



# PERA

Public Employees  
Retirement Association  
*of New Mexico*

**INVESTED IN TOMORROW.**



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2020**

**Public Employees Retirement Association  
Pension Trust Funds of the State of New Mexico**

# Public Employees Retirement Association *of New Mexico*

## **Comprehensive Annual Financial Report** **Year ended June 30, 2020**

### **Pension Trust Funds of the State of New Mexico**

Prepared by the Administrative Services and Investment  
Division Staff at NM PERA

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**INVESTED IN TOMORROW.**



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# INTRODUCTORY SECTION

Public Employees Retirement Association



COMPREHENSIVE ANNUAL FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2020



## MISSION AND VALUE STATEMENTS

### **Providing a Stable Lifetime Benefit to Members Through Leadership, Integrity and Quality Customer Service**

#### **Stewardship**

- Making sound decisions to achieve the retirement funds' objectives.
- Demonstrating the ability to meet our long-term obligations.
- Meeting financial performance measures.

#### **Leadership**

- Focusing on employees' strengths and capabilities while maintaining accountability.
- Communicating and implementing the agency's strategic plan.

#### **Integrity**

- Earning the confidence of others by being dependable, honest and trustworthy.

#### **Customer Service**

- Anticipating and meeting the needs of our customers.
- Delivering quality services with a commitment to continuous improvement.
- Communicating effectively with our customers.

## PERA BOARD CHAIR LETTER

November 25, 2020

Dear PERA Members:

On behalf of the PERA Board of Trustees, I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This report provides information about the financial and actuarial status of PERA along with information regarding our membership.



Approximately 90% of PERA's benefit payments are made to members that reside in New Mexico after retirement thereby providing an important source of economic activity in our state and our local communities. In 2020, PERA paid \$1.27 billion in benefits to PERA retirees and beneficiaries.

As result of the COVID-19 PERA saw a decline in the fair value of investments during the last three months of FY 20. As you will discover upon review of the information contained within the following pages, PERA's defined benefit funds net position was \$14.7 billion for the year ended June 30, 2020, a decrease of \$988 million from the prior fiscal year. PERA's investments generated a return of (1.52)% net of fees for the year ending June 30, 2020. This investment return is below PERA's expected return assumption of 7.25%, however, this is not the only element required to keep a pension plan funded.

The PERA Board takes its fiduciary responsibility very seriously and will continue to work to preserve and protect the Fund and the benefits provided to our members. The Board is committed to the long-term sustainability of all of our plans and to providing a secure retirement for public employees throughout New Mexico.

We are honored to serve as your representatives and pledge our best efforts to continue to prudently manage the PERA Fund.

Sincerely,

John Melia  
PERA Board Chair



## PERA BOARD OF TRUSTEES



**Mr. James Maxon**  
*Chair*  
*Albuquerque Fire*  
*Department*  
*Municipal Member*



**Mr. David Roybal**  
*Vice-Chair*  
*NM Office of*  
*Workforce Solution*  
*State Member*



**Ms. Maggie**  
**Toulouse-Oliver**  
*Secretary of State*  
*Ex-Officio Member*



**Mr. Tim Eichenberg**  
*State Treasurer*  
*Ex-Officio Member*



**Ms. Paula Fisher**  
*Children Youth*  
*Family Department*  
*State Member*



**Ms. Claudia Armijo**  
*Regulations &*  
*Licensing*  
*Department*  
*State Member*



**Mr. Steve Neel**  
*Educational*  
*Retirement Board*  
*State Member*



**Ms. Patricia French**  
*City of Albuquerque*  
*Municipal Member*



**Mr. Lawrence Davis**  
*City of Albuquerque*  
*Municipal Member*



**Ms. Shirley Ragin**  
*County of Bernalillo*  
*County Member*



**Ms. Loretta**  
**Naranjo-Lopez**  
*Retiree Member*



**Mr. Daniel Mayfield**  
*Retiree Member*

## EXECUTIVE DIRECTOR'S LETTER



November 25, 2020

To: Board of Trustees and Members of the New Mexico Public Employees Retirement Association

The New Mexico Public Employees Retirement Association (PERA) is pleased to present this *Comprehensive Annual Financial Report* (CAFR) for the Fiscal Year ended June 30, 2020 (FY 20).

At PERA our primary mission is to serve our members and provide a stable, secure retirement to current and future generations of public employees.



PERA completeness and fairness of the report and the presentation contained in this report. To the best of our knowledge, the report is materially accurate and fairly presents the financial position and results of operations of PERA. The report includes all retirement plans administered by PERA: State, Municipal, Legislative, Judicial, Magistrate and Volunteer Firefighters and Deferred Compensation. This report is intended to provide complete and reliable information as a basis for making management decisions and complying with all federal and state laws and ensuring fiscal responsibility of PERA's assets.

PERA was established by statute in 1947. For further detail of the background of PERA, see the Notes to Financial Statements.

### CAFR Contents

The CAFR is presented in five sections: introduction, financial, investment, actuarial and statistical. The introduction includes this transmittal letter, a letter from the Board Chair, PERA's organizational chart, and member service communications.

PERA's transactions are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the fair presentation of the financial statements and supporting schedules.

The financial section was prepared in accordance with generally accepted accounting principles (GAAP), the reporting requirements described by the Governmental Accounting Standards Board (GASB) as well as requirements of the New Mexico State Auditor. The financial section features a Management's Discussion and Analysis (MD&A). GASB requires a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement, and not duplicate, the MD&A and should be read in conjunction with it. The MD&A can be found in the financial section immediately following the report from PERA's independent auditor.

The investment section provides a report on investment activities, policies, asset allocation, performance results and other yearly comparative portfolio information.



## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

The actuarial section details the funding status and other actuarial information for all funds that PERA administers. The actuarial section does not include net pension liability information that is required to be presented in the financial section under GASB 67, rather the actuarial section focuses on information used for funding purposes.

The statistical section includes comparative financial and demographic information along with the Deferred Compensation information; providing the users of the CAFR with annual information for comparative analysis.

### Economic Outlook

As a result of the COVID-19 pandemic the economic outlook has been transformed. During the last three months of the FY 20, PERA saw a decline in the fair values of investments which are included this year's financial statements. During FY 20 PERA's defined benefit fund generated a time-weighted return of (1.52%), net of fees. Although, PERA's performance was below the actuarial return target of 7.25% due to the pandemic, PERA was prepared for such an event and was able to mitigate market-to-market losses to the fund and continue to function normally.

As PERA enters the next fiscal year, we will continue to focus on building an investment portfolio that consistently meets its 7.25% long term expected return, while eliminating uncompensated risk and mitigating portfolio drawdowns.

### Summary of Financial Information

The following schedule is a summary of the Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, and Volunteer Firefighters Retirement Fund, additions and deductions for the years ended June 30, 2020 and June 30, 2019 (excluding the Deferred Compensation Plan and Social Security Administration Program).

	June 30, 2020	June 30, 2019
Additions	\$ 505,091,415	\$ 1,579,770,322
Deductions	<u>(1,333,267,972)</u>	<u>(1,280,024,595)</u>
Net Change	\$ (828,176,557)	\$ 299,745,727

Additions decreased from FY 19 to FY 20 by \$(1,074,678,907) primarily due to a decrease in net investment income. Deductions increased by \$53,243,377 primarily due to an increase in benefit payments for the year.

### Plan Financial Condition

PERA's funding objective is to meet long-term benefit payments through contributions that are statutorily fixed as a percent of member payroll, and achieving a 7.25% annual assumed actuarial investment return. The Public Employees Retirement Fund's funded ratio decreased in comparison to last fiscal year as we ended the fiscal year at 70.3%, a .04% increase. Additional information regarding the financial condition of the funds administered by PERA can be found in the actuarial section of this report.

## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

### Investment Activity

As a result of the COVID-19 pandemic the economic outlook has been transformed. As such, PERA saw a decline in the market for the last three months during Fiscal Year 2020 which resulted in negative return. PERA's investment portfolio produced a total return, net of fees, of (1.52%) for the year ended June 30, 2020, less than the assumed actuarial investment return of 7.25% (see actuarial analysis below for further detail of change to discount rate). This resulted in net investment loss of \$(226) million for the PERA defined benefit funds

PERA is a long-term investor and our portfolio is constructed to weather financial storms through diversification and constant attention to our process to make improvements as needed. Additional information regarding the investment results for the year is included in the investment section of this report.

### Actuarial Analysis

PERA's funding objective is to meet long-term benefit payments through contributions that are statutorily fixed as a percent of member payroll, and achieving the annual assumed actuarial investment return. The PERA Board adopted a change in new economic assumptions for the June 30, 2020 actuarial valuations. The rate of inflation changed to a 2.50% static rate. A rate of return assumption has been adopted for funding purposes, the rate is 7.25% continuously. The rate of payroll growth is changed to a 3.00% continuous and administrative expense changed to .50% of payroll. The actuarial reports are prepared by Cavanaugh Macdonald LLP based on data provided by PERA. They also serve as a technical advisor to staff on actuarial issues. More detailed information for all the plans can be found in the actuarial section of this report.

### GASB 67 Financial Reporting for Pension Plans

PERA implemented GASB 67 in FY 14. The Net Pension Liability (NPL) for the Public Employees Retirement Fund (multi-employer cost sharing fund) for FY 20 is \$7.6 billion, a \$1.0 billion increase compared to FY 19 of approximately \$6.6 billion. The NPL for that fund will be allocated to the cost sharing employer participants that participate in that fund. More detailed information regarding the NPL for the PERA Fund, Judicial Fund, Magistrate Fund and Volunteer Firefighters Fund, can be found in the financial section of this report in Note 12 and in the Required Supplementary Information.

### Management Responsibility for Financial Reporting

PERA maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. In addition, PERA's internal audit firm provides a continuous review of the internal controls and operations of PERA, and the internal audit firm regularly reports to the PERA Board through its Audit and Budget Committee (Committee). The objective of internal control is to provide reasonable, not absolute, assurance that the financial statements are free of material misstatements; PERA maintains internal controls to provide reasonable assurance that control objectives are met. The Committee reviews the audit results and recommendations for improvements in internal control and operational efficiency and the actions of management to implement such recommendations.

The internal control system includes the organizational plan, the segregation of duties, sound accounting practices in the performance of duties and, knowledgeable personnel. PERA believes the internal controls during FY 20 were appropriate and provide reasonable assurance regarding the proper recording of financial transactions.

## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

### Recognition of Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its CAFR for the year ended June 30, 2019. This is the 18th consecutive year that PERA has achieved this award.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Whether directly or indirectly, every division of PERA contributed to the content of the CAFR report. The attainment of this Certificate of Achievement represents a significant accomplishment by PERA employees.

A Certificate of Achievement is valid for a period of one year only. We believe that this year's CAFR continues to meet this standard and will be submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded PERA an Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. This is the 3rd consecutive year that PERA has achieved this award.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

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

### Senate Bill 72

On March 2, 2020, NM Governor Lujan Grisham signed Senate Bill 72 (SB 72), PERA solvency legislation into law. For State General Plan 3 active members effective July 1, 2020, employee contributions will increase by 2%, in .5% increments over four fiscal years. The first .5% increment will increase employee contributions under State General Plan 3 to 9.42%. The employer contribution rate will increase by .5% each fiscal year as well. Municipal/County employees have a two-year delay, so effective July 1, 2022 employee and employer contributions will increase by 2%, in .5% increments, over four fiscal years (FYs 23, 24, 25, and 26).

For retirees who are 75 years of age on or before June 30, 2020, will receive a 2.5% COLA, an increase from the current 2% COLA. Disability retirees and retirees with pensions lower than \$25,000 after 25 years of service also will receive a 2.5% COLA.

For all other retirees who are COLA-eligible will receive a 2%, non-compounding, additional payment for the next three years (2020, 2021 and 2022). This payment will be paid in addition to the regular July pension payment. PERA received a \$55 million General Fund appropriation to cover the cost of the 13th check payments to eligible retirees in FY21, 22 and 23. After the three-year period, future COLAs for most PERA retirees will be based on the Fund's investment returns and funded ratio.

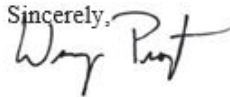
## EXECUTIVE DIRECTOR'S LETTER (CONTINUED)

### Independent Audit

An annual audit of PERA's Financial Statements has been performed this year by the independent accounting firm of CliftonLarsonAllen, LLP. The auditors' report on the financial statements is included in the financial section of this report. CliftonLarsonAllen, LLP incorporated the audit done by Moss Adams, LLP in regard to the Deferred Compensation Plan, which PERA also administers.

### Conclusion

This report is a product of the combined efforts of the PERA staff functioning under the Board's direction. It is intended to provide complete and reliable information that will facilitate the management decision-making process, serve as a means for determining compliance with legal requirements, and allow for the evaluation of responsible stewardship of the PERA Fund.

Sincerely,  


Wayne Propst  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Public Employees Retirement Association  
of New Mexico**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO





## PUBLIC EMPLOYEES RETIREMENT ASSOCIATION EMPLOYEES

### EXECUTIVE OFFICE

Wayne Propst - *Executive Director Investments/Pensions*  
Gregory M. Trujillo - *Executive Deputy Director*  
Patricia B. Winter - *Administrative Assistant*

### INVESTMENTS BUREAU

Dominic J. Garcia - *Chief Investment Officer*  
Kristin E. Varela - *Deputy Chief Investment Officer*  
LeAnne Larrañaga-Ruffy - *Portfolio Manager*  
Joaquin G. Lujan - *Portfolio Manager*  
Frank Mihail - *Portfolio Manager*  
Luca Rassent - *Portfolio Manager*  
Isaac Beckel - *Portfolio Manager*  
Mark A. Montoya - *Financial Analyst*  
Aaron Kayser - *Financial Analyst*  
Olasunkanmi I. Olaoye - *Investment Accountant*

### DEFERRED COMPENSATION BUREAU

Karyn D. Lujan - *Deferred Compensation Administrator*

### OFFICE OF GENERAL COUNSEL

Susan G. Pittard - *Chief of Staff/General Council*  
Misty M. Schoepner - *Deputy General Council*  
Laura E. Archuleta - *Paralegal Assistant*  
Louella Pacheco - *Paralegal Assistant*

### ADMINISTRATIVE SERVICES BUREAU

Anna Williams - *ASD Director/Chief Financial Officer*  
Jessica Trujillo - *Human Resources Manager*  
Samantha Olivas - *Human Resources*  
Marlena S. Riggs - *Financial Manager*  
Zarina Martinez - *Financial Coordinator*  
Valerie R. Hayas - *Accountant Auditor*  
Dawn M. Prada - *Accountant Auditor*  
Heather Martinez - *Accountant Auditor*  
Aji M. Lopez - *Contribution Accounting Manager*  
Nicole Tapia - *Accountant Auditor*  
Shauna D. Rivera - *Accountant Auditor*  
Rosemary Rodriguez - *Accountant Auditor*  
Eric Martinez - *Building Services*

### INFORMATION SYSTEMS BUREAU

Ronald Gallegos - *Chief Information Officer*  
Joel Sanchez - *IT Systems Administrator*  
Miranda Montoya - *IT End User Support*  
Ivy Cordova - *IT End User Support*  
Jacob Martinez - *IT Sec & Compliance*  
Leslie L. Miller - *IT End User Support*  
Devi Viratapu - *IT End User Support*  
Renne J. Baros - *IT End User Support*  
Jessica A. Perea - *IT Business Analyst*  
Anupama Kodali - *IT Business Analyst*  
Gabriel Baca - *IT Technology Officer*  
Amanda Ortiz - *Business Operations Specialist*

Louise Martinez - *Records Clerk*  
Mariah Sedillo - *Records Clerk*  
Alison Bradley - *Records Clerk*

### MEMBER SERVICES

Melinda E. Marquez - *Bureau Chief*

### CUSTOMER SERVICE

Greg D. Holmes - *Retirement Specialist Supervisor*  
Theresa Marie Martinez - *Retirement Specialist*  
Fatima Ruiz - *Retirement Specialist*  
Karen Ortiz-Morales - *Retirement Specialist*  
Rosa Romero - *Retirement Specialist*  
Natalie Padilla - *Customer Service Specialist*

### DEATH AND DISABILITIES

Consuelo R. Montoya - *Retirement Specialist Supervisor*  
Arlene F. Coriz - *Retirement Specialist*  
Nathan Sedillo - *Retirement Specialist*  
Sandra Maes - *Retirement Specialist*

### RETIREMENTS

Sandra Mirabal - *Retirement Specialist Supervisor*  
Marshall Romero - *Retirement Specialist*  
Holly Grant - *Retirement Specialist*  
Roberta Scott - *Retirement Specialist*  
Jessica Chavez-Lance - *Retirement Specialist*  
Camylle Barela - *Retirement Specialist*  
Dennis Trujillo - *Retirement Specialist*

### PAYROLL/REFUNDS

Jesse Godfrey - *Supervisor*  
Brenda Y. Cordova - *Business Operations Specialist*  
Sandia Nakai - *Business Operations Specialist*  
Ramona Moore - *Business Operations Specialist*  
Christine B. Carillo - *Accountant Auditor*  
Andrea Lucero - *Accountant Auditor*

