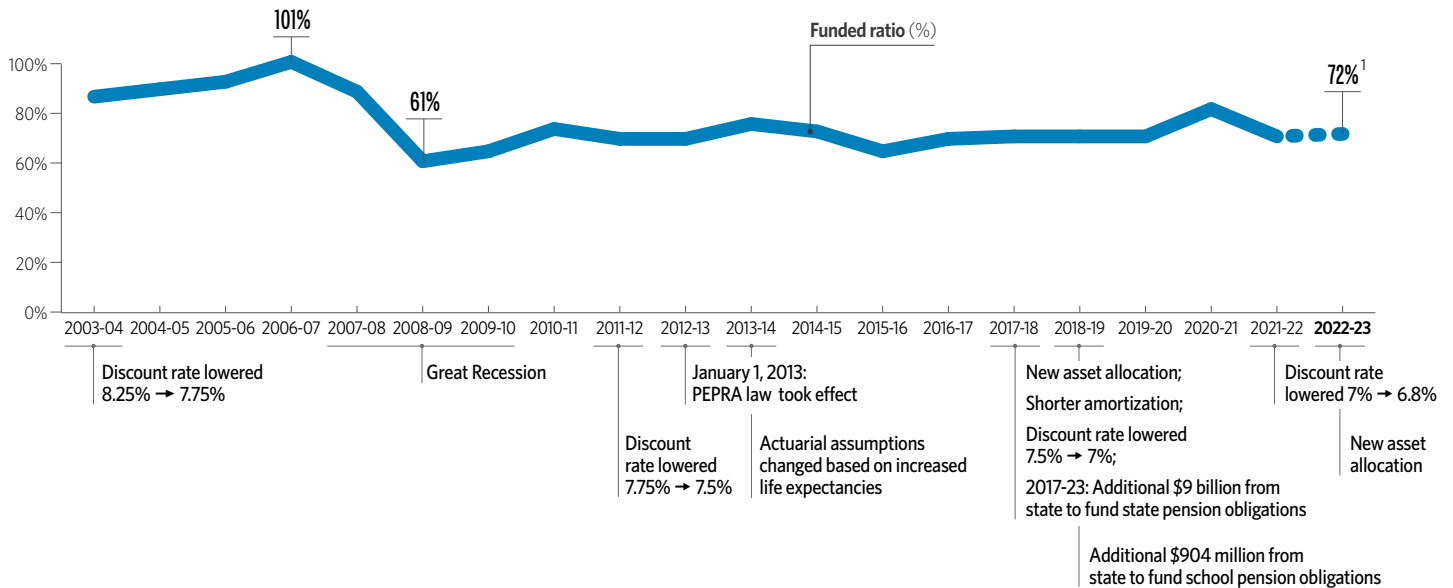


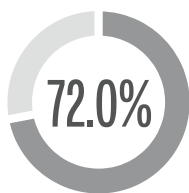
Funding

The financial landscape may change, but our focus remains on paying promised benefits.

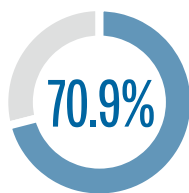


Status of the Fund

Funded Status



June 30, 2023 estimate¹



June 30, 2022

Funded Status by Employer

June 30 ²	State	School	Public Agency	Total Fund
2022	70.3%	67.9%	72.7%	70.9%
2021	80.7%	78.3%	82.6%	81.2%
2020	70.6%	68.6%	71.1%	70.6%
2019	70.0%	68.5%	70.8%	70.2%
2018	69.5%	70.4%	70.4%	70.2%

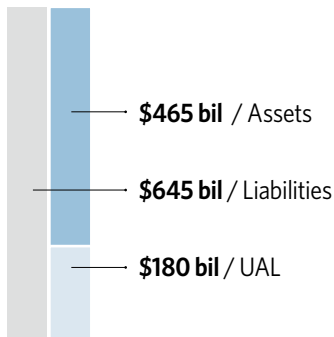
¹ The funding status for June 30, 2023 is an estimate only. The final funding status will be available in December 2024 when the FY 2023-24 ACFR is released.

² Based on a 6.8% discount rate (DR) as of June 30, 2021 and June 30, 2022. Based on a 7% DR as of June 30, 2019 and June 30, 2020. Based on a 7% DR for state and PA and 7.25% DR for school as of June 30, 2018. Also includes the TAP and 1959 Survivor Benefit Plan.

Continued »

Assets & Liabilities of the Fund

Assets, Liabilities, and UAL Estimate (June 30, 2023)



Assets, Liabilities, and UAL (in billions)

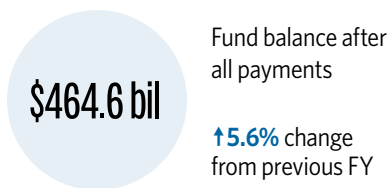
The primary drivers of unfunded actuarial liability (UAL) are increased life expectancy, investment loss, inflation, retroactive benefit design enhancements, and salary increases. The difference between the accrued liability and asset values is the UAL (liability - assets = UAL).

Actuarial Value of Assets UAL Accrued Liabilities

June 30 ²	Assets + UAL = Liabilities	
2022 ³	\$439.4 + \$179.9 = \$619.3	
2021	\$477.3 + \$110.6 = \$587.9	
2020	\$391.4 + \$163.3 = \$554.7	
2019	\$372.8 + \$158.4 = \$531.2	
2018	\$354.6 + \$150.4 = \$505.0	

Net Position of the Fund

Net Position (FY 2022-23)



Net Position Progress (in billions)

FY	Net Position	
2022-23	\$464.6	
2021-22	\$439.4	
2020-21	\$477.3	
2019-20	\$392.5	
2018-19	\$372.6	

² Based on a 6.8% discount rate (DR) as of June 30, 2021 and June 30, 2022. Based on a 7% DR as of June 30, 2019 and June 30, 2020. Based on a 7% DR for state and PA and 7.25% DR for school as of June 30, 2018. Also includes the TAP and 1959 Survivor Benefit Plan.

³ Actuarial data reporting lags by one FY and is current as of June 30, 2022.