



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, 2025

# 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, 2025

DATE OF FILING: DECEMBER 31, 2025

## 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, 2025

## Contents

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

## 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

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**Iraida J. Álvarez, Esq., Chair**

Designee of the Commissioner of Department of Elementary and Secondary Education

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

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

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

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

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**Alison Eggers**  
Designee of Deborah B. Goldberg

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

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December 2025

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, 2025. 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, 36,000 inactive and 72,000 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 112 full-time and 8 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 72,288 retirees and survivors totaled \$3.57 billion during the reporting period, an increase of 2.33% over the fiscal year ended June 30, 2024.

### **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 9.62% (gross of fees) for the fiscal year ending June 30, 2025. The 5-year and 10-year returns were 9.63% and 7.93% respectively, and above the 7% actuarial assumed rate of return. At the close of FY 2025, the MTRS asset balance in the PRIT Fund reached a new high of \$44.09 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 2025, the Commonwealth appropriated \$4.99 billion for its pension obligations pursuant to the funding schedule, of which \$2.58 billion was allocated to the MTRS. In addition to the \$2.58 billion payment pursuant to the funding schedule, the MTRS

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<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.

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assets in the PRIT fund were increased by \$21.6 million from excess capital gains revenues in accordance with M.G.L. c. 29, § 5G. FY 2025 was the second 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, 2025, the MTRS completed several strategic operational and service objectives, as follows:

#### **Member Services**

During the FY 2025 reporting period, we processed 2,647 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. We continue to offer the *Your MTRS Benefits* and *Ready for Retirement* seminars along with small group retirement counseling sessions, called *Virtual Retirement Counseling*. In addition, members continued to use the numerous MTRS videos, calculators and other online resources to assist with their retirement planning.

In FY 2025, MTRS staff responded to 3,718 emails and 48,006 telephone calls from our active and retired members, with a 96% answer rate. The number of phone calls was comparable to prior years, but the number of emails continues to decline, largely due to the introduction of our "GenInfo" form that helps members navigate to material on our website 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 and school business officials. In addition, 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 is of utmost importance to the MTRS. In FY 2025, 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 2025-2026 legislative session.

#### **An Act Establishing a Special Commission on Retirement Credit Purchases**

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

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

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contributory retirement systems.

**An Act Relative to 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.

**An Act Relative to the Interest Charged on Refund Buybacks**

This technical change would correct an oversight and bring the statute in line with other buyback provisions that require interest to be paid through the date the buyback has been completed.

**An Act Clarifying and Normalizing Non-Public School Service Purchases**

This legislation would clarify the eligibility requirements of educators who may purchase service credit for educational services provided to Massachusetts K-12 students in a publicly-funded non-public school. Additionally, the legislation would make the cost calculation consistent with the other service purchase sections in Chapter 32.

**An Act Relative to Reducing Delinquent Pension Reporting**

This legislation would establish monetary penalties for employers who are noncompliant with pension data reporting requirements and transferring employee and employer retirement contributions to the appropriate retirement system.

**An Act to Extend the Opportunity to Purchase Teaching Service in All Territories of the United States**

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.

**An Act Relative to the 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.

**An Act Relative to the Parental and Family Leave Equity for Members of Public Retirement Systems**

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,



Jonathan M. Osimo  
Executive Director

## Public Pension Coordinating Council Award



Public Pension Coordinating Council

### ***Public Pension Standards Award For Funding and Administration 2025***

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 black ink that reads "Robert A. Wylie".