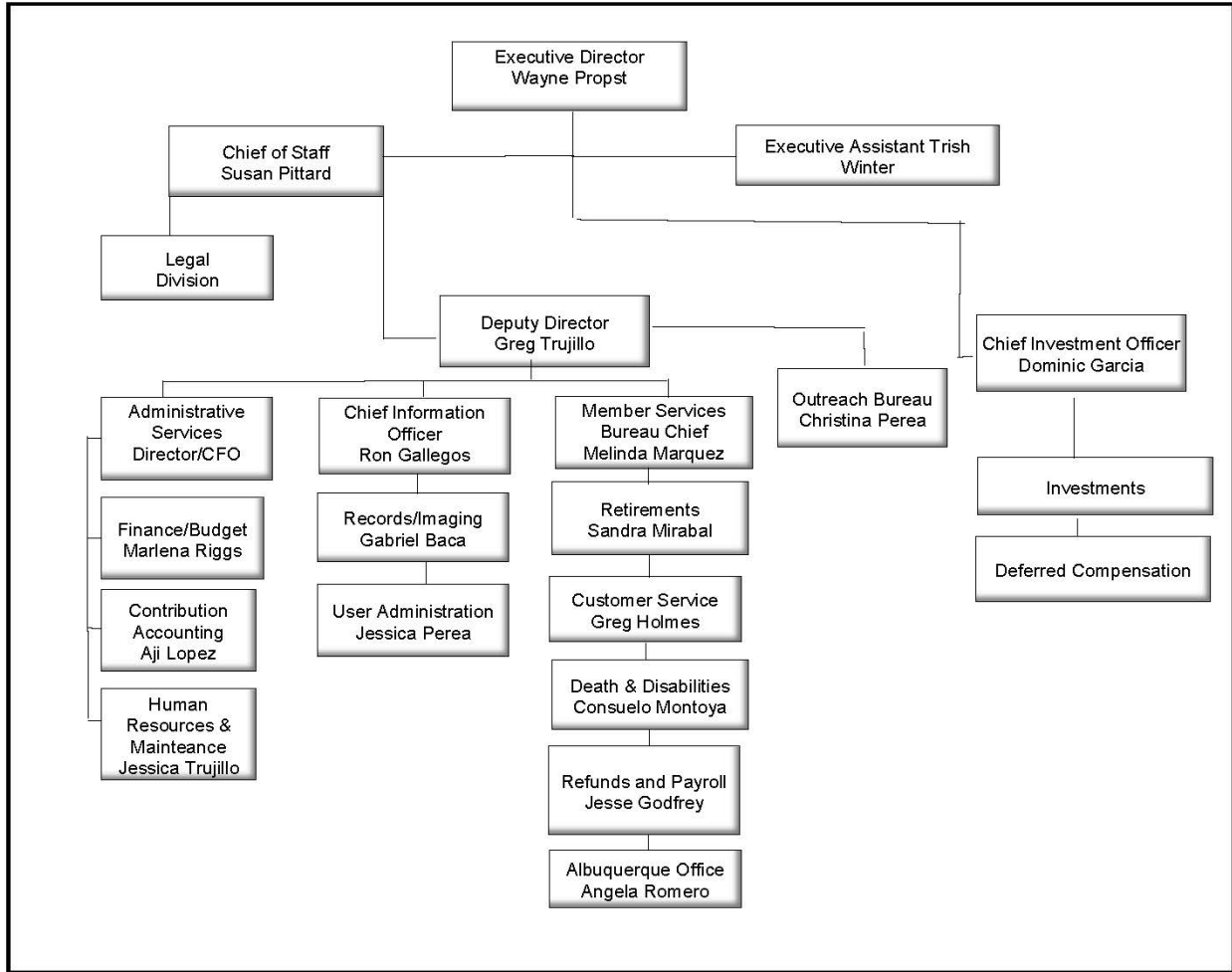
### OUTREACH

Christina I. Perea - *Public Relations Bureau Chief*  
Christina A. Gauthier - *Public Relations Coordinator*  
Jose Trujillo - *Public Relations Coordinator*

### ALBUQUERQUE OFFICE

Angela D. Romero - *Retirement Specialist Supervisor*  
Victoria G. Chavez - *Retirement Specialist*  
Melissa Trujeque - *Retirement Specialist*  
Erika Chavez - *Retirement Specialist*  
Angelique Atler - *Retirement Specialist*  
Annette Trujillo - *Retirement Specialist*

# PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ORGANIZATIONAL CHART



## **PROFESSIONAL CONSULTANTS**

### **ACTUARY**

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Cavanaugh Macdonald Consulting, LLC Consultants  
& Actuaries  
3550 Busbee Parkway, Suite 250  
Kennesaw, GA 30144  
Website: [www.CavMacConsulting.com](http://www.CavMacConsulting.com)

### **AUDITORS**

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

REDW, LLC  
Certified Public Accountants | Business & Financial Advisors 7425  
Jefferson St. NE  
Albuquerque, NM 87109  
Website: [www.redw.com](http://www.redw.com)

### **INVESTMENT PERFORMANCE CONSULTANTS**

---

Wilshire Associates Incorporated  
1299 Ocean Avenue, Suite 700  
Santa Monica, CA 90401-1085  
Website: [www.wilshire.com](http://www.wilshire.com)

### **INVESTMENT - REAL ASSETS CONSULTANTS**

---

Albourne America, LLC  
55 Montgomery Street, Suite 1910  
San Francisco, CA 4111  
Website: [www.albourne.com](http://www.albourne.com)

### **INVESTMENT - PRIVATE EQUITY CONSULTANTS**

---

TorreyCove Capital Partners, LLC  
101800 Barnes Canyon Road, Suite 200  
San Diego, CA 2121  
Website: [www.torreycove.com](http://www.torreycove.com)

A list of PERA's Schedule of Commissions, and other information related to investment expenses can be found in the Investment Section on pages





# FINANCIAL SECTION

Public Employees Retirement Association



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2020

**AUDITOR'S LETTER**CliftonLarsonAllen LLP  
CLAcconnect.com**INDEPENDENT AUDITORS' REPORT**

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

**Report on the Financial Statements**

We have audited the financial statements of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund, Volunteer Firefighters Retirement Fund, State of New Mexico Public Employees' Deferred Compensation Plan, and Social Security Administration Program (collectively, the Funds) administered by the Public Employees Retirement Association of New Mexico (PERA), which comprise the Statement of Fiduciary Net Position as of June 30, 2020, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related Notes to the Financial Statements, as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the State of New Mexico Public Employees' Deferred Compensation Plan, which represents 100% of the total assets, fiduciary net position held in trust for deferred compensation benefits, and increase in fiduciary net position of the accompanying statement of fiduciary net position and statement of changes in fiduciary net position of the State of New Mexico Public Employees' Deferred Compensation Plan. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the State of New Mexico Public Employees' Deferred Compensation Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





## AUDITOR'S LETTER

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of PERA as of June 30, 2020, and the respective changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, based on our audit and the report of other auditors, the individual financial statements of each Fund referred to above present fairly, in all material respects, the fiduciary net position of each of the individual Funds administered by PERA as of June 30, 2020 and the respective changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of PERA are intended to present the fiduciary net position and changes in fiduciary net position of only that portion of the State of New Mexico which are attributable to the transactions of the Funds administered by PERA. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2020, and the changes in its financial position, and where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## AUDITOR'S LETTER

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Changes in Net Pension Liability, Net Pension Liability, Employer Contributions, and Investment Returns, and related Notes, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on PERA's financial statements. The accompanying Schedules of Revenues, Appropriation, and Expenses – Budget and Actual for the Public Employees Retirement Fund Only, Administrative Expenses – All Funds and Investment Expenses for Defined Benefit Funds (supplementary information) and the Introductory, Investment, Actuarial and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

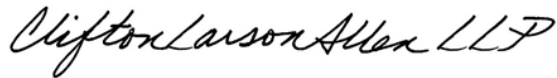
The Introductory, Investment, Actuarial, and Statistical Sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statements, and

## AUDITOR'S LETTER

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2020 on our consideration of PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering PERA's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 25, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Public Employees Retirement Fund (PERA Fund), the Judicial Retirement Fund (Judicial Fund), the Magistrate Retirement Fund (Magistrate Fund), the Volunteer Firefighters Retirement Fund (Volunteer Firefighters Fund), and the State of New Mexico Public Employees' Deferred Compensation Plan (Deferred Comp Fund) (collectively, the “Funds”) of the Public Employees Retirement Association of New Mexico for the years ended June 30, 2020 and 2019 provides a summary of the financial positions of the Funds, including highlights and comparisons.

PERA administers 31 different types of retirement coverage for affiliated public employers in the State of New Mexico. PERA is governed by a Board of Trustees consisting of two ex-officio members and ten members elected by the Association’s membership. The Board serves as the trustee for the funds controlled by PERA and is authorized to invest the funds on behalf of PERA. The Board appoints an Executive Director to oversee daily operations of the agency.

PERA administers a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC), which provides retirement, disability and survivor benefits pursuant to the Public Employees Retirement Act. The Public Employees Retirement Act, NMSA 1978 §§10-11-1 to 10-11-142, provides most of PERA’s statutory authority. Additional statutory authority is contained in NMSA 1978 § 10-11A-1 et seq, NMSA 1978 § 10-12B-1 et seq, NMSA 1978 § 10-12C-1 et seq, and NMSA 1978 § 10-13A-1 et seq. Deferred compensation is governed by NMSA 1978 §§ 10-7A-1 to 10-7A-12 and the U.S. Internal Revenue Code § 457.

### DEFINED BENEFIT FUNDS

The Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, and the Volunteer Firefighters Retirement Fund (collectively the "defined benefit funds") are defined benefit plans which provide a benefit based on a fixed pre-established benefit for employees at retirement. Overall the retirement plans need to balance the money coming in through investment income and contributions with the benefit payments and operating expenses going out.

Basic Retirement Equation:

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

		<b>Change in Fiduciary Net Position (Last 5 - Fiscal Years)</b>	
<b>I -</b>	Investment Income	\$	3,305,662,952
<b>C -</b>	Contributions		3,129,183,809
<b>C -</b>	Other Income		79,711,649
	Subtotal	\$	6,514,558,410
<b>B -</b>	Benefits		6,016,007,651
<b>E -</b>	Expenses		63,595,929
		\$	6,079,603,580
	<b>Change in Fiduciary Net Position</b>	\$	<b>434,954,830</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Comparative Summary Statements

The following tables for the year ended June 30, 2020 show the summary of the net change in fiduciary net position for the defined benefit funds. These tables show the net change in contributions, investment income, benefit payments and administrative expense by fund.

#### PERA Fund

	2020	2019	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 665,577,359	\$ 621,319,197	\$ 44,258,162	7.12 %
Net Investment Income	(223,544,634)	935,560,895	(1,159,105,529)	(123.89)%
Other Income	1,645,633	2,046,688	(401,055)	(19.60)%
Appropriations from State of NM	55,000,000	—	55,000,000	100.00 %
Total Additions	498,678,358	1,558,926,780	(1,060,248,422)	(68.01)%
<b>Deductions:</b>				
Benefit Payments	1,255,018,086	1,193,943,794	61,074,292	5.12 %
Refunds	44,903,263	54,336,708	(9,433,445)	(17.36)%
Administrative Expenses	14,318,348	13,583,374	734,974	5.41 %
Total Deductions	1,314,239,697	1,261,863,876	52,375,821	4.15 %
<b>Change in Fiduciary Net Position</b>	<b>\$ (815,561,339)</b>	<b>\$ 297,062,904</b>	<b>\$ (1,112,624,243)</b>	<b>(374.54)%</b>

#### Judicial Fund

	2020	2019	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 6,466,425	\$ 6,422,329	\$ 44,096	0.69 %
Net Investment Income	(1,252,476)	5,527,664	(6,780,140)	(122.66)%
Other Income	—	10,280	(10,280)	(100.00)%
Total Additions	5,213,949	11,960,273	(6,746,324)	(56.41)%
<b>Deductions:</b>				
Benefit Payments	12,013,294	11,351,841	661,453	5.83 %
Refunds	7,599	100,360	(92,761)	(92.43)%
Administrative Expenses	81,903	79,364	2,539	3.20 %
Total Deductions	12,102,796	11,531,565	571,231	4.95 %
<b>Change in Fiduciary Net Position</b>	<b>\$ (6,888,847)</b>	<b>\$ 428,708</b>	<b>\$ (7,317,555)</b>	<b>(1,706.89)%</b>

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

	2020	2019	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 1,943,040	\$ 1,875,825	\$ 67,215	3.58 %
Net Investment Income	(437,321)	1,938,490	(2,375,811)	(122.56)%
Other Income	—	—	—	— %
Total Additions	1,505,719	3,814,315	(2,308,596)	(60.52)%
<b>Deductions:</b>				
Benefit Payments	4,204,111	4,026,067	178,044	4.42 %
Refunds	—	55,566	(55,566)	(100.00)%
Administrative Expenses	28,329	27,744	585	2.11 %
Total Deductions	4,232,440	4,109,377	123,063	2.99 %
<b>Change in Fiduciary Net Position</b>	<b>\$ (2,726,721)</b>	<b>\$ (295,062)</b>	<b>\$ (2,431,659)</b>	<b>824.12 %</b>

**Volunteer Firefighters Fund**

	2020	2019	Dollar Change	Percentage Change
<b>Additions:</b>				
Appropriations from State of NM	\$ 750,000	\$ 750,000	\$ —	— %
Net Investment Income	(1,056,611)	4,317,954	(5,374,565)	(124.47)%
Other Income	—	1,000	(1,000)	(100.00)%
Total Additions	(306,611)	5,068,954	(5,375,565)	(106.05)%
<b>Deductions:</b>				
Benefit Payments	2,625,832	2,456,859	168,973	6.88 %
Administrative Expenses	67,207	62,918	4,289	6.82 %
Total Deductions	2,693,039	2,519,777	173,262	6.88 %
<b>Change in Fiduciary Net Position</b>	<b>\$ (2,999,650)</b>	<b>\$ 2,549,177</b>	<b>\$ (5,548,827)</b>	<b>(217.67)%</b>



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### NET POSITION HELD IN TRUST FOR PENSION BENEFITS

The following tables display the fiduciary net position. This is the total assets, less the liabilities to end up with the net position held in trust for the defined benefit funds.

#### PERA Fund

	2020	2019	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 935,183,338	\$ 961,976,872	\$ (26,793,534)	(2.79)%
Receivables	1,151,571,157	1,238,978,575	(87,407,418)	(7.05)%
Investments	14,254,269,467	15,270,273,466	(1,016,003,999)	(6.65)%
Capital Assets, Net	10,922,533	11,174,369	(251,836)	(2.25)%
Total Assets	16,351,946,495	17,482,403,282	(1,130,456,787)	(6.47)%
<b>Liabilities:</b>				
Accounts Payable	1,367,531,475	1,637,454,648	(269,923,173)	(16.48)%
Other Liabilities	292,430,814	337,403,089	(44,972,275)	(13.33)%
Total Liabilities	1,659,962,289	1,974,857,737	(314,895,448)	(15.95)%
<b>Fiduciary Net Position</b>	<b>\$ 14,691,984,206</b>	<b>\$ 15,507,545,545</b>	<b>\$ (815,561,339)</b>	<b>(5.26)%</b>

#### Judicial Fund

	2020	2019	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 5,034,687	\$ 5,612,414	\$ (577,727)	(10.29)%
Receivables	6,590,029	7,221,498	(631,469)	(8.74)%
Investments	82,699,112	90,549,739	(7,850,627)	(8.67)%
Total Assets	94,323,828	103,383,651	(9,059,823)	(8.76)%
<b>Liabilities:</b>				
Accounts Payable	7,780,590	9,655,804	(1,875,214)	(19.42)%
Other Liabilities	1,672,735	1,968,497	(295,762)	(15.02)%
Total Liabilities	9,453,325	11,624,301	(2,170,976)	(18.68)%
<b>Fiduciary Net Position</b>	<b>\$ 84,870,503</b>	<b>\$ 91,759,350</b>	<b>\$ (6,888,847)</b>	<b>(7.51)%</b>

