Fund Transfers	Disbursements	June 30 2022 Balance
Annuity Savings Fund	\$ 9,262,023,526	\$ 931,083,416	\$ (382,979,949)	\$ 50,662,108	\$ 9,759,464,884
Annuity Reserve Fund	1,481,185,801	43,506,195	383,049,196	677,695,526	1,230,045,667
Pension Fund	—	2,125,609,526	691,184,992	2,816,794,518	—
Military Service Fund	332,498	17,919	(6,570)	—	343,847
Expense Fund	—	272,326,301	—	272,326,301	—
Pension Reserve Fund	26,344,581,760	(1,258,326,705)	(691,247,669)	—	24,395,007,388
<b>Total All Funds</b>	<b>\$37,088,123,585</b>	<b>\$ 2,114,216,653</b>	<b>\$ 0</b>	<b>\$3,817,478,452</b>	<b>\$35,384,861,786</b>

## INTER-FUND TRANSFERS

Description	Annuity Savings Fund	Annuity Reserve	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total
New retirees	\$(383,042,626)	\$ 383,042,626	0	0	0	0	\$0
Repay pension and annuity and unretirement	62,677	0	0	0	0	(62,677)	0
New retirees	0	6,570	0	(6,570)	0	0	0
Funding pension benefits	0	0	691,184,922	0	0	(691,184,992)	0
<b>Total</b>	<b>\$(382,979,949)</b>	<b>\$ 383,049,196</b>	<b>691,184,992</b>	<b>\$(6,570)</b>	<b>\$0</b>	<b>\$ (691,247,669)</b>	<b>\$0</b>

## Appendix E

### Actuarial Valuation and Assumptions

(Dollars in thousands)

The most recent actuarial valuation of the System was prepared by PERAC as of January 1, 2024.

The Total Normal Cost	\$	1,303,855*	
Expected Employee Contributions		900,016	10.31% of payroll
Net Normal Cost for the Employer		403,839	4.62% of payroll
The Actuarial Liability for Active Members	\$	29,438,303	
The Actuarial Liability for Retired & Inactive Members		35,227,126	
Total Actuarial Accrued Liability		64,665,429	
System Assets as of that Date		39,078,937	
Unfunded Actuarial Accrued Liability		25,586,492	

The principal actuarial assumptions used in the valuation are as follows:

<b>Investment Return</b>	7.00% per annum
<b>Rate of Salary Increase</b>	4.0 – 7.5% based on years of service

### Funding Progress

Actuarial Valuation Date	January 1, 2024
Actuarial Value of Assets (a)	\$ 39,078,937
Actuarial Accrued Liability (AAL) (b)	64,665,429
Unfunded AAL (UAAL) (b-a)	25,586,492
Funded Ratio (a/b)	60.4%
Covered Payroll (c)	8,731,185
UAAL as a % of Covered Payroll ((b-a)/c)	304.72%

\*The Total Normal Cost does not include amortization of the Unfunded Actuarial Liability