Robert A. Wylie  
Program Administrator

## Members of the Board



**Iraida J. Alvarez, 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, 2025

**Fiscal 2025****ASSET BALANCE**

Assets Previous Year	\$ 40,422,538,620
Income Current Year	8,096,349,286
Disbursements Current Year	4,203,390,621
<b>Assets Current Year</b>	<b>\$ 44,315,497,285</b>

**ASSET DIFFERENCE**

Assets Current Year	\$ 44,315,497,285
Assets Previous Year	40,422,538,620
<b>Difference</b>	<b>\$ 3,892,958,665</b>

**INCOME DIFFERENCE**

Income Current Year	\$ 8,096,349,286
Disbursements Current Year	4,203,390,621
<b>Difference</b>	<b>\$ 3,892,958,665</b>

**FUND CHANGE DIFFERENCE**

Total Fund Change Credits Current Year	\$ 8,948,948,364
Total Fund Change Debits Current Year	5,055,989,699
<b>Difference</b>	<b>\$ 3,892,958,665</b>

**Annual Statement Balance Tests**

Continued

**Three-Year Comparison**

	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>ASSET BALANCE</b>			
Assets Previous Year	\$ 35,384,861,786	\$ 37,023,728,646	\$ 40,422,538,620
Income Current Year	5,581,850,131	7,495,194,940	8,096,349,286
Disbursements Current Year	3,942,983,271	4,096,384,966	4,203,390,621
<b>Assets Current Year</b>	<b>\$37,023,728,646</b>	<b>\$40,422,538,620</b>	<b>\$44,315,497,285</b>
<b>ASSET DIFFERENCE</b>			
Assets Current Year	\$ 37,023,728,646	\$ 40,422,538,620	\$ 44,315,497,285
Assets Previous Year	35,384,861,786	37,023,728,646	40,422,538,619
<b>Difference</b>	<b>\$ 1,638,866,860</b>	<b>\$ 3,398,809,974</b>	<b>\$ 3,892,958,665</b>
<b>INCOME DIFFERENCE</b>			
Income Current Year	\$ 5,581,850,131	\$ 7,495,194,940	\$ 8,096,349,286
Disbursements Current Year	3,942,983,271	4,096,384,966	4,203,390,621
<b>Difference</b>	<b>\$ 1,638,866,860</b>	<b>\$ 3,398,809,974</b>	<b>\$ 3,892,958,665</b>
<b>FUND CHANGE DIFFERENCE</b>			
Total Fund Change			
Credits Current Year	\$ 6,556,265,395	\$ 8,181,172,169	\$ 8,948,948,364
Total Fund Change			
Debits Current Year	4,917,398,535	4,782,362,195	5,055,989,699
<b>Difference</b>	<b>\$ 1,638,866,860</b>	<b>\$ 3,398,809,974</b>	<b>\$ 3,892,958,665</b>

## Assets and Liabilities

		Fiscal 2023	Fiscal 2024	Fiscal 2025
1100	Cash	\$ 112,849,765	\$ 106,800,854	\$ 110,711,016
1198	PRIT Cash Account	28,560,126	43,011,105	38,526,005
1199	PRIT Capital Fund	36,763,455,369	40,150,102,340	44,055,368,846
1398	Accounts Receivable	152,102,722	151,573,004	135,962,837
1400	Prepaid Postage	119,597	101,290	108,825
1350	Prepaid Contracts	247,699	338,376	429,015
1900	Intangible Software Costs <sup>1</sup>	—	—	—
2020	Accounts Payable	(31,493,810)	(26,042,320)	(21,325,185)
2097	Deferred Revenue <sup>11</sup>	(2,112,822)	(3,346,029)	(4,284,074)
	Total	<b>\$37,023,728,646</b>	<b>\$40,422,538,620</b>	<b>\$44,315,497,285</b>

3293	Annuity Savings Fund	\$ 10,312,047,215	\$ 10,969,285,706	\$ 11,319,989,674
3294	Annuity Reserve Fund	947,999,527	587,417,819	517,372,344
3295	Military Service Fund	338,875	345,087	374,683
3296	Pension Fund	—	—	—
3298	Expense Fund	—	—	—
3297	Pension Reserve Fund	25,763,343,029	28,865,490,008	32,477,760,584
	Total	<b>\$37,023,728,646</b>	<b>\$40,422,538,620</b>	<b>\$44,315,497,285</b>