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

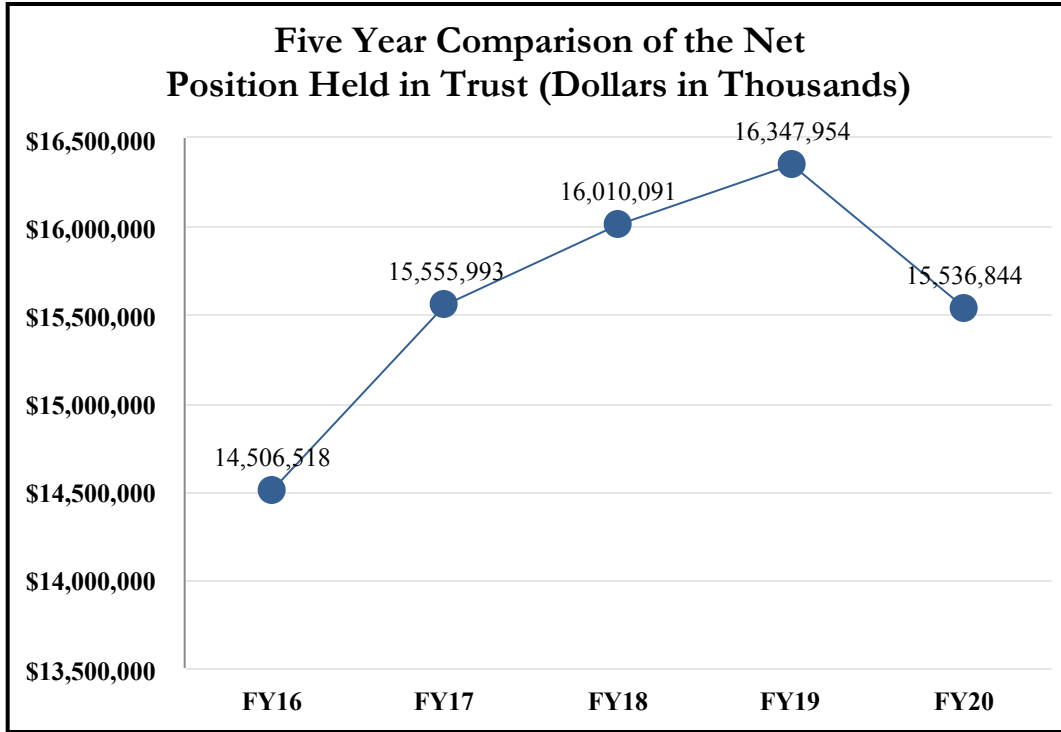
	2020	2019	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 1,741,406	\$ 1,961,967	\$ (220,561)	(11.24)%
Receivables	2,281,501	2,527,191	(245,690)	(9.72)%
Investments	28,338,833	31,394,896	(3,056,063)	(9.73)%
Total Assets	32,361,740	35,884,054	(3,522,314)	(9.82)%
<b>Liabilities:</b>				
Accounts Payable	2,712,503	3,398,524	(686,021)	(20.19)%
Other Liabilities	578,568	688,140	(109,572)	(15.92)%
Total Liabilities	3,291,071	4,086,664	(795,593)	(19.47)%
<b>Fiduciary Net Position</b>	<b>\$ 29,070,669</b>	<b>\$ 31,797,390</b>	<b>\$ (2,726,721)</b>	<b>(8.58)%</b>

**Volunteer Firefighters Fund**

	2020	2019	Dollar Change	Percentage Change
<b>Assets:</b>				
Cash & Short-term Investments	\$ 4,131,311	\$ 4,449,428	\$ (318,117)	(7.15)%
Receivables	5,270,557	5,599,151	(328,594)	(5.87)%
Investments	67,188,739	70,884,019	(3,695,280)	(5.21)%
Total Assets	76,590,607	80,932,598	(4,341,991)	(5.36)%
<b>Liabilities:</b>				
Accounts Payable	6,381,031	7,535,376	(1,154,345)	(15.32)%
Other Liabilities	1,372,596	1,560,592	(187,996)	(12.05)%
Total Liabilities	7,753,627	9,095,968	(1,342,341)	(14.76)%
<b>Fiduciary Net Position</b>	<b>\$ 68,836,980</b>	<b>\$ 71,836,630</b>	<b>\$ (2,999,650)</b>	<b>(4.18)%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following chart represents the fiduciary net position for the Public Employees Retirement Association over the last 5 years. (This includes all the defined benefit funds and the Deferred Compensation fund.)



**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)****DEFERRED COMP FUND**

In addition to the above defined benefit funds, the comparative summary of assets, liabilities, net position and the related change in net position of the Deferred Comp fund is presented below. The assets and liabilities of this plan are administered by a plan administrator through an executed contract with PERA.

Statement of Fiduciary Net Position as of June 30, 2020, as compared to June 30, 2019, is as follows:

**Deferred Comp Fund**

	2020	2019	Dollar Change	Percentage Change
<b>Assets:</b>				
Receivables	\$ 12,360,117	\$ 14,009,789	\$ (1,649,672)	(11.78)%
Investments	649,734,530	631,016,361	18,718,169	2.97 %
Total Assets	662,094,647	645,026,150	17,068,497	2.65 %
Total Liabilities	12,695	10,704	1,991	18.60 %
<b>Net Position Held in Trust</b>	<b>\$ 662,081,952</b>	<b>\$ 645,015,446</b>	<b>\$ 17,066,506</b>	<b>2.65 %</b>

Statement of Changes in Fiduciary Net Position as of June 30, 2020, as compared to June 30, 2019, is as follows:

**Deferred Comp Fund**

	2020	2019	Dollar Change	Percentage Change
<b>Additions:</b>				
Contributions and Service Credit Purchases	\$ 41,704,672	\$ 43,134,670	\$ (1,429,998)	(3.32)%
Net Investment Income	24,310,886	37,556,290	(13,245,404)	(35.27)%
Other Income	108,136	107,000	1,136	1.06 %
Total Additions	66,123,694	80,797,960	(14,674,266)	(18.16)%
<b>Deductions:</b>				
Benefit Payments	47,481,217	41,197,682	6,283,535	15.25 %
Life Insurance Premiums	17,740	24,597	(6,857)	(27.88)%
Administrative Expenses	1,558,231	1,458,298	99,933	6.85 %
Total Deductions	49,057,188	42,680,577	6,376,611	14.94 %
<b>Change in fiduciary net position</b>	<b>\$ 17,066,506</b>	<b>\$ 38,117,383</b>	<b>\$ (21,050,877)</b>	<b>(55.23)%</b>

**INVESTMENTS HIGHLIGHTS**

The purpose of the defined benefit investments is to provide long-term growth, while also ensuring a reliable cash flow that meets the funding requirements of the current pension obligations. The investments are allocated to a variety of asset types and strategies in order to meet the current funding needs and future growth for their long-term return and growth characteristics, while fixed income and debt-related investments are included in the allocation for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirement of current pension payments.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table shows the investment income for the defined benefit funds for the fiscal year 2020:

### Investment Income

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Interest	\$ 121,301,925	\$ 722,677	\$ 247,739	\$ 572,731	\$ 122,845,072
Dividends	119,567,540	692,651	240,696	558,404	121,059,291
Net Appreciation in Fair Value of Inv.	(457,794,648)	(2,636,746)	(916,114)	(2,154,175)	(463,501,683)
Other Investment Income	55,078,988	321,678	112,341	256,079	55,769,086
Other Investment Expenses	(64,770,855)	(370,497)	(128,148)	(304,018)	(65,573,518)
Securities Lending Income	3,072,416	17,761	6,165	14,368	3,110,710
<b>Net Investment Income</b>	<b>\$ (223,544,634)</b>	<b>\$ (1,252,476)</b>	<b>\$ (437,321)</b>	<b>\$ (1,056,611)</b>	<b>\$ (226,291,042)</b>

The following table shows the defined benefit funds' invested assets as of June 30, 2020 compared to June 30, 2019:

### Invested Assets

Investment Category	June 30, 2020	June 30, 2019	Dollar Change	Percentage Change
Domestic Equity	\$ 2,145,189,948	\$ 2,722,512,815	\$ (577,322,867)	(21.21)%
International Equity	2,051,545,364	2,467,335,866	(415,790,502)	(16.85)%
Core Fixed Income	2,340,092,196	3,454,883,287	(1,114,791,091)	(32.27)%
Global Fixed Income	665,794,261	682,525,694	(16,731,433)	(2.45)%
Public MLP	180,510,962	284,308,739	(103,797,777)	(36.51)%
Public REIT	392,462,686	581,020,928	(188,558,242)	(32.45)%
TIPS	505,618,297	501,258,271	4,360,026	0.87%
Derivatives	(2,032,461)	16,639,992	(18,672,453)	(112.21)%
Absolute Return - Credit	384,941,533	462,337,684	(77,396,151)	(16.74)%
Absolute Return - Equity	653,070	43,944,537	(43,291,467)	(98.51)%
Absolute Return - Real Assets	1,913,847	3,140,615	(1,226,768)	(39.06)%
Absolute Return - Risk Parity	1,364,876,911	315,307,691	1,049,569,220	332.87%
Bond Plus Alpha Engine	485,637,550	—	485,637,550	100.00%
Private Equity Partnership	1,391,459,986	1,185,494,023	205,965,963	17.37%
Private Debt Partnership	589,513,211	882,551,041	(293,037,830)	(33.20)%
Real Estate Equity Partnership	574,721,347	554,859,320	19,862,027	3.58%
Real Estate Debt Partnership	288,339,335	204,187,412	84,151,923	41.21%
Real Asset Partnership	757,194,460	735,949,796	21,244,664	2.89%
Securities Lending Collateral	296,084,177	341,650,662	(45,566,485)	(13.34)%
Investments In State General Fund Investment Pool	17,979,471	23,193,747	(5,214,276)	(22.48)%
<b>Total Investments</b>	<b>\$ 14,432,496,151</b>	<b>\$ 15,463,102,120</b>	<b>\$ (1,030,605,969)</b>	<b>(6.66)%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

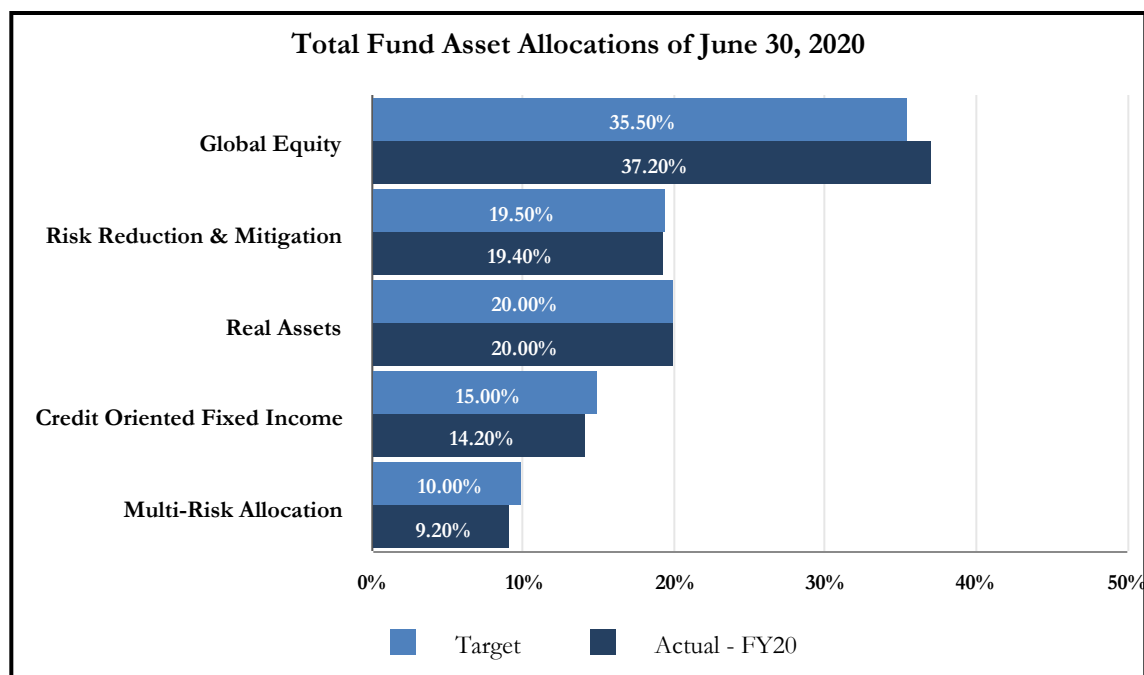
### TIME - WEIGHTED RETURNS VS BENCHMARKS

As of June 30, 2020, the investments in the defined benefit funds returned (1.52)% and generated an investment loss of approximately \$(226) million net of investment fees and expenses. For further detail, please see the actuarial section on page 140. The defined benefit funds' Fiduciary Net Position held in trust for pension benefits at the close of the fiscal year was approximately \$14.9 billion. Although slightly underperforming the policy benchmark over shorter measurement periods, the defined benefit has produced outperformance over longer time horizons.

Time Period	PERA Return	Benchmark Return	Excess Return
One-year	(1.52)%	(1.50)%	(0.02)%
Three-year	3.85%	3.52%	0.33%
Five-year	4.57%	4.77%	(0.20)%
Ten-year	7.49%	7.32%	0.17%
Inception - Date	8.61%	8.53%	0.08%

### ASSET ALLOCATION

The strategic asset allocation focuses on the role of each major asset category through various market cycles and better diversifies capital and risks across these strategies. The new target mix apportions assets to capture diversified return streams while reducing the expected volatility of the defined benefit funds', as a whole. The chart below details the asset allocation for the defined benefit funds' investment portfolio and shows defined benefit funds' investment return compared to its policy benchmark.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### STATUTORY CONTRIBUTIONS

Contributions are one piece of the retirement equation. The member and employer contributions rates are set in statute. See notes to the financial statements for the detail schedule of the contribution rates. Employer and member contributions for the fiscal year increased from \$630,367,351 in 2019 to \$674,736,824 in 2020.

#### Total Contributions by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Employer Contributions	\$ 367,524,721	\$ 4,683,130	\$ 1,292,686	\$ —	\$ 373,500,537
Employee Contributions	289,776,597	1,783,295	650,354	—	292,210,246
Purchased Services	7,376,041	—	—	—	7,376,041
State Contributions	900,000	—	—	750,000	1,650,000
<b>Total Contributions</b>	<b>\$ 665,577,359</b>	<b>\$ 6,466,425</b>	<b>\$ 1,943,040</b>	<b>\$ 750,000</b>	<b>\$ 674,736,824</b>

### BENEFITS AND EXPENSES

Benefits are another component of the retirement equation. At the end of the fiscal year 2020, PERA was paying benefits to more than 41,189 retired public employees and their beneficiaries. Benefits and expenses for the fiscal year increased from \$1,280,024,595 in 2019 to \$1,333,267,972 in 2020.

#### Total Deductions by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Benefit Payments	\$ 1,255,018,086	\$ 12,013,294	\$ 4,204,111	\$ 2,625,832	\$ 1,273,861,323
Refunds	44,903,263	7,599	—	—	44,910,862
Administrative Expense	14,318,348	81,903	28,329	67,207	14,495,787
<b>Total Deductions</b>	<b>\$ 1,314,239,697</b>	<b>\$ 12,102,796</b>	<b>\$ 4,232,440</b>	<b>\$ 2,693,039</b>	<b>\$ 1,333,267,972</b>



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### ACTUARIAL VALUATIONS

In FY 20 the PERA Fund reported an Unfunded Actuarial Accrued Liability (UAAL) of \$6.65 billion, approximately \$11.6 million higher than the previous year. For further detail, please see actuarial section on page 141. The increase in the UAAL was the result of an actuarial loss due to the investment experience and changes in inflation rates, payroll growth rates, and other non-investment related items. The return on the actuarial value of assets was 5.45% compared to an expected return of 7.25%.

Recent Governmental Accounting Standards Board (GASB) accounting changes (GASB 67) have changed how an unfunded liability is calculated for accounting purposes and how it is reported on the financial statements of PERA's participating entities.

The table in the MD&A includes the Net Pension Liability as required under GASB 67. For further detail, please see Note 12 and required supplementary information specific to GASB 67, by fund.

#### Net Pension Liability by Fund

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund
Total Pension Liability	\$22,140,636,773	\$223,409,412	\$58,617,922	\$51,905,209
Plan Fiduciary Net Position Held in Trust for Pension Benefits	14,691,984,206	84,870,503	29,070,669	68,836,980
Net Pension Liability / (Asset)	<b>\$7,448,652,567</b>	<b>\$138,538,909</b>	<b>\$29,547,253</b>	<b>\$(16,931,771)</b>
Ratio of Plan Net Position of Total Pension Liability	<b>66.36%</b>	<b>37.99%</b>	<b>49.59%</b>	<b>132.62%</b>

*Actuarial assumptions*—The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2020. These assumptions were adopted by the Board for use in the June 30, 2020 actuarial valuation.

### OTHER SIGNIFICANT MATTERS

On March 2, 2020, NM Governor Lujan Grisham signed Senate Bill 72 (SB 72), PERA Solvency legislation into law. For active members effective July 1, 2020, State General Plan 3, employee contributions will increase by 2%, in .5% increments over four fiscal years. The first .5% increment will increase employee contributions under State General Plan 3 to 9.42%. The employer contribution rate will increase by .5% each fiscal year as well. Municipal/County employees have a two-year delay, so effective July 1, 2022 employee and employer contributions will increase by 2% , in .5% increments, over four fiscal years (FYs 23, 24, 25, and 26).

For retirees who are 75 years of age on or before June 30, 2020, will receive a 2.5% COLA, an increase from the current 2% COLA. Disability retirees and retirees with pensions lower than \$25,000 after 25 years of service also will receive a 2.5% COLA.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For all other retirees who are COLA-eligible will receive a 2%, non-compounding, additional payment for the next three years (2020, 2021 and 2022). This payment will be paid in addition to your regular July pension payment. PERA received a \$55 million General Fund appropriation to cover the cost of the 13<sup>th</sup> check payments (2% non-compounding) to eligible retirees in FY21, 22 and 23.

### REQUEST FOR INFORMATION

Any questions regarding the financial statements of PERA should be directed to the Executive Director, at (505) 476-9301; Chief Investment Officer at (505) 476-9338, or Chief Financial Officer at (505) 476-9313. All can be reached by mail at 33 Plaza La Prensa, Santa Fe, NM 87504. Further contact information is also located on PERA's website at <http://www.nmpera.org/>.

