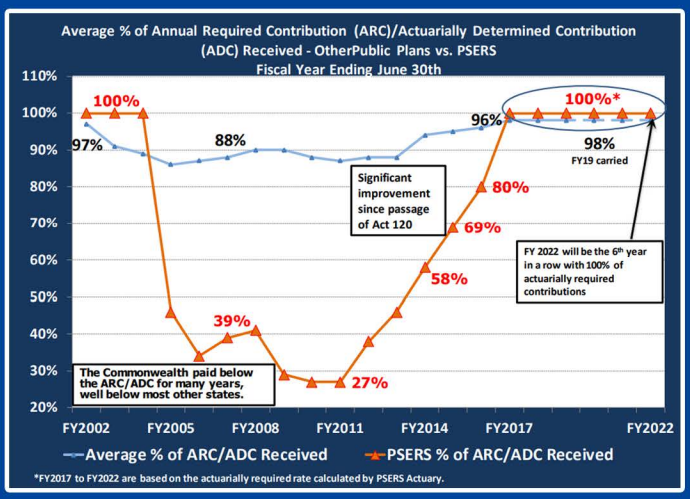
Landmark Pension Reform: Act 120 of 2010

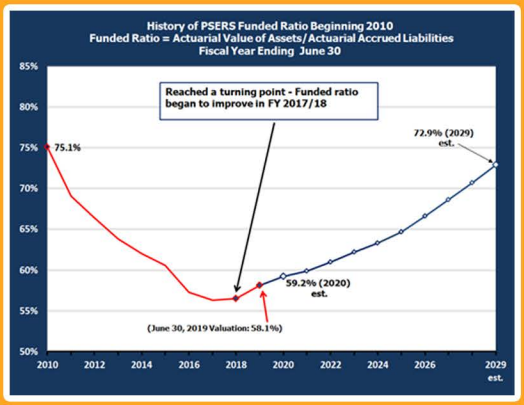
A Decade of Success

FY2021-22 will be the 6th consecutive year PSERS receives 100% of the actuarially determined contributions from the Commonwealth and school employers.



While the employer contribution rate remains high, paying the actuarially required rate is a vital step that has begun to pay down the previously accumulated pension debt.

PSERS unfunded liability and funded ratio on both actuarial and market value basis continue to improve.



Act 120 at a Glance:

Put in place short-term rate relief "collars" to help school budgets and make up for underfunding

Reduced DB multiplier used to calculate benefits

Put in place "Shared Risk" provision

Increased normal retirement age

Increased vesting - 5yrs. to 10 yrs.

PSERS thanks the Commonwealth and school employers for their ongoing commitment to the roughly 500,000 Pennsylvanians who depend on PSERS retirement benefits. Their continued funding, following the progress made under Act 120, is putting PSERS back on solid financial footing.

The sustained employer funding, coupled with sound actuarial debt management and improving investment returns, has caused the System's funded status to rise to 59% and the unfunded employer liability to fall by $100 million.

As of December 3, 2020