## Statement of Funds Flow

	July 1 2024 Balance	Receipts	Inter-Fund Transfers	Disbursements	June 30 2025 Balance
Annuity Savings Fund	\$10,969,285,706	\$1,100,879,133	\$(675,270,576)	\$ 74,904,589	\$ 11,319,989,674
Annuity Reserve Fund	587,417,819	12,969,550	675,414,382	758,429,407	517,372,344
Pension Fund	—	2,908,431,081	177,184,386	3,085,615,467	—
Military Service Fund	345,088	37,112	(7,515)	—	374,683
Expense Fund	—	284,440,848	310	284,441,158	—
Pension Reserve Fund	25,865,490,008	3,789,591,563	(177,320,987)	—	32,477,760,584
<b>Total All Funds</b>	<b>\$40,422,538,621</b>	<b>\$8,096,349,286</b>	<b>\$ 0</b>	<b>\$4,203,390,621</b>	<b>\$44,315,497,285</b>

### INTER-FUND TRANSFERS

Description	Annuity Savings Fund	Annuity Reserve	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total
New retirees	\$(675,406,867)	675,414,382	0	(7,515)	0	—	\$0
Repay pension and annuity and unretirement	136,291	0	0	0	0	(136,291)	0
Inter-fund	0	0	(310)	0	310	0	0
Funding pension benefits	0	0	177,184,696	0	0	(177,184,696)	0
<b>Total</b>	<b>\$(675,270,576)</b>	<b>\$ 675,414,382</b>	<b>177,184,386</b>	<b>\$ (7,515)</b>	<b>\$310</b>	<b>\$ (177,320,987)</b>	<b>\$0</b>

## Receipts

		Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Annuity Savings Fund</b>				
4891	Members' Deductions	\$ 943,929,106	\$ 987,837,481	1,010,643,270
4892	Transfers from Other Systems	24,406,588	48,538,010	54,549,527
4893	Member Make-Up Payments and Redeposits	10,292,729	10,059,904	11,874,813
4900	Member Payments from Rollovers	10,470,277	13,662,857	13,592,843
4820	Investment Income	9,314,385	9,899,149	10,218,681
	<b>Subtotal</b>	<b>\$ 998,413,084</b>	<b>\$ 1,069,997,401</b>	<b>\$ 1,100,879,133</b>
<b>Annuity Reserve Fund</b>				
4820	Investment Income	35,648,463	25,825,955	12,969,550
	<b>Subtotal</b>	<b>\$ 35,648,463</b>	<b>\$ 25,825,955</b>	<b>\$ 12,969,550</b>
<b>Pension Fund</b>				
4898	3(8)(c) Reimbursements from Other Systems <sup>2</sup>	67,344,478	75,971,095	68,130,403
4899	Received from Commonwealth for COLA <sup>3</sup>	348,046,545	361,050,107	374,066,828
4894	Pension Fund Appropriation <sup>3</sup>	1,918,886,413	2,229,911,337	2,466,040,595
4840	Workers' Compensation Settlement <sup>4</sup>	38,000	30,425	37,000
4841	Recovery of 91A and 91(b) Overagearnings <sup>5</sup>	33,123	0	155,945
4825	Miscellaneous <sup>7</sup>	443	190	310
	<b>Subtotal</b>	<b>\$ 2,334,348,560</b>	<b>\$ 2,666,962,964</b>	<b>\$ 2,908,431,081</b>
<b>Military Service Fund</b>				
4890	Contributions Received for Military Service	15,686	17,478	36,745
4820	Investment Income	330	345	366
	<b>Subtotal</b>	<b>\$ 16,015</b>	<b>\$ 17,823</b>	<b>\$ 37,112</b>
<b>Expense Fund</b>				
4896	Expense Fund Appropriation	261,691,715	289,466,720	284,440,848
	<b>Subtotal</b>	<b>\$ 261,691,715</b>	<b>\$ 289,466,720</b>	<b>\$ 284,440,848</b>
<b>Pension Reserve Fund</b>				
4897	Federal Grant Reimbursement	4,519,306	2,337,119	3,048,472
4822	Interest Not Refunded <sup>6</sup>	201,155	139,371	157,464
4820	Excess Investment Income	1,863,373,143	3,369,475,778	3,764,737,655
4825	Miscellaneous <sup>7</sup>	393	210	—
4895	Additional Commonwealth Funding <sup>12</sup>	59,032,709	59,032,709	—
4889	Capital Gain Revenue, G.L. Ch29, 5G <sup>13</sup>	24,605,588	11,938,890	21,647,972
	<b>Subtotal</b>	<b>\$ 1,951,732,294</b>	<b>\$ 3,442,924,077</b>	<b>\$ 3,789,591,563</b>
<b>TOTAL RECEIPTS</b>				
		<b>\$ 5,581,850,131</b>	<b>\$ 7,495,194,940</b>	<b>\$ 8,096,349,286</b>