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**As of June 30, 2020**

	Public Employee Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
<b>ASSETS</b>			
Cash and Short Term Investments	\$ 880,175,325	\$ 5,034,687	\$ 1,741,406
Cash and Cash Equivalents for 13th Check Receivables	55,008,013	—	—
Accrued Investment Income	1,122,884,208	6,423,050	2,221,615
Contributions Receivable	28,611,949	166,979	59,886
Participant Loans Receivable	—	—	—
Accounts Receivable	75,000	—	—
<b>Total Short Term Assets</b>	<b>1,151,571,157</b>	<b>6,590,029</b>	<b>2,281,501</b>
Investment in State Treasurer Investment Pool	16,196,065	1,255,649	169,032
Investments, at fair value			
Domestic Equity	2,118,931,395	12,120,538	4,192,272
International Equity	2,026,433,084	11,591,437	4,009,265
Core Fixed Income	2,311,447,910	13,221,755	4,573,163
Global Fixed Income	657,644,497	3,761,804	1,301,139
Public MLP	178,301,388	1,019,905	352,766
Public REIT	387,658,681	2,217,454	766,977
TIPS	499,429,192	2,856,794	988,113
Derivatives	(2,007,582)	(11,484)	(3,972)
Absolute Return - Credit	380,229,593	2,174,958	752,278
Absolute Return - Equity	645,076	3,690	1,276
Absolute Return - Real Assets	1,890,421	10,813	3,740
Absolute Return - Risk Parity	1,348,169,909	7,711,691	2,667,333
Bond Plus Alpha Engine	479,693,023	2,743,901	949,065.00
Private Equity Partnership	1,374,427,590	7,861,888	2,719,283
Private Debt Partnership	582,297,176	3,330,809	1,152,066
Real Estate Equity Partnership	567,686,376	3,247,233	1,123,158
Real Estate Debt Partnership	284,809,870	1,629,146	563,492
Real Asset Partnership	747,925,893	4,278,226	1,479,760
Variable Earning Investments	—	—	—
Stable Value Option & Other	—	—	—
Fixed annuity payout option	—	—	—
Self-directed option	—	—	—
	<b>13,961,809,557</b>	<b>81,026,207</b>	<b>27,760,206</b>
Securities Lending Collateral Investments	292,459,910	1,672,905	578,627
<b>Total Investments</b>	<b>14,254,269,467</b>	<b>82,699,112</b>	<b>28,338,833</b>
Capital Assets, Net	10,922,533	—	—
<b>Total Assets</b>	<b>16,351,946,495</b>	<b>94,323,828</b>	<b>32,361,740</b>
<b>LIABILITIES</b>			
Accounts Payable - Brokers	1,359,472,924	7,776,346	2,689,696
Accounts Payable - Other	7,318,302	4,244	22,807
Accrued Expenses	352,132	—	—
Compensated Absences	388,117	—	—
Securities Lending Liability	292,430,814	1,672,735	578,568
<b>Total Liabilities</b>	<b>1,659,962,289</b>	<b>9,453,325</b>	<b>3,291,071</b>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>			
	<b>\$ 14,691,984,206</b>	<b>\$ 84,870,503</b>	<b>\$ 29,070,669</b>

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO**  
**STATEMENTS OF FIDUCIARY NET POSITION (CONTINUED)**  
**As of June 30, 2020**

	Volunteer Firefighters Retirement Fund	Total Defined Benefit	Deferred Compensation Plan	SSA Program	Total
<b>ASSETS</b>					
Cash and Short Term Investments	\$ 4,131,311	\$ 891,082,729	\$ —	\$ —	\$ 891,082,729
Cash and Cash Equivalents for 13th Check Receivables	—	55,008,013	—	—	55,008,013
Accrued Investment Income	5,270,557	1,136,799,430	—	—	1,136,799,430
Contributions Receivable	—	28,838,814	—	—	28,838,814
Participant Loans Receivable	—	—	12,335,117	—	12,335,117
Accounts Receivable	—	75,000	25,000	—	100,000
<b>Total Short Term Assets</b>	<b>5,270,557</b>	<b>1,165,713,244</b>	<b>12,360,117</b>	<b>—</b>	<b>1,178,073,361</b>
Investment in State Treasurer Investment Pool Investments, at fair value	358,725	17,979,471	41,066	3,102	18,023,639
Domestic Equity	9,945,743	2,145,189,948	—	—	2,145,189,948
International Equity	9,511,578	2,051,545,364	—	—	2,051,545,364
Core Fixed Income	10,849,368	2,340,092,196	—	—	2,340,092,196
Global Fixed Income	3,086,821	665,794,261	—	—	665,794,261
Public MLP	836,903	180,510,962	—	—	180,510,962
Public REIT	1,819,574	392,462,686	—	—	392,462,686
TIPS	2,344,198	505,618,297	—	—	505,618,297
Derivatives	(9,423)	(2,032,461)	—	—	(2,032,461)
Absolute Return - Credit	1,784,704	384,941,533	—	—	384,941,533
Absolute Return - Equity	3,028	653,070	—	—	653,070
Absolute Return - Real Assets	8,873	1,913,847	—	—	1,913,847
Absolute Return - Risk Parity	6,327,978	1,364,876,911	—	—	1,364,876,911
Bond Plus Alpha Engine	2,251,561	485,637,550	—	—	485,637,550
Private Equity Partnership	6,451,225	1,391,459,986	—	—	1,391,459,986
Private Debt Partnership	2,733,160	589,513,211	—	—	589,513,211
Real Estate Equity Partnership	2,664,580	574,721,347	—	—	574,721,347
Real Estate Debt Partnership	1,336,827	288,339,335	—	—	288,339,335
Real Asset Partnership	3,510,581	757,194,460	—	—	757,194,460
Variable Earning Investments	—	—	324,599,396	—	324,599,396
Stable Value Option & Other	—	—	137,335,299	—	137,335,299
Fixed annuity payout option	—	—	181,344,323	—	181,344,323
Self-directed option	—	—	6,414,446	—	6,414,446
	65,816,004	14,136,411,974	649,734,530	3,102	14,786,149,606
Securities Lending Collateral Investment	1,372,735	296,084,177	—	—	296,084,177
<b>Total Investments</b>	<b>67,188,739</b>	<b>14,432,496,151</b>	<b>649,734,530</b>	<b>3,102</b>	<b>15,082,233,783</b>
Capital Assets, Net	—	10,922,533	—	—	10,922,533
<b>Total Assets</b>	<b>76,590,607</b>	<b>16,555,222,670</b>	<b>662,094,647</b>	<b>3,102</b>	<b>17,217,320,419</b>
<b>LIABILITIES</b>					
Accounts Payable - Brokers	6,381,031	1,376,319,997	—	—	1,376,319,997
Accounts Payable - Other	—	7,345,353	—	—	7,345,353
Accrued Expenses	—	352,132	4,104	3,102	359,338
Compensated Absences	—	388,117	8,591	—	396,708
Securities Lending Liability	1,372,596	296,054,713	—	—	296,054,713
<b>Total Liabilities</b>	<b>7,753,627</b>	<b>1,680,460,312</b>	<b>12,695</b>	<b>3,102</b>	<b>1,680,476,109</b>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>					
	<b>\$ 68,836,980</b>	<b>\$ 14,874,762,358</b>	<b>\$ 662,081,952</b>	<b>\$ —</b>	<b>\$ 15,536,844,310</b>

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2020**

	Public Employee Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 367,524,721	\$ 4,683,130	\$ 1,292,686
Member	289,776,597	1,783,295	650,354
Appropriations from State of NM			
Legislative Fund	900,000	—	—
Fire Protection Fund	—	—	—
Service Credits Purchased	7,376,041	—	—
<b>Total Contributions</b>	<b>665,577,359</b>	<b>6,466,425</b>	<b>1,943,040</b>
Investment Income			
Interest	121,301,925	722,677	247,739
Dividends	119,567,540	692,651	240,696
Net Appreciation (Depreciation) in Fair Value of Investments	(457,794,648)	(2,636,746)	(916,114)
Other Investment Income	55,078,988	321,678	112,341
Securities Lending Income	3,072,416	17,761	6,165
	(158,773,779)	(881,979)	(309,173)
Securities Lending Expenses	(455,123)	(2,603)	(900)
Other Investment Expenses	(64,315,732)	(367,894)	(127,248)
<b>Net Investment Income</b>	<b>(223,544,634)</b>	<b>(1,252,476)</b>	<b>(437,321)</b>
<b>OTHER</b>			
Other Income	1,645,633	—	—
Special fund appropriation	55,000,000	—	—
Reversion - FY 2020	—	—	—
<b>Total Other Income</b>	<b>56,645,633</b>	<b>—</b>	<b>—</b>
<b>Total Additions</b>	<b>498,678,358</b>	<b>5,213,949</b>	<b>1,505,719</b>
<b>DEDUCTIONS</b>			
Benefit Payments	1,255,018,086	12,013,294	4,204,111
Refunds to Terminated Employees	44,903,263	7,599	—
Administrative Expenses	14,318,348	81,903	28,329
Life Insurance Premiums	—	—	—
<b>Total Deductions</b>	<b>1,314,239,697</b>	<b>12,102,796</b>	<b>4,232,440</b>
Change in Fiduciary Net Position	(815,561,339)	(6,888,847)	(2,726,721)
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>			
Beginning of Year	15,507,545,545	91,759,350	31,797,390
End of Year	<b>\$ 14,691,984,206</b>	<b>\$ 84,870,503</b>	<b>\$ 29,070,669</b>

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO (CONTINUED)**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2020**

	Volunteer Firefighters Retirement Fund	Total Defined Benefit	Deferred Compensation Plan	SSA Program	Total
<b>ADDITIONS</b>					
Contributions					
Employer	\$ —	\$ 373,500,537	\$ —	\$ —	\$ 373,500,537
Member	—	292,210,246	41,704,672	—	333,914,918
Appropriations from State of NM -					
Legislative Fund	—	900,000	—	—	900,000
Fire Protection Fund	750,000	750,000	—	—	750,000
Service Credits Purchased	—	7,376,041	—	—	7,376,041
<b>Total Contributions</b>	<b>750,000</b>	<b>674,736,824</b>	<b>41,704,672</b>	<b>—</b>	<b>716,441,496</b>
Investment Income					
Interest	572,731	122,845,072	14,657,491	—	137,502,563
Dividends	558,404	121,059,291	—	—	121,059,291
Net Appreciation (Depreciation) in Fair Value of Investments	(2,154,175)	(463,501,683)	8,945,835	—	(454,555,848)
Other Investment Income	256,079	55,769,086	707,560	—	56,476,646
Securities Lending Income	14,368	3,110,710	—	—	3,110,710
	(752,593)	(160,717,524)	24,310,886	—	(136,406,638)
Securities Lending Expenses	(2,136)	(460,762)	—	—	(460,762)
Other Investment Expenses	(301,882)	(65,112,756)	—	—	(65,112,756)
<b>Net Investment Income</b>	<b>(1,056,611)</b>	<b>(226,291,042)</b>	<b>24,310,886</b>	<b>—</b>	<b>(201,980,156)</b>
<b>OTHER</b>					
Other Income	—	1,645,633	108,136	—	1,753,769
Special fund appropriation	—	55,000,000	—	80,300	55,080,300
Reversions - FY 2020	—	—	—	(8,025)	(8,025)
<b>Total Other Income</b>	<b>—</b>	<b>56,645,633</b>	<b>108,136</b>	<b>72,275</b>	<b>56,826,044</b>
<b>Total Additions</b>	<b>(306,611)</b>	<b>505,091,415</b>	<b>66,123,694</b>	<b>72,275</b>	<b>571,287,384</b>
<b>DEDUCTIONS</b>					
Benefit Payments	2,625,832	1,273,861,323	47,481,217	—	1,321,342,540
Refunds to Terminated Employees	—	44,910,862	—	—	44,910,862
Administrative Expenses	67,207	14,495,787	1,558,231	72,275	16,126,293
Life Insurance Premiums	—	—	17,740	—	17,740
<b>Total Deductions</b>	<b>2,693,039</b>	<b>1,333,267,972</b>	<b>49,057,188</b>	<b>72,275</b>	<b>1,382,397,435</b>
Change in Fiduciary Net Position	(2,999,650)	(828,176,557)	17,066,506	—	(811,110,051)
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS AND HELD IN TRUST FOR DEFERRED COMPENSATION BENEFITS</b>					
<b>Beginning of Year</b>	<b>71,836,630</b>	<b>15,702,938,915</b>	<b>645,015,446</b>	<b>—</b>	<b>16,347,954,361</b>
<b>End of Year</b>	<b>\$ 68,836,980</b>	<b>\$ 14,874,762,358</b>	<b>\$ 662,081,952</b>	<b>\$ —</b>	<b>\$ 15,536,844,310</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. GENERAL DESCRIPTION OF THE ASSOCIATION AND RETIREMENT FUNDS

#### A. General

The Public Employee Retirement Association (“PERA”) was created by legislation enacted in 1947.

PERA is the administrator of four retirement funds, including the Public Employees Retirement Fund (PERA Fund), the Judicial Retirement Fund (Judicial Fund), the Magistrate Retirement Fund (Magistrate Fund), and the Volunteer Firefighters Retirement Fund (Volunteer Firefighters Fund), offering an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. The laws governing the administration of these funds are set forth in Chapter 10 of the New Mexico Statutes Annotated 1978 (“NMSA 1978”) and applicable Replacement Pamphlets. PERA also has limited administrative responsibilities with respect to the State of New Mexico Deferred Compensation Fund (Deferred Comp Fund), as more fully discussed in Note 1(C). PERA also administers the Social Security Administrative Program (SSA Program) for the State of New Mexico. Collectively, the four retirement funds and the Deferred Comp Fund are known as the “Funds”.

PERA is directed by the Public Employees Retirement Board (the “Board”) which consists of twelve members. Ten of the twelve Board members are elected by PERA active and retired members under state, municipal and county coverage plans. Two of the twelve Board members, the Secretary of State and the State Treasurer, are ex-officio members.

#### B. Reporting Entity

PERA is an agency of the State of New Mexico. The funds administered by PERA are considered part of the State of New Mexico financial reporting entity and are pension trust funds of the State of New Mexico. The State of New Mexico Deferred Compensation Plan is also presented in the financial statements. See further detail and information on the Deferred Compensation Fund in Note 16 and publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza La Prensa, Santa Fe, NM 87507, or calling (505) 476-9386.

PERA applied the criteria established by GAAP to determine whether other state agencies, boards or commissions which benefit the members of PERA should be included within its financial reporting entity. The criteria include, but are not limited to, whether PERA exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service, and special financing relationships. Based on these criteria, management of PERA has determined that no other such entities should be included in its financial reporting entity. PERA does not have any component units.

The State of New Mexico, Department of Finance and Administration (DFA) codes for the funds are as follows:

Public Employees Retirement Fund SHARE fund #60600

Judicial Retirement Fund SHARE fund #60300

Magistrate Retirement Fund SHARE fund #60400

Volunteer Firefighters Retirement Fund SHARE fund #60700

Deferred Compensation Fund SHARE fund #75500



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Social Security Administrative Program SHARE fund #35180

PERA does receive General Fund Appropriations from the State of New Mexico to fund the SSA Program. Otherwise, PERA is self-funded through investment income and therefore is a non-reverting fund except for the SSA Program. PERA received a general appropriation for fiscal year 2020 to administer the SSA Program for the state. Based on the general appropriation PERA has reverted \$8,025 back to the General Fund.

### C. Description of the Funds

**PERA Fund** is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correctional Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA Fund. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10- 11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

#### **House Bill 501**

- Increased employer contributions by .0025 percent for funds under the Public Employees Retirement Act.

### **TIER I**

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available. A blended pension benefit is equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan with different pension factors, for service credit earned after July 1, 2013.

#### **Cost-of-Living Adjustment (COLA)**

- Eligible retired members will receive a 2% COLA.
- Graduated COLA eligibility period for those who retire:
  - ✓ before June 30, 2014: no change to current 2 full-calendar years after retirement to receive a COLA;
  - ✓ between July 1, 2014 and June 30, 2015: 3 full-calendar year eligibility period to receive a COLA;

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- ✓ between July 1, 2015 and June 30, 2016: 4 full-calendar year eligibility period to receive a COLA; and
  - ✓ after July 1, 2016: 7 full-calendar year eligibility period to receive a COLA.
- No change in 1-year COLA eligibility for disability retirees or retirees age 65 or older.

### TIER II

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%. The computation of final average salary increased as the average of salary for 60 consecutive months.

### CHANGES FOR RETIREES

#### **Cost-of-Living Adjustment (COLA)**

- Reduces the COLA from 3% to 2% except for:
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$20,000.

### CHANGES FOR RE-EMPLOYED RETIREES

#### **Cost-of-Living Adjustment (COLA)**

- Suspends the COLA for grandfathered return-to-work retirees during reemployment with PERA-affiliated employers or retirees employed by entities covered by the Educational Retirement Act.

***State Legislative Fund*** is a defined benefit pension plan that is a division accounted for under the PERA Fund. Eligibility for membership in the State Legislative Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, Section 43 and 43.5, NMSA 1978). State Legislators and lieutenant governors must elect to be a member no later than 180 days after first taking office to be covered under the State Legislative Fund.