## Disbursements

		Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Annuity Savings Fund</b>				
5757 Refunds to Members	\$ 41,815,614	\$ 44,418,741	\$ 56,463,246	
5757.1 Section 11 Active Death Refunds	1,629,637	1,935,664	2,107,348	
5756 Transfers to Other Systems	11,387,877	21,215,775	16,333,995	
<b>Subtotal</b>	<b>\$ 54,833,129</b>	<b>\$ 67,570,180</b>	<b>\$ 74,904,589</b>	
<b>Annuity Reserve Fund</b>				
5750 Annuities Paid	706,782,103	730,304,881	756,503,095	
5759 Option B Refunds <sup>8</sup>	2,009,582	1,341,830	1,926,312	
<b>Subtotal</b>	<b>\$ 708,791,685</b>	<b>\$ 731,646,711</b>	<b>\$ 758,429,407</b>	
<b>Pension Fund</b>				
5751 Pensions Paid (Regular Pension Payments)	2,367,085,551	2,402,189,781	2,444,208,326	
5755 3(8)(c) Reimbursements to Other Systems <sup>2</sup>	5,701,687	5,989,055	6,232,890	
5755.1 Boston Teachers' Payment	196,832,959	238,472,411	261,107,423	
5753 QEBA <sup>9</sup>	0	0	0	
5752 COLAs Paid	348,046,545	361,050,107	374,066,828	
<b>Subtotal</b>	<b>\$ 2,917,666,742</b>	<b>\$ 3,007,701,354</b>	<b>\$ 3,085,615,467</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	11,612,857	13,230,007	13,641,216	
5304 Management Fees	173,014,972	193,375,688	194,370,447	
5308 Legal Expenses	10,881	6,141	21,050	
5310 Insurance	60,224	119,829	121,535	
5311 Service Contracts	3,316,255	2,752,608	3,316,026	
5312 Rent Paid	1,056,818	1,078,291	1,115,354	
5320 Education and Training	44,886	38,097	28,267	
5589 Administrative Expenses	569,228	438,954	520,403	
5599 Furniture and Equipment	80,297	53,516	65,820	
5719 Travel	30,464	34,275	30,452	
5897 Federal Grants Distributed	4,519,306	2,337,119	3,048,472	
5900 3(8)(c) Reimbursement to General Fund <sup>2</sup>	67,344,478	75,971,094	68,130,403	
5315 Professional Expense	31,100	31,100	31,712	
<b>Subtotal</b>	<b>\$ 261,691,715</b>	<b>\$ 289,466,720</b>	<b>\$ 284,441,158</b>	
<b>Pension Reserve Fund</b>				
<b>Subtotal</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 3,942,983,271</b>	<b>\$ 4,096,384,966</b>	<b>\$ 4,203,390,621</b>	

**Investment Income**

	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>INVESTMENT INCOME</b>			
Investment Income received from:			
Cash	\$ 1,036,925	\$ 962,862	\$ 604,803
Pooled or Mutual Funds	945,401,432	1,025,024,030	1,063,862,749
<b>Total Investment Income</b>	<b>\$ 946,438,357</b>	<b>\$ 1,025,986,892</b>	<b>\$ 1,064,467,552</b>
4884 Realized Gains	214,870,194	941,358,965	1,298,998,326
4886 Unrealized Gains	5,625,827,271	5,002,397,857	4,410,074,856
	<b>\$ 5,840,697,464</b>	<b>\$ 5,943,756,822</b>	<b>\$ 5,709,073,182</b>
4887 Less Unrealized Losses	(4,617,107,786)	(3,238,933,054)	(2,682,076,469)
4885 Realized loss	0	(36,142,713)	(19,097,166)
<b>Net Investment Income (loss)</b>	<b>\$ 2,170,028,035</b>	<b>\$ 3,694,667,947</b>	<b>\$ 4,072,367,100</b>
 <b>INCOME REQUIRED</b>			
3293 Annuity Savings Fund	9,314,385	9,899,149	10,218,681
3294 Annuity Reserve Fund	35,648,463	25,825,955	12,969,550
3295 Military Service Fund	330	345	366
3298 Expense Fund	261,691,715	289,466,720	284,440,848
<b>Total Income Required</b>	<b>\$ 306,654,892</b>	<b>\$ 325,192,169</b>	<b>\$ 307,629,444</b>
 <b>Net Investment Income</b>	<b>\$ 2,170,028,035</b>	<b>\$ 3,694,667,947</b>	<b>\$ 4,072,367,100</b>
<b>Less Income Required</b>	<b>306,654,892</b>	<b>325,192,169</b>	<b>307,629,444</b>
 <b>Excess Income (Loss) to Pension Reserve Fund</b>	<b>\$ 1,863,373,143</b>	<b>\$ 3,369,475,778</b>	<b>\$ 3,764,737,655</b>

## Membership Information

### Active Members

Previous Year Ending June 30, 2024	102,625
Net Change During Report Year 2025	(420)
<b>Active Membership Current Year Ending June 30, 2025</b>	<b>102,205</b>

### Inactive Members

Previous Year Ending June 30, 2024	34,021
Net Change During Report Year 2025	2,409
<b>Inactive Membership Current Year Ending June 30, 2025</b>	<b>36,430</b>

### Retired Members, Beneficiaries and Survivors

Previous Year Ending June 30, 2024	71,644
Net Change During Report Year 2025	644
<b>Retired, Beneficiary and Survivor Membership</b>	
<b>Current Year Ending June 30, 2025</b>	<b>72,288</b>

Superannuation	38,801
Minimum Pension Retirements	83
Pop-Up Retirements	1,462
Early Retirements	402
RetirementPlus Retirements	26,375
Survivors—Active	1,940
Survivors—Retiree	2,376
Accidental Death Retirements	11
Ordinary Disability	351
Accidental Disability	276
Termination	178
Guardian	24
Minimum Pension—Survivor	9

<b>Total Membership, June 30, 2025</b>	<b>210,923</b>
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## Significant Accounting Policies and Fund Descriptions

The accounting records of the System for June 30, 2025 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 2025 were \$56,463,246, refunds to beneficiaries of deceased active members were \$2,107,348 and transfers to other systems were \$16,333,995. The value of the Annuity Savings Fund was \$11.319 billion as of June 30, 2025. In 2025, 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 2025, an amount of \$675.414 million was transferred to the Annuity Reserve Fund. The value of the Annuity Reserve Fund was \$517.4 billion as of June 30, 2025. The 2025 annuity transfer amount includes prior year retirements that were not previously reflected due to their pending status in the MyTRS system.

### ■ **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, 2025 was \$374,683. Contributions and interest income credited to the Military Service Fund were \$36,745 and \$366 respectively. In 2025, an amount of \$7,515 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.

A 3(8)(c) reimbursement is the pension benefit reimbursement paid by other Massachusetts public retirement systems to MTRS for the portion of creditable service attained by a retiree who formerly contributed to another retirement system. The total 3(8)(c) reimbursements received was \$68,130,402. The

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reimbursements collected are transferred to the Commonwealth of Massachusetts General Fund for purposes of reducing the Commonwealth's unfunded pension liability.