Member contributions are \$500 for each year of service credit prior to 2012 session and \$600 for each year of service credit beginning with the 2012 legislative session. Legislative service credit is earned each calendar year during which the member fulfills the obligations of the position of legislator for more than six months of the calendar year, including the legislative session. Legislators are not required to make a member contribution until after the legislative session has ended and after PERA verifies service credit. PERA invoices legislative members to cover member contributions for each legislative session after the session ends, which is normally July or August.

State funding for the State Legislative Fund is defined in Sections 10-11-43 and 10-11-43.5, NMSA 1978. The state is required to contribute sufficient amounts to finance the membership of members under state legislator coverage

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

plan 2 on an actuarial reserve basis. The total actuarial determined amount for the State Legislative Fund for the fiscal year ended June 30, 2018 was determined by the actuary to be \$0. Actual funding/contributions historically have exceeded actuarial determined contributions. Regarding the source of funding, Section 7 -1-6.43 of the Tax Administration Act states “A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars (\$200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year.” During the State of New Mexico (53rd Legislature) in 2017, HB-002 was passed that reduced the State’s distribution to the Legislative Fund from \$75,000 a month to \$0 a month.

Age and service requirements for retirement are age 65 or older with 5 or more years of service credit or any age with 10 or more years of service credit. Legislative members who meet retirement eligibility requirements receive annual pensions equal in any calendar year to 11% of the per diem rate in effect, pursuant to Section 2-1-8, NMSA 1978, on the first day of the calendar year that the legislator or lieutenant governor retires multiplied by 60 and further multiplied by credited service as a legislator or lieutenant governor. The per diem rate starting January 1, 2018 is \$165.

### **Senate Bill 307**

- Effective 2019 the annual contribution amount under Legislative Retirement Plan 2 the amount increases to \$1,000.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

The following table (Tier I and Tier II) illustrate the various coverage options under the PERA Fund and the contribution rates effective during the year.

<b>PERA Fund Contribution Rates and Pension Factors in Effect During FY 20</b>						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
<b>STATE PLAN</b>						
State Plan 3	7.42%	8.92%	17.24%	3.0%	2.5%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
"Municipal Plan 1 (plan open to new employers)"	7.0%	8.5%	7.65%	2.0%	2.0%	90%
"Municipal Plan 2 (plan open to new employers)"	9.15%	10.65%	9.80%	2.5%	2.0%	90%
"Municipal Plan 3 (plan closed to new employers 6/95)"	13.15%	14.65%	9.80%	3.0%	2.5%	90%
"Municipal Plan 4 (plan closed to new employers 6/00)"	15.65%	17.15%	12.30%	3.0%	2.5%	90%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
Municipal Police Plan 1	7.0%	8.5%	10.7%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.7%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	19.2%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.2%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	19.2%	3.5%	3.0%	90%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.0%	9.5%	11.65%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	18.15%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.90%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.90%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.90%	3.5%	3.0%	90%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.5%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	17.24%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.37%	3.0%	3.0%	90%

**Judicial Fund** is a single employer defined benefit pension plan. Eligibility for membership in the Judicial Retirement Fund is set forth in the Public Employees Retirement Act (10-12B-4 NMSA 1978). Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Judicial Retirement plan.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For individuals that became a member of this plan prior to July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 2005, is determined as 75% of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For individuals that become a member after July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 55 to anyone having served at least 16 years.

For those individuals who became a member of this plan subsequent to July 1, 2005, the annual pension amount is determined as 75% of salary received during the last year in office prior to retirement multiplied by 5% of the number of years in service, not exceeding fifteen years, plus five years or one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of three and seventy-five hundredths percent times the sum of the number of years of service; provided that a pension calculated shall not exceed 75% of one-twelfth of the salary received during the last year in office.

The retirement age and service credit requirements for normal retirement for judicial members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 33 Substitute in the 2014 Legislative Session. Under the new requirements, judicial members are eligible to retire at age 65 with eight or more years of service or at age 60 with 15 or more years of service credit.

Effective July 1, 2014, judicial membership is mandatory, all judicial pension factors were reduced, employee and employer contributions increased 3% and the computation of final average salary increased as the average of salary for the 60 consecutive months. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. Members contribute at a rate of 10.5% of their salaries and the member's court contributes at a rate of 15% of the member's salary. Additionally, the district court contributes \$38 for each civil case docket fee paid in the district court, \$25 from each civil docket fee paid in metropolitan court and \$10 for each jury fee paid in metropolitan court. Contribution rates are established by state statute.

Certain changes took place under House Bill 33 and amends the Judicial Retirement Act (JRA) as follows:

### **Mandatory Membership**

- Eliminates the ability for judges to exempt themselves from membership as an elected official.
- Requires those judges who have previously retired from another state system or the educational retirement system (“working retiree”) to make nonrefundable “working retiree contributions” during their terms of office as judges; working retirees will not be eligible to accrue a retirement benefit under the JRA.
- Judges who have previously retired from another state system or the educational retirement system will have their COLA suspended effective July 1, 2014 for the duration of their terms as magistrate.

### **Cost-of-Living Adjustment (COLA)**

Establishes an independent COLA for judges and justices under the JRA, as follows:

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Suspends the COLA for all retired judges and justices for two years (July 1, 2014 and July 1, 2015).
- Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the next succeeding year (based on the JRA Fund's prior year actuarial valuation).
- Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Judicial Fund is at or greater than the 100% funded ratio threshold and projected to continue to be at or above 100% for the next successive year.
- Suspends the COLA for judges and magistrates if the Funds' funded ratios fall below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years.

### Increased Employee Contributions

- Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%);
- Effective July 1, 2014, increases employer contributions 3% (from 12% to 15%);
- Requires "non-member" contributions during employment for judges and justices that have filed an exemption from membership; non-members will receive a refund of contributions, with interest, upon termination of employment.

### New Benefit Structure

- Raises age and service for normal retirement for judges who initially became members:
  - Prior to July 1, 2005:
    - 60 years with 15 years of service credit; or
    - 65 years (from 64) with 5 years of service credit
    - (Early retirement and 18 years w/ actuarial discount)
  - July 1, 2005 through June 30, 2014:
    - 55 years with 16 years of service credit; or
    - 65 years (from 64) with 5 years of service credit
  - On or after July 1, 2014:
    - 60 years with 15 years of service credit; or
    - 65 years with 8 years of service credit
- Lowers the pension multiplier to 3.5% (from 3.75%) and prorates future service credit for active members for a "blended" pension benefit for active JRA members.
- Increases the pension maximum to 85%, (from 75%).
- Increases the vesting period for judges who first take office after July 1, 2014 to 8 years (from 5).
- Changes form of benefit payments for those judges retiring on or after July 1, 2014. Currently, a judge's surviving spouse or designated beneficiary receives 75% of the judge's retirement pension until death. HB 33 provides for Normal and Optional forms of payments, similar to all other PERA member coverage plans. The normal form of payment is for life (Option A). Optional contingent survivor beneficiary forms of payment (Options B, C and D) are available on an actuarial equivalent basis. Total pension payments can never be less than the judge's accumulated contributions.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***Magistrate Fund*** is a single employer defined benefit pension plan as the State of New Mexico assumes sole responsibility for the fund and discloses its liability annually in the statewide CAFR. Eligibility for membership in the Magistrate Fund is set forth in the Public Employees Retirement Act (10-12C-4 NMSA 1978). All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Magistrate Retirement plan.

Every magistrate becomes a member in the Magistrate Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Benefits are available at age 64 or older to any member having served as a magistrate for a minimum of 5 years. Retirement is available at age 60 to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The annual pension amount is determined by multiplying 75% of the salary received during the last year in office prior to retirement by 5% of the number of years of service, not exceeding 15 years, plus 5 years.

The retirement age and service credit requirements for normal retirement for magistrate members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 216 Substitute in the 2014 Legislative Session. Under the new requirements, magistrates are eligible to retire at age 65 with eight or more years of service, at age 60 with 15 or more years of service credit or at any age with 24 years of service credit.

Effective July 1, 2014, membership is mandatory, all magistrate pension factors were reduced, employee contributions increased 3% and the computation of final average salary increased as the average of salary for the 60 consecutive months. Employer contribution rates increased by 4 percent effective July 1, 2015. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Member contributions are based on 10.5% of salaries and the State of New Mexico, through the administrative office of the courts, contributes at a rate of 11% of the member's salary. Beginning July 1, 2015, the employer contribution will increase to 15% of a member's salary. Additionally, the magistrate or metropolitan courts contribute \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid in magistrate court. Contribution rates are established by state statute.

Certain changes took place under House Bill 216 and amends the Magistrate Retirement Act (MRA) as follows:

### **Cost-of-Living Adjustment (COLA)**

Establishes an independent COLA for magistrates under the MRA, as follows:

- Suspends the COLA for all retired magistrates for two years (July 1, 2014 and July 1, 2015).
- Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the next succeeding year (based on the MRA Fund's prior year actuarial valuation).
- Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Magistrate Fund is at or greater than the 80% funded ratio threshold and projected to continue to be at or above 80% for the next successive year.
- Suspends the COLA for magistrates if the Funds' funded ratios fall below 80%. COLA suspensions shall only be implemented for two consecutive fiscal years.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Increased Employee Contributions

- Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%);
- Effective July 1, 2014, increases employer contributions 4% (from 11% to 15%);
- Requires “non-member” contributions during employment for magistrates that have filed an exemption from membership; non-members will receive a refund of contributions, with interest, upon termination of employment.

### New Benefit Structure

- Raises age and service for normal retirement for magistrates who initially became members:
  - Before July 1, 2014:
    - Any age and 24 years of service credit;
    - 60 years with 15 years of service credit; or
    - 65 years (from 64) with 5 years of service credit
  - On or after July 1, 2014:
    - Any age and 24 years of service credit;
    - 60 years with 15 years of service credit; or
    - 65 years with 8 years of service credit
- Lowers the pension multiplier to 3.5% (from 5.0%) and prorates future service credit for active members for a “blended” pension benefit for active MRA members.
- Increases the pension maximum to 85%, (from 75%).
- Increases the vesting period for magistrates who first take office after July 1, 2014 to 8 years (from 5).
- Changes form of benefit payments for those magistrates retiring on or after July 1, 2014. Currently, a magistrate's surviving spouse or designated beneficiary receives 75% of the magistrate's retirement pension until death. HB 216 provides for Normal and Optional forms of payments, similar to all other PERA member coverage plans. The normal form of payment is for life (Option A). Optional contingent survivor beneficiary forms of payment (Options B, C and D) are available on an actuarial equivalent basis. Total pension payments can never be less than the magistrate's accumulated contributions.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***Volunteer Firefighters Fund*** is a single employer defined benefit pension plan. Eligibility for membership in the Volunteer Firefighters Fund is set forth in the Public Employees Retirement Act (NMSA 1978 10-11A-2). Any volunteer non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements is eligible for membership in the Volunteer Firefighters Fund. Benefits are available at age 55 or older to any member having served as a volunteer fire fighter for a minimum of 10 years. Benefits are \$100 per month (\$125 per month as of July 1, 2013) with at least 10 but less than 25 years of service or \$200 per month (\$250 per month as of July 1, 2013) with 25 or more years of service. Benefits for post-retirement surviving spouse annuities are also available. Members of the Volunteer Firefighters Fund do not make contributions to the plan. State statute required that the State Treasurer transfer \$750,000 during the 2020 fiscal year from the Fire Protection Fund to the Volunteer Firefighters Fund for purposes of contributing to the plan.

### D. Membership of the Plans

At June 30, 2020, the number of participating government employers were as follows:

<b>Public Employees Retirement Fund</b>	
State Agencies	121
Cities	37
Towns	19
Villages	37
Counties	33
Housing Authorities	16
Other Local Public Bodies	62
<b>Total PERA</b>	325
<b>Judicial Retirement Fund*</b>	15
<b>Magistrate Retirement Fund*</b>	12
<b>Volunteer Firefighters Retirement Fund*</b>	366

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

At June 30, 2020, membership in the plans was as follows:

	PERA* Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Totals
Retirees and beneficiaries receiving benefits	40,744	186	105	1,429	42,464
Terminated plan members not yet receiving benefits	19,652	26	21	360	20,059
Active plan members	48,159	124	65	8,182	56,530

\*Note PERA Retirement Fund includes the Legislative Fund  
Note counts are based on the 2019 Valuation Report since they support the 2020 GASB 67 amounts

**E. Cost of Living Adjustment (COLA)**

The Cost-of-Living Adjustments (COLA) are made to eligible retirees and beneficiaries. Retirees of the PERA, Legislative, Magistrate and Judicial fund receive a COLA yearly after retirement of two full-calendar years (January 1<sup>st</sup> through December 31<sup>st</sup>), subject to certain conditions. The 2% COLA will be effective July 1 of the following year after the two full calendar years and will be compounded for each fiscal year thereafter. The COLA for disabled retired members making less than \$20,000 and members that make less than \$20,000 and have 25 years of service credit will be 2.5%. COLA recipients receive a notification letter each July advising them of the increase in their pension payments. The total annual COLA payments for FY 20 were \$273,265,522, an average of \$22,772,127 per month.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method of Accounting and Measurement Focus.** The financial statements of the Funds presented herein have been prepared on the accrual basis of accounting under which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned. Employee contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Contributions from employees and employers for service due through June 30 are accrued (based on pay period end date, which drives pay period reporting to PERA). These contributions are considered to be fully collectible and, accordingly, no allowance for uncollectible receivables is reflected in the financial statements. Benefits and refunds are recognized when due and payable in accordance with provisions set forth in NMSA 1978. The Funds are accounted for on the flow of economic resources measurement focus.

**Cash and Cash Equivalents.** Cash and Cash Equivalents include demand deposit accounts and all short-term instruments with maturities at purchase of 90 days or less. Cash and short-term investments are stated at fair value.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Receivables due to PERA.** Per Article IV, Section 32 of the New Mexico Constitution, no obligation or liability will be exchanged, transferred, remitted, released, postponed or in any way diminished by the legislature, nor shall any such obligation or liability be extinguished except by the payment thereof into the proper treasury or by proper proceeding in court. Per 2.80.800.8 NMAC, the Board directs the Executive Director to make all reasonable efforts to collect any pension or refund overpayment made for any reason.

### **General Fund Appropriation**

	<b>SSA Program</b>	<b>PERA Fund</b>
General Fund Appropriation	\$ 80,300	\$ —
Special Fund Appropriation	—	55,000,000
Reversion	(8,025)	—
Total	<u>\$ 72,275</u>	<u>\$ 55,000,000</u>

**Investments.** The PERA Board of Trustees has the sole authority to make changes to PERA's investment policies. The Board-approved strategic asset allocation (SAA) is as follows:

<b>Strategic Asset Allocation</b>	
<u>Asset Class</u>	<u>Target</u>
Global Equity	35.50%
Risk Reduction & Mitigation	19.50%
Credit Oriented Fixed Income	15.00%
Real Assets to include Real Estate Equity	20.00%
Multi-Risk Allocation	10.00%

Detail of the asset classes are below:

- Global Equity
  - Public equity securities (domestic & international equities)
  - Private equity partnerships – buyouts and venture capital
  - Hedged Equity and Event-Driven Equity strategies (absolute return)
- Risk Reduction & Mitigation
  - Core and Global Core Fixed Income
  - Cash
  - Market Neutral/Risk Premia strategies (absolute returns - credit)
- Credit Oriented Fixed Income
  - Emerging Market Debt – USD and Local Currency
  - Distressed, Special Situation, and Event-Driven Debt, Private Debt Partnerships
  - Mezzanine Debt
  - High Yield/Bank Loans
- Real Assets
  - Global public real estate securities (REITs)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Private real estate – core, value add, and opportunistic (RE equity)
  - Inflation protected bonds
  - Commodities/Timber/Farmland
  - Master Limited Partnership
  - Real asset limited partnerships
  - Infrastructure
- Multi-Risk Allocation
    - Absolute Risk Parity

The allocation of the subclasses are as follows:

- 1) Global Equity: Global Equity includes asset subclasses of Global Public Stock (22.48%), Global Low Volatility Equity (7.00%), Hedged Equity (.01%) and Private Equity (7.83%) for a total allocation to Global Equity of 37.72%.
- 2) Risk Reduction & Mitigation: Risk Reduction & Mitigation includes asset subclasses of Core Domestic Fixed Income (12.41%), Cash (0.22%), Bond Plus (3.46%), TAA Overlay (0.43%) and Global Core Fixed Income (2.83%), for a total allocation to Risk Reduction of 19.35%
- 3) Credit Oriented Fixed Income: The Credit Oriented Fixed Income Asset Class consists of the subclasses: Liquid Credit (3.15%), Emerging Market Debt (2.43%), Illiquid Credit (5.05%), Credit Beta Overlay (.03%), Leveraged Loan Structured Credit (2.09%) and Credit Oriented Hedge Funds (1.42%) for a total allocation to Credit Oriented Fixed Income of 14.15%.
- 4) Real Assets: Real Assets includes Liquid Real Estate (1.80%), Illiquid Real Estate (5.50%), Liquid Real Assets (7.60%), Market Neutral Hedge Fund (0.10) and Illiquid Real Assets (5.20%) for a total allocation to Real Assets of 20.00%.
- 5) Multi-Risk Allocation includes Absolute Risk Parity (9.23%)

All investment securities are reported at fair value. Fair value is defined as, according to the Governmental Accounting Standards Board (GASB) Statement No. 72, “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future and changes could materially affect the amounts reported. The determination of fair values includes, among other things, published market prices, prices obtained from pricing services, and prices quoted by independent brokers at current exchange rates.