Federal grants distributed are the pension costs associated with teacher salaries funded by federal grants managed by the Department of Elementary and Secondary Education. MTRS collected \$3,048,472, which was deposited into the Commonwealth's General Fund to offset the state's pension liability. The MTRS acts solely as a pass-through entity for these funds and does not have spending authority over them.

■ **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 straight-line basis over a useful life of 3 years and 7 years respectively.

Assets Being Amortized:	July 1, 2024	Increase	Decrease	June 30, 2025
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. Section 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 2025 for calendar year 2024 were credited to the Commonwealth General Fund. The Teachers' Retirement System's § 3(8)(c) reimbursements from other systems during report year 2025 were \$68,130,403. The amount the Teachers' Retirement System paid to other systems was \$6,232,890.

### 3. Commonwealth Pension Funding

The Commonwealth appropriated \$2,840,107,423 for State and Boston Teachers for fiscal year 2025.

#### Pension Funding Schedule

Boston Teachers Appropriation	\$ 261,107,423
State Teachers Appropriation	2,204,933,172
COLA	374,066,828
<b>Total</b>	<b>\$ 2,840,107,423</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 year 2025, the MTRS received a total of \$37,000 from the workers' compensation settlements of two disability retirement recipients.

**5. Recovery of Section 91A and 91(b) Overagearnings**

Members who exceed the earnings limits are required to remit payments to MTRS. For fiscal year 2025, \$155,945 was recorded by check and by reduction of benefit payments. For fiscal year 2024, all overpayments were paid by a reduction of benefits. For fiscal year 2023, \$33,123 was 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 2025 Interest Not Refunded of \$157,464 is recorded as revenue in the Pension Reserve Fund.

**7. Miscellaneous Income**

For fiscal year 2025, miscellaneous income in the Pension Fund is \$310 which includes a \$10 witness fee and a jury duty deposit of \$300. For fiscal year 2024 and 2023, miscellaneous income included an investment legal settlement between MTRS and the State Board of \$190 and \$393 respectively.

**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 Activity in the Account:	Beginning Balance	\$60,795
	Revenue	—
	Less Payments	—
	Balance 6/30/25	\$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. As of June 30, 2025, the amount due to be received from estates from 2022 to present is \$364,904 and the amount payable to estates including the deceased members' remaining annuity balance is \$2,284,228.

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

Members may purchase creditable service on an installment basis. There are approximately 619 members with \$7,240,267 in potential receivables due for service purchases. Of that total, \$2,956,193 is due to be collected within one year. The remaining \$4,284,074, due to be collected after one year, is reported as a deferred revenue.

**12. Additional Commonwealth Funding**

For fiscal year 2025 there was \$0 additional 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 G.L. c. 29, § 5G, the Commonwealth transferred to the MTRS \$21,647,972 in fiscal year 2025, \$11,938,890 in fiscal year 2024 and \$24,605,588 in fiscal year 2023 to pay down pension debt from excess capital gains revenue.

**14. Expense Fund Disbursements**

To comply with PERAC reporting requirements, the Expense Fund Spending includes three expenses in addition to the Operating budget:

The Operating Budget	\$18.893M
1. Investment management fees paid by PRIT	194.370M
2. 3(8)(c) Reimbursement to the Commonwealth's General fund	68.130M
3. Federal grants passthrough to Commonwealth's General fund	<u>3.048M</u>
Total Expense Fund Spending	\$284.441M