Stocks traded on national or international exchanges are reported at current quoted fair values.

Bonds are primarily reported at fair values obtained from independent pricing services.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fair value of real estate and real asset partnerships are reported at values provided by general partners based on the most recent financial information available. The valuation assumptions are based upon both market and property specific inputs which involve expert judgment.

Fair value of private equity partnerships and absolute return strategy investments are reported as determined by the general partners based on the most recent financial information available. The valuation assumptions are based on the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, securities lending income, rental income, and investment expenses, which include investment management and custodial fees, securities lending expense, and all other significant investment related costs.

In an effort to maximize the benefits of investment diversification and investment earnings, the Judicial, Magistrate, and Volunteer Firefighters Funds participate with the Public Employee Retirement Fund in an investment pool. Each fund's equity percentage, or allocation, in the pool is based on the Daily Balance Method, also known as daily weighted average. Using the Daily Balance Method, each participant account's percentage of ownership in the investment pool is calculated on a daily basis. A daily earnings figure is calculated by taking the total monthly earnings in the pool, divided by the number of days in the period. This daily earnings figure is then applied to each participant's ownership percentage, day-by-day. A participant's monthly earnings allocation is the summation of the daily calculation. With the Daily Balance Method, earnings are distributed by a unit distribution. Ownership percentages (rounded to the nearest hundredth of a percent) in the investment pool at June 30, 2020, are as follows:

PERA Fund	98.78%
Judicial Fund	0.56%
Magistrate Fund	0.20%
Volunteer Firefighters Fund	0.46%
<b>Total</b>	<b>100.00%</b>

**Capital Assets.** Capital assets costing \$5,000 or more (12-1-10 NMSA 1978) that are used in PERA's operations are capitalized. Intangible assets such as internally generated computer software used to maintain a membership data base also are capitalized. These are recorded at historical cost less accumulated depreciation or amortization. The building is depreciated over 50 years. All remaining capital assets are depreciated over five to ten years, depending on the nature of the asset, using the straight-line method of depreciation. See Note 6 for a more detailed summary of PERA's capital assets.

**Accrued Compensated Absences.** Accumulated vacation, compensation time and sick leave balances that meet the criteria to be paid to employees upon termination are recorded as a liability and expense of the Public Employees Retirement Fund measured at June 30, 2020.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Interfund Receivables and Payables.** During the course of operations, transactions occur between the Funds for goods provided and services rendered. These receivables and payables are expected to be repaid in the subsequent fiscal year and are not eliminated in the financial statements.

**Deferred Compensation Plan.** At June 30, 2020, PERA had \$41,066 in an operating account maintained for the sole purpose of paying administrative expenses associated with the Deferred Compensation Fund. This cash account is maintained by the State Treasurer. Accrued expenses and other liabilities associated with administrative operations are included in the financial statements of the Public Employees Retirement Fund.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from plan net position during the reported period.

Actual results could differ from those estimates. The Funds utilize various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net position.

**Federal Income Tax Status.** The four retirement funds (PERA (inclusive of Legislative), Judicial, Magistrate and Volunteer Fire Fighter) are qualified plans under Section 401(a) of the Internal Revenue Code and are exempt from federal income taxes under Section 501(a). The Deferred Compensation (IRC 457) Fund is an eligible deferred compensation plan as defined by Section 457 to the Internal Revenue Code. Accordingly, any compensation deferred under the Plan and any income attributable to the amounts so deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is paid or, otherwise, made available to the participant or their beneficiary.

### NOTE 3. DEPOSIT AND INVESTMENT RISK

**Securities Lending Collateral.** Securities held as a result of the reinvestment of cash collateral in the securities lending program are excluded from the investment disclosures below. Risk disclosures associated with the securities lending program can be found in NOTE 5a. SECURITIES LENDING.

#### **Objective & Risk.**

The Primary Objective of the PERA Investment Policy states that “The Board will manage the Fund in a manner that reflects the Fund’s unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence.”

The Primary Objective also states the following principles related to risk that the Board has adopted:

- Risk is an unavoidable component of investing and shall be taken into account in assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment to the overall portfolio shall be considered.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.

In evaluating risk, the PERA Investment Policy states, “In determining a prudent level of risk for the targeted returns, PERA shall consider the total Fund risk, expected volatility, liquidity, and general sensitivity of the overall asset allocation by monitoring the major assets classes utilized by the Fund.”

The following areas of risk are disclosed in accordance with GASB Statement 40 on Deposit and Investment Risk.

### A. DEPOSITS

For cash management, the Board may utilize the services of the State Treasurer for overnight investment of short-term assets and/or a separate or commingled short-term investment fund (“STIF”) approved by the Board or administered by the Custody Bank, providing the STIF account only invests in those securities authorized by PERA’s investment policy and investment guidelines. Investment managers also invest all cash in PERA’s approved STIF funds.

PERA’s investments in short-term investment pools are measured at amortized cost which approximates fair value of the underlying investments the same as the value of the pool shares. All investments in the short-term investment pool are either SEC registered or are exempt from SEC registration under exemption 3a3 or 4(2) of SEC regulations.

Investment balances reported in the Statements of Fiduciary Net Position include an interest in the State General Fund Investment Pool maintained by the State Treasurer’s Office. All deposit accounts maintained at the State Treasurer’s Office participate in an overnight repurchase agreement program administered by the State Treasurer.

The Plan’s interest in the State General Fund Investment Pool are pooled with other state funds on deposit in the State Treasurer’s name at commercial banking and other financial institutions. Information regarding the adequacy of collateralization of deposits is not known to individual agencies and is the responsibility of the State Treasurer. To obtain information about pledged collateral, investment risk, and insurance coverage information for the Department’s State Treasurer deposits, a copy of separately issued financial statements can be obtained from the State Treasurer’s Office by writing to the State Treasurer Office at PO Box 5135, Santa Fe, NM 87502.

#### Investments in State Treasurer Investment Pool

PERA Fund	\$	16,196,065
Judicial Fund		1,255,649
Magistrate Fund		169,032
Volunteer Firefighters Fund		358,725
Deferred Comp Fund		41,066
SSA Program		3,102
<b>Total</b>		<b>\$ 18,023,639</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In addition to the Plan's interest in the State General Fund Investment Pool, the Plan also invests in the Short-Term Investment Fund (STIF), held by the investment custodian, the Bank of New York Mellon (BNYM). STIF investments are reported as cash and short term investments in the Statement of Fiduciary Net Position. STIF investments are used to facilitate more efficient trade procedures with the Plan's external investment managers. STIF investments held by BNYM are invested in the Government Short Term Investment Fund (GSTIF) whose objective is to obtain a reasonable rate of return while investing principally or entirely in securities or other obligations issued by or guaranteed by the United States Government or its agencies and repurchase agreements collateralized by securities or other obligations issued by or guaranteed by the United States Government or its agencies. In addition, BNY Mellon has been instructed to make deposits to BNY Mellon Cash Reserve, which is a bank deposit product designed to accommodate investment of residual cash balances, when uninvested cash cannot be invested in the GSTIF, such as when cash balances occur after the GSTIF sweep deadline. The Plan's investment in STIF accounts, US Treasury and swap collateral which totaled \$818,652,353 and uninvested cash totaled \$72,430,376 for total Cash and Short-term Investment of \$891,082,729 as of June 30, 2020.

### B. INVESTMENT RISK

**Custodial Credit Risk.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, PERA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds, external investment pools, and securities underlying reverse repurchase agreements are not exposed to custodial credit risk.

PERA's securities are held by a third-party custodian, independent of any counterparty; therefore, management believes there is minimal risk that PERA will not be able to recover the value of its investments or collateral securities held by a counterparty.

The Custodian holds assets directly, through its agents, its sub-custodians, or designated clearing systems. The Custodian is accountable for registration of those designated assets in good delivery form, collection of income generated by those assets, and any corporate action notification. The Custodian is responsible for delivery and receipt of securities of the aforementioned transactions. The Custodian is responsible for the ongoing pricing and valuation of all assets; investment managers must reconcile their values to those of the Custodian. The Custodian is to cooperate with, and provide assistance to, PERA and its investment managers in the reconciliation process. The Custodian is required to provide online records and reports, performance reporting, accounting reports and other services included in the agreement. The Board may opt to designate other duties to the Custodian as stipulated in the agreement.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

A summary of PERA's investments at June 30, 2020, and its exposure to custodial credit risk are as follows:

Asset Type	Held in the Name of the Fund by the Fund's Custodian Bank	Custody Arrangements Contracted by Fund Manager	Total
US Government Bonds	\$ 383,608,392	\$ —	\$ 383,608,392
Non-US Government Bonds	244,755,686	—	244,755,686
Municipal Bonds	18,473,938	—	18,473,938
Corporate Bonds	1,001,627,918	—	1,001,627,918
Mortgage Backed Securities	659,342,814	—	659,342,814
Asset Backed Securities	240,755,347	—	240,755,347
Commercial Mortgage Backed Securities	78,749,848	—	78,749,848
CMO/REMIC	20,291,792	—	20,291,792
TIPS	505,618,297	—	505,618,297
Fixed Income Derivatives	(5,584,946)	—	(5,584,946)
Commingled Debt Funds	—	358,280,725	358,280,725
Absolute Return - Credit	—	384,941,533	384,941,533
Absolute Return Risk Parity	—	1,364,876,910	1,364,876,910
Limited Partnerships - Debt	—	877,852,546	877,852,546
Bond Plus Alpha Engine	—	485,637,550	485,637,550
<b>Total Fixed Income</b>	<b>\$ 3,147,639,086</b>	<b>\$ 3,471,589,264</b>	<b>\$ 6,619,228,350</b>
Common Stock	3,921,142,593	—	3,921,142,593
Preferred Stock	13,772,405	—	13,772,405
MLP	180,510,962	—	180,510,962
REIT	392,462,686	—	392,462,686
Currency Futures	(871,098)	—	(871,098)
Equity Derivatives	4,423,583	—	4,423,583
Commingled Equity Funds	—	261,820,315	261,820,315
Absolute Return - Equity & Real Assets	—	2,566,917	2,566,917
Limited Partnerships - Equity & Real Assets	—	2,723,375,790	2,723,375,790
<b>Total Equities</b>	<b>4,511,441,131</b>	<b>2,987,763,022</b>	<b>7,499,204,153</b>
Subtotal Equities and Fixed Income	\$ 7,659,080,217	\$ 6,459,352,286	\$ 14,118,432,503
Securities Lending Collateral Investments	—	296,084,177	296,084,177
<b>Total Investments as Presented Above</b>			<b>14,414,516,680</b>
Investments Directed by Participants (Deferred Comp Fund)			649,693,464
Investments In State General Fund Investment Pool			18,023,639
<b>Total Investments per the Statement of Fiduciary Net Position</b>			<b>\$ 15,082,233,783</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. PERA is required to disclose credit ratings of its investments in order to assess credit risk. Each fixed income manager is required to abide by investment guidelines detailed within their contract with PERA to include credit quality minimums.

A summary of PERA's investments at June 30, 2020, and its exposure to credit risk are as follows:

S & P Ratings	Fair Value	% of Fixed Income Portfolio
US GOVERNMENT BONDS	\$ 383,608,392	12.19 %
AA+	67,528,660	2.15 %
NR	316,079,732	10.04 %
NON-US GOVERNMENT BONDS	\$ 244,755,686	7.78 %
AAA	14,288,112	0.45 %
AA+	6,556,104	0.21 %
AA	8,586,481	0.27 %
AA-	7,661,720	0.24 %
A+	11,164,742	0.35 %
A-	363,488	0.01 %
A	702,076	0.02 %
BBB+	4,287,145	0.14 %
BBB-	1,449,005	0.05 %
BBB	6,937,241	0.22 %
BB-	2,305,612	0.07 %
BB	454,500	0.01 %
B+	1,451,238	0.05 %
B-	2,708,244	0.09 %
B	3,418,046	0.11 %
CCC+	489,600	0.02 %
D	164,004	0.01 %
NR	171,768,328	5.46 %



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings	Fair Value	% of Fixed Income Portfolio
<b>MUNICIPAL BONDS</b>	\$ 18,473,938	0.59 %
AAA	1,596,233	0.05 %
AA+	1,529,000	0.05 %
AA	4,471,307	0.14 %
AA-	5,337,205	0.17 %
A+	2,951,634	0.09 %
A	1,000,741	0.03 %
BBB-	1,065,173	0.03 %
NR	522,645	0.02 %
<b>CORPORATE BONDS</b>	\$ 1,001,627,916	31.82 %
AAA	25,250,435	0.80 %
AA+	8,990,387	0.29 %
AA	8,497,463	0.27 %
AA-	40,423,135	1.28 %
A+	57,090,463	1.81 %
A	85,725,724	2.72 %
A-	144,458,551	4.59 %
BBB+	170,853,991	5.43 %
BBB	157,294,598	5.00 %
BBB-	131,211,715	4.17 %
BB+	13,458,342	0.43 %
BB	26,520,534	0.84 %
BB-	30,758,600	0.98 %
B+	20,903,968	0.66 %
B	17,143,120	0.54 %
B-	16,543,041	0.53 %
CCC+	7,717,588	0.25 %
CCC	1,898,786	0.06 %
CC	78,512	0.00 %
NR	36,808,963	1.17 %

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S & P Ratings	Fair Value	% of Fixed Income Portfolio
<b>ASSET BACKED SECURITIES</b>	\$ 240,755,347	7.65 %
AAA	66,937,808	2.13 %
AA+	7,320,229	0.23 %
AA	36,926,886	1.17 %
AA-	6,136,841	0.19 %
A+	2,283,338	0.07 %
A	25,576,533	0.81 %
A-	4,501,610	0.14 %
BBB+	5,598,287	0.18 %
BBB-	5,156,349	0.16 %
BB+	829,770	0.03 %
B+	1,091,599	0.03 %
B	1,254,160	0.04 %
B-	1,998,700	0.06 %
CCC	2,528,162	0.08 %
CC	987,669	0.03 %
D	1,714,486	0.05 %
NR	69,912,920	2.22 %
<b>CMO/REMIC</b>	\$ 20,291,792	0.64 %
AA+	17,329,347	0.55 %
A+	341,370	0.01 %
CCC	452,718	0.01 %
NR	2,168,357	0.07 %
<b>COMMERCIAL MORTGAGE BACKED</b>	\$ 78,749,848	2.50 %
AAA	12,638,064	0.40 %
NR	66,111,784	2.10 %
<b>MORTGAGE BACKED SECURITIES</b>	\$ 659,342,814	20.95 %
AAA	1,563,183	0.05 %
AA+	365,183,056	11.60 %
A	61,932	0.002 %
NR	292,534,643	9.29 %
<b>TIPS</b>	\$ 505,618,296	16.06 %
NR	505,618,296	16.06 %
<b>DERIVATIVES</b>	\$ (5,584,946)	(0.18) %
NR	\$ (5,584,946)	(0.18) %
	<b>\$ 3,147,639,083</b>	<b>100.00 %</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***Concentration of Credit Risk.*** Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments in any one issuer that represent 5% or more of all total investments including component unit investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. PERA's policy over concentration of credit risks are contained in each investment managers' Investment Guidelines.

At June 30, 2020, PERA had no investments with a concentration of greater than 5% of total investments.

***Interest Rate Risk.*** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. PERA's interest rate risk is controlled by the duration guidelines provided in the Investment Guidelines for each fixed income manager which are attached to each investment manager's contract, or Professional Services Agreement (PSA), with PERA. Duration is loosely defined as the dollar weighted average time to recover all principal in a fixed-income investment. For example, a "duration" of four years suggests a 1% increase in corresponding interest rates could cause a 4% decline in the fair value of the portfolio. PERA's fixed income managers are typically limited to a duration of plus or minus two years or 20% of the duration of the applicable portfolio benchmark. Such limitations are contained in the Plan's investment guidelines for fixed income managers.

A summary of PERA's investments and its respective maturities at June 30, 2020 and its exposure to interest rate risk are as follows:

<b>Bond Category</b>	<b>Weighted Average Maturity in Years</b>	<b>Fair Value</b>	<b>Percent of Fixed Income Portfolio</b>
U.S. Government Bonds	8.46	\$ 383,608,392	12.19 %
Non-U.S. Government Bonds	10.25	244,755,686	7.78 %
Municipal Bonds	24.39	18,473,938	0.59 %
Corporate Bonds	9.79	1,001,627,916	31.82 %
Asset Backed	4.27	240,755,347	7.65 %
CMO/REMIC	10.72	20,291,792	0.64 %
Commercial Mortgage Backed	28.91	78,749,848	2.50 %
TIPS	9.00	505,618,296	16.06 %
Mortgage Backed	14.47	659,342,814	20.95 %
Derivatives (Swaps)	1.11	(5,584,946)	(0.18)%
Subtotal Fixed Income Investments		<u>3,147,639,083</u>	100.00 %
Short-term investments subject to interest rate risk (STIF)	0.05	<u>752,078,725</u>	
<b>Total Investments Subject to Interest Rate Risk</b>		<b><u>\$ 3,899,717,808</u></b>	

Note: Commingled fixed income products are not included in this report

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Foreign Currency Risk.** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. PERA has risk exposure through direct investments in international equities, international fixed income and international private equity investments.