## Appendix A

**Detail of Accounts Receivable and Accounts Payable**

		2025 Amount
<b>ACCOUNTS RECEIVABLE</b>		
4893	Estate Accounts Receivable <sup>10</sup>	\$ 364,904
4893	Allowance for Doubtful Accounts	(208,048)
	<b>Net, Estate Accounts Receivable</b>	<b>\$ 156,856</b>
1395	3(8)(c) Accounts Receivable	\$ 18,583,913
1395.1	Allowance for Doubtful Accounts	(1,208,905)
	<b>Net, 3(8)(c) Accounts Receivable</b>	<b>\$ 17,375,008</b>
4893	Installment Accounts Receivable <sup>11</sup>	7,240,267
4891	Member Deductions	111,173,347
1396.2	Overpayment Receivable	17,360
	<b>Total Accounts Receivable</b>	<b>\$ 135,962,837</b>
<b>ACCOUNTS PAYABLE</b>		
2021	Accrued Payroll	\$ 860,545
5311	Service Contracts	191,457
5589	Administrative Expense	18,090
5757	Estate Accounts Payable <sup>10</sup>	2,284,228
2022	Escrow Assets Held in Trust for Members	205,595
2020	Rent	2,704
2020.2	3(8)(c) Payable	193,849
5900	3(8)(c) Due to General Fund	17,375,008
5599	Furniture & Expenses	33,858
2020.4	V10 Upgrade Service Retainage	75,000
1401	Prepaid Hardware/Software	80,973
5308	Legal	250
5719	Travel	3,628
	<b>Total Accounts Payable</b>	<b>\$ 21,325,185</b>

## Appendix B

## Massachusetts Pension Reserves Investment Trust Statements

**MTRS Cash Fund** For the year ending June 30, 2025

<b>Pension Reserves Investment Management Board</b>		
State Teachers Retirement System		
Cash Investment		
June 01, 2025 to June 30, 2025		
Month To Date	Fiscal Year To Date	Calendar Year To Date
4,855,971.24	43,011,105.20	25,906,504.16
220,203.05	2,852,170.16	1,251,858.86
111,036,576.45	1,124,442,234.22	574,224,129.77
(84,838,064.55)	(1,101,052,678.86)	(543,633,887.01)
7,251,318.43	(30,776,826.10)	(19,222,801.16)
0.00	0.00	0.00
<b>38,526,004.62</b>	<b>38,526,004.62</b>	<b>38,526,004.62</b>
<i>As of June 30, 2025 the net asset value of your investment in the Cash Fund was:</i>		
<b>\$38,526,004.62</b>		

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, 2025

Pension Reserves Investment Management Board		Deborah B. Goldberg, Treasurer and Receiver General, Chair Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer	
State Teachers Retirement System			
General Allocation Account			
June 01, 2025 to June 30, 2025			
Month To Date		Fiscal Year To Date	Calendar Year To Date
42,994,133,937.93		40,150,102,340.34	41,709,810,297.69
1,068,486,226.62		3,874,539,679.68	2,326,335,947.27
(7,251,318.43)		30,726,826.10	19,222,601.16
<b>44,055,368,846.12</b>		<b>44,055,368,846.12</b>	<b>44,055,368,846.12</b>
Your beginning net asset value for the period was:			
131,155,059.74		1,061,010,579.29	580,382,392.44
(23,309,467.62)		(194,370,447.21)	(98,894,867.10)
<b>106,845,592.12</b>		<b>866,640,132.08</b>	<b>481,487,525.34</b>
Your change in investment value for the period was:			
772,425,729.46		1,727,998,387.27	1,309,177,726.41
189,214,905.04		1,279,901,160.33	535,670,695.52
<b>1,068,486,226.62</b>		<b>3,874,539,679.68</b>	<b>2,326,335,947.27</b>
Your exchanges from (to) the Cash Fund for the period were:			
Your ending net asset value for the period was:			
			<b>\$44,055,368,846.12</b>
Net Change in Investment Value represents the net change through investment activities as follows:			
Gross Investment Income:			
Less Management Fees:			
Net Investment Income:			
Net Fund Unrealized Gains/Losses:			
Net Fund Realized Gains/Losses:			
Net Change in Investment Value as Above:			
As of June 30, 2025 the net asset value of your investment in the PRIT Fund was:			

## Appendix C

## Supplementary Schedules

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

For the fiscal year ending June 30, 2025

Previous Balance	\$ 10,969,285,706
Total Additions Current Year	1,090,660,452
Total Interest Current Year	10,218,681
Reductions	(74,904,589)
Transfer to Annuity Reserves	(675,406,867)
Transfer to Military Service Fund	0
Transfer from Pension Reserve Fund	136,291
<b>Balance Current Year</b>	<b>\$ 11,319,989,674</b>

## Appendix C

## Supplementary Schedules

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

For the fiscal year ending June 30, 2025

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	\$ 63,941,027	\$ 0	\$ 63,941,027	\$ 0	\$ 0	\$ 0
Mellon	3,107,616	1,107,386,096	0	1,109,683,527	810,185	0	0
M&T Bank Advance	0	300,134	0	300,134	0	0	0
M&T Bank Escrow	68,044	318,826	0	181,274	205,595	0	0
MMDT	\$ 2,824,987	\$ 604,803	\$ 0	\$ 0	\$ 3,429,789	\$ 0	\$ 0
Bank Cash	\$ 6,000,646	\$ 1,172,550,886	\$ 0	\$ 1,174,105,962	\$ 4,445,569	\$ 0	\$ 0
Cash Available on MMARS	100,800,208	\$ 4,032,715,082	\$ 0	\$ 4,027,249,844	\$ 106,265,446	0	0
Total Cash	\$ 106,800,855	\$ 5,205,265,968	\$ 0	\$ 5,201,355,806	\$ 110,711,016	\$ 0	\$ 0
PRIT Cash Fund	\$ 43,011,105	\$ 1,172,414,916	\$ 0	\$ 1,176,900,017	\$ 38,526,005	\$ 0	\$ 0

## Appendix C

### Supplementary Schedules

#### **Schedule 5: Schedule of PRIT Funds**

For the year ending June 30, 2025

	PERAC Ledger Number 1199 PRIT Capital Fund
Market Value, End of Previous Year	\$ 40,150,102,340
Total Purchases this Year at Cost/Member Deductions	—
Reinvested Investment Income	1,061,010,579
Realized Gains	1,298,998,326
Realized Losses	(19,097,166)
Unrealized Gains	4,410,074,856
Unrealized Losses	(2,682,076,469)
Total Sales/Redemptions this Year: Amount Received	—
Cash Exchanged with Cash Fund	30,726,827
Fees Paid	(194,370,447)
Market Value at the End of this Year	\$ 44,055,368,846

Appendix C  
Supplementary Schedules

**Schedule 6: Summary of Investments Owned**

For the year ending June 30, 2025

	PERAC Ledger Number			
	1100 Cash	1198 PRIT Cash	1199 PRIT Fund	Total
Current Market Value	\$ 110,711,016	\$ 38,526,005	\$ 44,055,368,846	<b>\$44,204,605,866</b>
Commissions Paid During Current Year	\$ —	\$ —	\$ 194,370,447	<b>\$ 194,370,447</b>
Investment Income Received During Year	\$ 604,803	\$ 2,852,170	\$ 1,061,010,579	<b>\$ 1,064,467,552</b>

## Appendix D

### Prior Years' Statements of Funds Flow

For the year ended June 30, 2024

	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>

## Appendix D

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

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	1,951,732,2941	(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 E

### Actuarial Valuation and Assumptions

(Dollars in thousands)

The most recent actuarial valuation of the System was prepared by PERAC as of January 1, 2025.

The Total Normal Cost	\$ 1,299,770*	
Expected Employee Contributions	933,100	10.33% of payroll
Net Normal Cost for the Employer	366,670	4.06% of payroll
The Actuarial Liability for Active Members	\$ 30,612,263	
The Actuarial Liability for Retired & Inactive Members	35,536,827	
Total Actuarial Accrued Liability	66,149,090	
System Assets as of that Date	41,896,825	
Unfunded Actuarial Accrued Liability	24,252,265	

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

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

## Funding Progress

Actuarial Valuation Date	January 1, 2025
Actuarial Value of Assets (a)	\$ 41,896,825
Actuarial Accrued Liability (AAL) (b)	66,149,090
Unfunded AAL (UAAL) (b-a)	24,252,265
Funded Ratio (a/b)	63.3%
Covered Payroll (c)	9,037,950
UAAL as a % of Covered Payroll ((b-a)/c)	268.34%

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