PERA's exposure to non-U.S. investments across the fund is less than 25%. Since the fund is broadly diversified among many countries, the effect of a decline in the fair value of a single local (non-U.S.) currency or of several local currencies versus the U.S. dollar mitigates the impact of such decline on PERA's total assets.

The following table presents a summary of the PERA's investments exposed to foreign currency risk by currency and the respective values at June 30, 2020:

**Fair Value (Included In Investments)**

<b>Currency</b>	<b>Deposits</b>	<b>Equity</b>	<b>Fixed Income</b>	<b>Limited Partnership</b>	<b>Total</b>
UAE Dirham	\$ 106,805	\$ 3,460,096	\$ —	\$ —	3,566,901
Australian Dollar	833,943	86,443,225	10,609,759	—	97,886,927
Brazilian Real	36,351	9,063,160	—	—	9,099,511
Botswanan Pula	893	7,299	—	—	8,192
Canadian Dollar	344,896	142,506,600	10,921,824	—	153,773,320
Swiss Franc	262,177	169,235,269	1,045,307	—	170,542,753
Chilean Peso	52,633	2,987,284	204,142	—	3,244,059
Chinese Yuan Renminbi	187,053	11,576,807	—	—	11,763,860
Colombian Peso	38,249	493,921	—	—	532,170
Czech Koruna	106,861	269,156	276,808	—	652,825
Danish Krone	261,706	46,999,100	12,200,886	—	59,461,692
Egyptian Pound	23,722	327,786	—	—	351,508
Euro	16,736,007	394,964,676	127,271,378	319,084,397	858,056,458
British Pound	988,504	165,184,591	30,635,542	69,639,110	266,447,747
Ghanaian Cedi	—	98,063	—	—	98,063
Hong Kong Dollar	691,477	121,182,350	—	—	121,873,827
Croatian Kuna	—	2,878	—	—	2,878
Hungarian Forint	44,019	1,514,734	175,794	—	1,734,547
Indonesian Rupiah	393,788	9,326,786	1,361,075	—	11,081,649
Israeli New Sheqel	116,970	13,090,411	546,901	—	13,754,282
Indian Rupee	347,148	44,619,405	292	—	44,966,845
Japanese Yen	3,534,631	421,633,947	66,236,332	—	491,404,910
Kenyan Shilling	—	5,292	—	—	5,292
South Korean Won	1,538,361	31,231,339	4,208,240	—	36,977,940
Kuwaiti Dinar	—	—	—	—	—
Mexican Peso	365,995	4,916,794	923,621	—	6,206,410

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Fair Value (Included In Investments)

Currency	Deposits	Equity	Fixed Income	Limited Partnership	Total
Malaysian Ringgit	\$ 278,867	\$ 10,985,902	\$ 1,101,404	\$ —	12,366,173
Norwegian Krone	116,737	7,227,281	231,379	—	7,575,397
New Zealand Dollar	971,813	8,863,774	824,994	—	10,660,581
Philippine Peso	68,390	3,407,723	—	—	3,476,113
Pakistan Rupee	—	(503)	—	—	(503)
Polish Zloty	544,599	1,931,325	532,952	—	3,008,876
Qatari Rial	27,202	5,481,168	—	—	5,508,370
Russian Ruble	33,190	2,095,720	457,182	—	2,586,092
Saudi Arabia Riyal	17	235	—	—	252
Swedish Krona	428,793	44,174,249	957,545	—	45,560,587
Singapore Dollar	1,509,590	28,112,378	573,408	—	30,195,376
Thai Baht	116,590	13,558,002	1,441,555	—	15,116,147
Tunisian Dinar	—	2,674	—	—	2,674
Turkish Lira	54,584	1,394,584	—	—	1,449,168
New Taiwan Dollar	389,938	78,343,293	—	—	78,733,231
Vietnamese Dong	183	4	—	—	187
South African Rand	135,917	10,355,975	—	—	10,491,892
	<u>\$ 31,688,599</u>	<u>\$ 1,897,074,753</u>	<u>\$ 272,738,320</u>	<u>\$ 388,723,507</u>	<u>\$ 2,590,225,179</u>

#### NOTE 4. DERIVATIVES

Derivatives are generally defined as contracts whose value depend on, or derive from, the value of an underlying asset, reference rate or financial index. The Board's investment policies allow for certain portfolio managers to utilize derivatives subject to a manager's investment management guidelines.

The notional or contractual amounts of derivatives indicate the extent of PERA's involvement in the various types and uses of derivative financial instruments, they do not measure PERA's exposure to credit or market risks and do not necessarily represent amounts exchanged by the parties. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative. Investments in limited partnerships and commingled funds include derivative instruments that are not reported in the following disclosure.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the changes in fair value over the fiscal year of such derivative instruments are as follows:

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FUTURES CONTRACTS**

As of June 30, 2020

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Currency Futures	\$ (1,031,990)	\$ (871,098)	\$ 62,972,671	\$ 62,101,573
Equity Index Futures	(3,424,289)	(1,575,590)	(39,615,170)	(41,190,760)
Bond Index Futures	(4,783,268)	1,710,490	641,794,785	643,505,275
Commodity Futures	1,094,495	3,372,550	45,873,509	49,246,058

**OPTIONS**

As of June 30, 2020

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Equity Options	(1,702)	\$ (1,702)	—	\$ (1,702)
Fixed Income Options	204,939	(59,899)	—	(59,899)

**SWAP CONTRACTS**

As of June 30, 2020

Type	Change in Fair Value	Fair Value	Notional Amount	Unit of Value
Return Swaps (Equity)	\$ 6,000,876	\$ 6,000,876	—	\$ 8,579,914
Return Swaps (Fixed Income)	(8,002,221)	(8,002,221)	—	(8,002,221)
Cleared Credit Default Swaps	(10,278,933)	(1,538,096)	—	(1,206,142)
Cleared Inflation Swaps	70,930	(134,762)	—	(134,762)
Interest Rate Swaps	80,702	123,312	—	128,033
Credit Default Swaps	(990)	(1,936)	—	(820)
Cleared Interest Rate Swaps	924,157	(1,054,383)	—	(1,055,513)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 5. FAIR VALUE MEASUREMENT

PERA's investments measured and reported at fair value are classified according to the following hierarchy, in accordance with GASB Statement 72 – Fair Value Measurement and Application:

Level 1 – Investments reflect fair value where prices are observable, unadjusted, and quoted in an active market.

Level 2 – Investments reflect fair value where prices are observable using inputs from other than quoted prices.

Level 3 – Investments reflect fair value based upon unobservable inputs.

It is important for the user of these financial statements to understand the link between PERA's investments as of June 30, 2020 and the current investment policy's strategic asset allocation. See detail in Note 2 on page 49.

The Public Employees Retirement Association utilizes its custody bank, The Bank of New York Mellon (BNYM), to assist with leveling of its investment assets per GASB 72's fair value hierarchy. Currency futures and equity securities and debt securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets.

Swap collateral, reserve deposits, equity securities (preferred stock) and debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. BNYM's fair value hierarchy level matrix is based on discussions with pricing vendors, broker dealers, investment managers, industry groups and independent accounting firms.

Term loans within Corporate Bonds are classified by BNYM as Level 3 of the fair value hierarchy due to the fact that the pricing coverage for bank loans is not 100% and therefore a conservative approach is taken in leveling these assets.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Investments measured at Fair Value of the defined benefit funds as of June 30, 2020 are as follows:

<b>Investments by Fair Value Level</b>	<b>June 30, 2020</b>	<b>Observable Unadjusted Quoted Prices in an Active Market (Level 1)</b>	<b>Observable Inputs Other Than Quoted Prices (Level 2)</b>	<b>Unobservable Inputs Used to Determine Fair Value (Level 3)</b>
<b>Short-term Investments</b>				
Short-term Securities	\$ 66,573,297	\$ 95,161,220	\$ (28,587,923)	\$ —
Securities Lending Collateral Investments	296,084,506	—	296,084,506	—
Currency Derivatives	(871,098)	(871,098)	—	—
Total Short-term Investments	361,786,705	94,290,122	267,496,583	—
<b>Equity Securities</b>				
Domestic Equity	2,140,023,199	2,139,023,063	1,000,135	—
International Equity	1,794,891,799	1,794,891,772	—	28
Equity Derivatives	4,423,583	(1,577,293)	6,000,876	—
Public MLP	180,510,962	180,510,962	—	—
Public REIT	392,462,686	392,462,686	—	—
Total Equity Securities	4,512,312,229	4,505,311,190	7,001,011	28
<b>Debt Securities</b>				
Core Fixed Income	2,340,092,196	370,098,626	1,968,652,564	1,341,006
Global Fixed Income	307,513,537	—	306,062,004	1,451,533
TIPS	505,618,296	505,618,297	—	—
Fixed Income Derivatives	(5,584,946)	5,083,039	(10,667,985)	—
Total Debt Securities	3,147,639,083	880,799,962	2,264,046,583	2,792,539
<b>Total Investments by Fair Value Level</b>				
	<b>\$ 8,021,738,017</b>	<b>\$ 5,480,401,274</b>	<b>\$ 2,538,544,177</b>	<b>\$ 2,792,567</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Investments measured at the net asset value (NAV) are those whose underlying positions are not evident and thus the fair value of the investment is priced at a price per share in a fund or by another pricing methodology. Investments that are priced at NAV include commingled funds, hedge funds, and private partnerships. Investments measured at the NAV at June 30, 2020 are as follows:

<b>Investments Measured at the Net Asset Value (NAV)</b>	
Commingled Domestic Equity	\$ 5,166,750
Commingled International Equity	256,653,566
Commingled Emerging Market Debt Fund	358,280,725
Absolute Return (Hedge) Funds	1,752,385,362
Bond Plus Alpha Engine	485,637,550
Private Equity Partnerships	1,391,459,987
Private Debt Partnerships	589,513,210
Real Estate Equity Partnerships	574,721,347
Real Estate Debt Partnerships	288,339,336
Real Asset Partnerships	757,194,457
Total Investments Measured at the NAV	<u>\$ 6,459,352,290</u>
<b>Total Investments</b>	<b><u>\$ 14,481,090,307</u></b>

Total fair value of investments reported as leveled or at the NAV does not include uninvested cash, accrued income, or broker receivables and payables. Reconciliation to the Statement of Fiduciary Net Position is as follows:

Total Investments reported at fair value	\$ 14,481,090,307
Commingled Cash Equivalent Funds	752,078,725
Uninvested cash	72,430,377
Investment in State Treasurer Investment Pool	18,023,639
Deferred Comp Fund Investments leveled in Note 15	649,693,464
Less Cash & Short-term investments	<u>(891,082,729)</u>
<b>Total Investments per Statement of Fiduciary Net Position</b>	<b><u>\$ 15,082,233,783</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Valuation and liquidity information for investments measured at the net asset value (NAV) per share, or equivalent, is presented below:

<b>Investment Type</b>	<b>NAV at 06/30/20</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Commingled Domestic Equity (1)	\$ 5,166,750	\$ —	Monthly	15 Days
Portable Alpha Hedge Funds:				
Credit Oriented (2a)		—	Redeeming	n/a
Event-Driven (2c)	—	—	Redeeming	n/a
Market Neutral (2e)	—	—	Redeeming	n/a
Multi-Strategy (2f)		—	Redeeming	n/a
Commingled International Equity (3)	256,653,566	—	Monthly	30 Days
Commingled Emerging Market Debt Fund (4)	358,280,725	—	Daily	10 - 12 Days
Absolute Return (Hedge) Funds:				
Credit Oriented (2a)	384,941,534	—	Monthly, Annually	30 - 90 Days
Equity Long-Short (2b)	653,070	—	Redeeming	n/a
Event-Driven (2c)	—	—	Redeeming	n/a
Global Macro (2d)	—	—	Redeeming	n/a
Market Neutral (2e)	1,913,847	—	Redeeming	n/a
Multi-Strategy (2f)	—	—	Redeeming	n/a
Multi-Risk (2g)	1,364,876,911	—		
Bond Plus Alpha Engine (7)	485,637,550	—	Not Eligible	n/a
Private Equity Partnerships (5)	1,391,459,987	1,157,298,551	Not Eligible	n/a
Private Debt Partnerships (6)	877,852,546	205,666,778	Not Eligible	n/a
Real Estate Equity Partnerships (5)	574,721,347	600,168,341	Not Eligible	n/a
Real Asset Partnerships (5)	757,194,457	638,847,498	Not Eligible	n/a
<b>Total Investments Measured at the NAV</b>	<b>\$ 6,459,352,290</b>	<b>\$ 2,601,981,168</b>		

(1) *Commingled Domestic Equity* - Consisting of a domestic equity limited partnership, this fund is valued based on the percentage of PERA's investment to total value of the fund applied to the total fair value of the underlying investments.

(2) *Portable Alpha and Absolute Return Hedge Funds* - The Portable Alpha Hedge Funds span the strategies, overlap the funds within the Absolute Return category, and are in the process of being redeemed. Of the 14 funds included in Absolute Return, eight are separately invested in the Portable Alpha portfolio.

(a) *Credit Oriented* - Consisting of seven funds, hedged credit seeks to generate income comparable to the high yield bond market but with less volatility and less downside performance during periods of market stress. Of the seven funds, two are also invested within Portable Alpha. Five are limited partnerships that report fair value based on the fair value of the underlying investments whereas two report fair value based on NAV per share.

(b) *Equity Long-Short* - Consisting of three funds, this strategy invests both long and short in US and global equity securities with a goal of adding growth and minimizing market exposure.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As limited partnerships, these investments report fair value based on the fair value of the underlying investments.

- (c) *Event-Driven* - The goal of the four funds making up this group is to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. All four are limited partnerships, one of which is also invested separately in Portable Alpha. These investments are valued based on the fair value of the underlying investments.
  - (d) *Global Macro* - Consisting of two funds, this strategy invests, often long and short, in several different asset classes in markets around the globe to take advantage of structural macroeconomic imbalances and market trends. Both funds fall within the Absolute Return portfolio; all are included in the Portable Alpha portfolio. One fund is a limited partnership, reporting valuation based on the fair value of the underlying investments while the other fund is valued at NAV per share.
  - (e) *Market Neutral* - The single fund within this group executes an arbitrage strategy focused on relative value trades in fixed income and currency instruments of developed market countries. PERA is invested in this fund in both the Portable Alpha and Absolute Return portfolios. The fund is a limited partnership and is valued based on the fair value of the underlying investments of the partnership.
  - (f) *Multi-Strategy* - The five funds within this strategy opportunistically pursue multiple hedge fund investment strategies, looking to allocate capital to the most attractive strategies for a given market environment. Four of the five funds are invested separately in Portable Alpha. Four of the funds are limited partnerships and report fair value based on that of the underlying investments while the remaining fund is valued at NAV per share.
  - (g) *Multi-Risk* - consists of liquid, passive risk parity.
- (3) *Commingled International Equity* - The two funds comprising this category are commingled funds, one is an emerging markets equity fund and the other fund is an international equity fund within a separately-managed global equity account. Both funds are valued at net asset value based on the fair value of the underlying investments.
- (4) *Commingled Emerging Market Debt Fund* - The aim of the emerging markets debt fund is to invest in dollar-denominated and local currency-denominated sovereign and corporate debt. The goal of the strategy is to earn more yield relative to developed market debt while limiting country and currency risk. The fund is a commingled global fixed income limited partnership that is valued, based on the fair value of the underlying investments.
- (5) *Private Equity Partnerships, Real Estate Equity Partnerships, and Real Assets Partnership* - PERA's Private Equity portfolio consists of 43 partnerships, investing primarily in buyout funds, with some exposure to secondary and venture capital funds. Also included in this category are 19 private real estate equity partnerships, investing in the US and 30 private real asset partnerships, invested in energy, infrastructure and agriculture funds, primarily in the US. The fair values of these partnerships have been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are illiquid in nature and distributions are received as underlying investments within the funds are liquidated, either as cash or in-kind distributions of stock of the underlying investments, typically over a 5 – 10-year timeframe.
- (6) *Private Debt Partnerships and Real Estate Debt Partnerships* - Private debt partnerships consist of 15 private debt funds, which are opportunistic in nature and are invested in the US, and 5 private real estate debt funds, one invested globally and the remaining funds invested in the US. The Fair values of these partnerships has been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are illiquid in nature and cash distributions are received as underlying investments within the funds are liquidated, typically over a 5 – 10-year timeframe.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(7) *Bond Plus Alpha Engine* - a risk adjusted return stream that is above the index under which the account operates.

### NOTE 5a. SECURITIES LENDING

PERA's Investment Policy Statement, Section VI (A) permits the use of the Fund's investment holdings to enter into securities lending transactions - that is, lending securities to broker-dealers and other entities (borrowers) in exchange for acceptable collateral generating incremental earnings via the creation of a spread or collection of a fee. PERA participates in a securities lending program managed by BNY Mellon (BNYM). The agreement between PERA and BNYM details approved borrowers, approved investments, fee charged by BNYM, and acceptable collateral. All cash collateralized loans can be terminated, which shall be effected according to the standard settlement time for trades in the particular loaned security, by either PERA, BNYM, or the borrower. PERA does not have the ability to pledge or sell noncash collateral securities unless the borrower defaults.

In the event the borrower fails to return loaned securities or securities equivalent to the loaned securities, and the noncash collateral held in respect of the loaned securities (including the proceeds realized upon the sale of such noncash collateral) is insufficient to satisfy the obligation of the loan, the bank shall be responsible for, and shall contribute the amount of, such noncash collateral as necessary to satisfy the obligations.

The securities lending agent is restricted to a maximum loan value of \$600,000,000 inclusive of all loaned securities. The types of securities loaned as of June 30, 2020 included U.S. and non-U.S. equities, U.S. and Non-U.S. corporate bonds, non-U.S. government bonds and U.S. government securities. At June 30, 2020, the fair value of securities on loan was \$564,079,129; of which \$288,046,539 were cash collateralized loans.

The fee is negotiated for each separate transaction and split 85%/15% between PERA and BNYM. The collateral requirement is an amount equal to 102% of the then-current fair value if securities lent are and collateral are denominated in like currency and 105% if in unlike currency providing a margin for market fluctuations. Approved collateral accepted against loaned securities are held by PERA's custodial agent and marked to market daily. If the collateralization level falls below the above requirements, BNYM reaches out to the borrower to securing collateral. Cash, U.S. and non-U.S. equities, U.S. corporate bonds, non-U.S. fixed, and U.S. government securities are received as collateral for these loans. Cash collateral is invested or reinvested on behalf of PERA by BNYM in a cash collateral account consisting of one or more of the approved investments; a comprehensive investment guideline is set forth in the securities lending agreement to include approved instruments, credit quality, and concentration and maturity requirements. As of June 30, 2020, cash collateral was reinvested in repos, floating rate notes, commercial paper, certificates of deposit and time deposits. The interest rate sensitivity of the investments made with cash collateral generally track the maturities of their securities loans. The fair value of investments made with cash collateral is reported as an asset; the fair value of collateral received is recorded as a liability as PERA must return the cash collateral to the borrower upon the expiration of the loan. The fair value of the securities lending collateral investments was \$296,053,252 and securities lending obligations were \$296,084,177 at June 30, 2020 as reported on the Statement of Fiduciary Net Position. Total cash and noncash collateral was \$600,499,045 at June 30, 2020, 106.2% of the fair value of the securities on loan.

At June 30, 2020, there had been no losses resulting from borrower defaults and PERA had no credit risk exposure to borrowers because the amounts PERA owed to borrowers did not exceed the amounts the borrowers owed to



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERA. Net earnings from the securities lending program totaled \$2,649,948 for the fiscal year. An executive summary report of the securities lending activity for the fiscal year is available upon request from PERA's Records Department.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. A summary of the securities lending collateral assets at June 30, 2020, and its exposure to credit risk are as follows:

S & P Ratings	Fair Value	% of Collateral Investments
<b>CERTIFICATE OF DEPOSIT</b>	<b>\$ 46,983,910</b>	<b>15.87 %</b>
A-	46,983,910	15.87 %
<b>COMMERCIAL PAPER</b>	<b>61,823,937</b>	<b>20.88 %</b>
A-	61,823,937	20.88 %
<b>FLOATING RATE NOTES</b>	<b>110,964,915</b>	<b>37.48 %</b>
AA	27,303,227	9.22 %
A	76,086,072	25.70 %
NR	7,575,616	2.56 %
<b>MONEY FUNDS</b>	<b>47,982,000</b>	<b>16.21 %</b>
NR	47,982,000	16.21 %
<b>REPO</b>	<b>27,129,415</b>	<b>9.16 %</b>
NR	27,129,415	9.16 %
<b>TIME DEPOSITS</b>	<b>1,200,000</b>	<b>0.40 %</b>
A-	1,200,000	0.40 %
<b>FAIR VALUE OF SECURITIES LENDING COLLATERAL</b>	<b>\$ 296,084,177</b>	<b>100 %</b>

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. See further explanation of Interest Rate Risk in Note 3.

A summary of the securities lending collateral investments and respective maturities at June 30, 2020 and their exposure to interest rate risk are as follows:

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>Investment Category</b>	<b>Weighted Average Maturity</b>	<b>Fair Value</b>	<b>% of Collateral Investments</b>
Certificate of Deposit	Less than 1 year	\$ 46,983,910	15.87 %
Commercial Paper	Less than 1 year	61,823,937	20.88 %
Floating Rate Notes	Less than 1 year	110,964,915	37.48 %
Money Funds	Less than 1 year	47,982,000	16.21 %
Repo	Less than 1 year	27,129,415	9.16 %
Time Deposits	Less than 1 year	1,200,000	0.40 %
<b>Fair Value of Securities Lending Collateral</b>		<b>\$ 296,084,177</b>	<b>100 %</b>

**NOTE 6. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2020, is as follows:

	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2020</b>
Capital assets at cost:				
Land	\$ 1,548,990	\$ —	\$ —	\$ 1,548,990
Building	12,646,204	—	—	12,646,204
Property and equipment	36,016	—	—	36,016
Computer equipment and software	15,803,976	428,635	—	16,232,611
Automobile	57,433	—	—	57,433
	<b>\$ 30,092,619</b>	<b>\$ 428,635</b>	<b>—</b>	<b>\$ 30,521,254</b>
Accumulated depreciation:				
Building	\$ (3,828,988)	\$ (421,540)	\$ —	\$ (4,250,528)
Property and equipment	(34,572)	—	—	(34,572)
Computer equipment and software	(14,997,257)	(258,931)	—	(15,256,188)
Automobile	(57,433)	—	—	(57,433)
	<b>\$ (18,918,250)</b>	<b>\$ (680,471)</b>	<b>\$ —</b>	<b>\$ (19,598,721)</b>
<b>Total</b>	<b>\$ 11,174,369</b>	<b>\$ (251,836)</b>	<b>\$ —</b>	<b>\$ 10,922,533</b>

The following are included in the above schedule.

- Depreciation and amortization expense, reported as part of administrative expenses, for the year was \$(680,471).
- PERA added \$428,635 in capital assets in FY 20, consisting of computer software and equipment.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 7. CHANGES IN COMPENSATED ABSENCES

The changes in short-term liabilities for PERA are as follows:

During the year ended June 30, 2020, the following changes occurred in the compensated absences liabilities:

	Balance July 1, 2019	Increase	Decrease	Balance June 30, 2020
Compensated Absences	\$ (306,485)	(315,689)	225,466	\$ (396,708)

The portion of compensated absences due after one year is not material, and therefore not separately presented. Substantially, all of the compensated absences balances have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay at year-end plus applicable taxes.

### NOTE 8. CONTINGENCIES

PERA has been named as a defendant in various administrative appeals and lawsuits arising in the normal course of business primarily related to disability and retirement benefits. Management of PERA intends to vigorously defend the actions, and it is their opinion as well as the opinion of legal counsel that the resolution of these matters will not have a material effect on these financial statements.

PERA is exposed to various risks of loss for which PERA carries insurance (Auto; Employee Fidelity Bond; General Liability; Civil Rights and Foreign Jurisdiction; Money and Securities; Property; and Worker's Compensation) with the State of New Mexico Risk Insurance Program. The Plan's insurance coverages are designed to satisfy the requirements of the State tort claims. Also, any claims are processed through the Risk Management Division of the State of New Mexico.

### NOTE 9. RETIREMENT PLANS - PERA EMPLOYEES

***Plan Description.*** PERA's full-time employees participate in the public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). PERA is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, 33 Plaza La Prensa, Santa Fe, NM 87507. The report is also available on PERA's website at [www.nmpera.org](http://www.nmpera.org)

***Funding Policy.*** For fiscal year 2020, plan members are required to contribute 7.42% (less than \$20,000 in salary) or 8.92% (greater than \$20,000 in salary) of their salary. For fiscal year 2020, PERA employers were required to contribute 17.24% of the gross covered salary. The contribution requirements of plan members and PERA are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERA's contributions to the PERA retirement plan for PERA employees for the years ending June 30, 2020, 2019, and 2018 were \$939,065, \$869,907, and \$814,214, respectively, equal to the amount of the required contributions from the employer for each year. In addition, the employees contributed an additional \$485,874, \$456,715, and \$427,474, respectively, equal to the amount of the required contributions from employees for each year.

### **GASB 68 – Financial Reporting and Disclosure for Multiple-Employer Cost Sharing Pension Plans by Employers**

According to the Department of Finance and Administration (DFA), compliant with the requirements of GASB No. 68, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2015. PERA, as part of the primary government (fiduciary fund) of the State of New Mexico, is a contributing employer to the cost-sharing multiple employer PERA fund. Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR, and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico 87501.

### **NOTE 10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - PERA EMPLOYEES**

***Plan Description.*** PERA contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf, unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employee's effective date, and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or a former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer as of July 1, 2012 to contribute 2.00% of each participating employee's annual salary; each participating employee is required to contribute 1.00% of their salary. Employers joining the program after 1/1/1998 are also required to make a surplus- amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

PERA's contributions to the RHCA for the years ending June 30, 2020, 2019, and 2018 were \$112,773, \$102,399, and \$93,667, for employer contributions and \$56,387, \$51,200, and \$46,835, in employee contributions, respectively, which equal the required contributions for each year.

### **GASB 75 – Postemployment Benefits – State Retiree Health Care Plan**

Compliant with the requirements of Government Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2018.

PERA, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from GASB 75 – Postemployment Benefits – State Retiree Health Care Plan certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State Of New Mexico.

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2020 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico 87501.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****NOTE 11. INVESTMENT PLACEMENT AGENTS**

PERA fully complies with the statutory disclosure requirement of NMSA 1978, Section 10-11-133.1, which mandates the disclosure of the identity and fees paid, if any, to any third-party marketer or placement agent involved in PERA's investment in private funds. PERA has no direct relationships with third-party marketers or placement agents. PERA's investment consultants do not receive any form of compensation other than client advisory fees and do not accept compensation from investment management organizations or their marketers. The consultants only recommend an investment management firm to PERA once they have extensively performed due diligence with the firm's portfolio management professionals.

**NOTE 12. NET PENSION LIABILITY OF PLAN MEMBERSHIP**

The components of the net pension liability of the plan's membership at June 30, 2020, by fund, were as follows:

	<b>Net Pension Liability by Fund</b>			
	<b>PERA Fund</b>	<b>Judicial Fund</b>	<b>Magistrate Fund</b>	<b>Volunteer Firefighters Fund</b>
Total Pension Liability	\$ 22,140,636,773	\$ 223,409,412	\$ 58,617,922	\$ 51,905,209
Plan Net Position	14,691,984,206	84,870,503	29,070,669	68,836,980
Net Pension Liability / (Asset)	<u>\$ 7,448,652,567</u>	<u>\$ 138,538,909</u>	<u>\$ 29,547,253</u>	<u>\$ (16,931,771)</u>
Ratio of Plan Net Position of Total Pension Liability	<u>66.36 %</u>	<u>37.99 %</u>	<u>49.59 %</u>	<u>132.62 %</u>

*Actuarial Methods and Assumptions*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2020. These assumptions were adopted by the Board for use in the June 30, 2019 actuarial valuation.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Summary of Actuarial Methods and Assumptions, by fund

	<b>PERA Fund</b>	<b>Judicial Fund</b>	<b>Magistrate Fund</b>	<b>Volunteer Firefighters Fund</b>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Pay	Level % of Pay, Open	Level % of Pay, Open	Level Dollar, Open
Amortization period	Solved for based on statutory rates	30 Years	30 Years	30 Years
Investment rate of return, net of investment expense	7.25% annual rate	4.34% SEIR rate	7.25% SEIR rate	7.25% annual rate
Projected Benefit Payment	100 years	89 years	86 years	100 years
Payroll Growth	3.00%	3.00%	3.00%	N/A
Projected Salary Increases	3.25% -13.50%	4.00%	3.25%	N/A
Includes Inflation At	2.50%	2.50%	2.50%	2.50%
Mortality Assumption	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table	RPH-2014 Blue Collar Mortality Table

### Annual Money-Weighted Rate of Return, Net of Investment Expense

The annual money-weighted rate of return, net of investment expense for FY 2020 was (2.70%).

### Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	35.50%	5.90 %
Risk Reduction & Mitigation	19.50%	1.00 %
Credit Oriented Fixed Income	15.00%	4.20 %
Real Assets to Include Real Estate Equity	20.00%	6.00 %
Multi-Risk Allocation	10.00%	6.40 %

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

*Discount Rate for the PERA, Volunteer Firefighter and Magistrate Funds.* Previously, a select and ultimate rate of return assumption had been adopted for funding purposes but new economic assumptions were adopted for the June 30, 2020 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the net pension liability to changes in the discount rate:***

The following presents the net pension liability of PERA, Volunteer Firefighter and Magistrate funds, calculated using the discount rate of 7.25 %, as well as what PERA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 %) or 1-percentage-point higher (8.25 %) than the current rate (\$ thousands):

**PERA Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability</b>	10,161,983,289	7,448,652,567	5,201,418,673

**Volunteer Firefighters Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability / (Asset)</b>	(10,975,442)	(16,931,771)	(21,892,742)

**Magistrate Fund**

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
<b>Net Pension Liability</b>	35,376,295	29,547,253	24,595,842

*Discount Rate for Judicial Funds.* Previously, a select and ultimate rate of return assumption had been adopted for funding purposes but new economic assumptions were adopted for the June 30, 2020 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 4.34% for Judicial . The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are not sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, a 4.34% assumed long-term expected rate of

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This rate is a blend of the 7.25% rate and the 20-year tax-exempt municipal bond rate of 2.19% as of the measurement date.

The following presents the net pension liability of the Judicial Funds, calculated using the discount rate of 4.34%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

### Judicial Fund

	1% Decrease 3.34%	Current Discount Rate 4.34 %	1% Increase 5.34%
<b>Net Pension Liability</b>	165,487,554	138,538,909	116,101,301

June 30, 2019 is the actuarial valuation date upon which the total pension liability is based (paragraph 31(c)). Standard update procedures were used to roll forward the liabilities to the June 30, 2020 Measurement Data.

### NOTE 13. CASH RECONCILIATION

#### General Fund Investment Pool Not Reconciled

In a communication by DFA via a memo, dated September 17, 2020, issued by the State's Controller, Donna Montoya Trujillo, the following was stated "The comprehensive cash reconciliation model which compares aggregated agency claims to the State General Fund Investment Pool the associated resources held by the State Treasurer's Office has been completed for fiscal year 2020. This process has been previously reviewed and analyzed annually, by the IPAs performing audits of the General Fund, the Department of Finance and Administration and the State of New Mexico's Comprehensive Annual Financial Report. The reviews have deemed the process to be sound and the Department fully compliant with the requirements of the monthly process."

For FY 2020 the following assertions are provided,

1. As of June 30, 2020, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
2. All claims as recorded in SHARE shall be honored at face value.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 14. FUND RESERVES

*Reserves.* New Mexico Statutes Annotated 1978, Subsections 10-11-123, 10-12B-3, and 10-12C-3 set forth required reserves to be maintained for benefits for the Public Employees Retirement Fund, The Judicial Retirement Fund, and the Magistrate Retirement Fund, respectively. State statutes do not specifically require separate accounting for the Volunteer Firefighters Retirement Fund. The reserves to be maintained are as follows:

**Retirement Reserve Fund** represents the accumulated balance available to pay pension benefits to retired members and eligible survivors of deceased members of retirees and to pay residual refunds due to eligible beneficiaries and survivors as provided for in the statute.

**Members Contribution Reserve** represents the accumulated contributions deducted from members' compensation, less refunds and transfers of contributions as provided for in the statute. Annually on June 30, the members' accounts are credited with interest on member contributions and previously earned interest at a rate determined by the Board. The rate for 2020 fiscal year was 2.00%.

**Employers Accumulation Reserve** represents the accumulated contributions made by affiliated public employers. Each year following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of benefits to be paid over the balance in the Retirement Reserve Fund is transferred to the Retirement Reserve Fund from the Employers Accumulation Fund.

**Income Reserve** represents the accumulation of interest, dividends, rents, and other income of PERA, less administrative expense paid out of this fund. At least annually, the balance in this fund is transferred to the Retirement Reserve Fund in a manner determined by the Board. The distribution rate of interest as determined by the Board for fiscal year 2020 was 2.00% of member account balances to the Member Contribution Fund. The remaining balance of the Income Fund was distributed to the Retirement Reserve Fund.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Net Position balance as of June 30, 2020 are as follows:

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	Total
Members Contribution Reserve	\$ 2,752,678,391	\$ 12,600,961	\$ 5,068,019	\$ —	\$ 2,770,347,371
Employers Accumulation Reserve	4,300,863,132	72,071,598	27,815,693	6,750,000	4,407,500,423
Retirement Reserve Fund	7,638,442,683	197,944	(3,813,043)	62,086,980	7,696,914,564
<b>Total</b>	<b>\$ 14,691,984,206</b>	<b>\$ 84,870,503</b>	<b>\$ 29,070,669</b>	<b>\$ 68,836,980</b>	<b>\$ 14,874,762,358</b>

### NOTE 15. COVID-19

As a result of the COVID-19 pandemic the economic outlook has been transformed. During the last three months of the FY 20, PERA saw a decline in the fair values of investments which are included this year's financial statements. However, the full impact of COVID-19 is still unknown and cannot be reasonable estimated and these events continue to develop even after the fiscal year end.

Also due to the COVID-19 pandemic PERA had to make several changes to our operations in March 2020. These changes were based on the public health orders mandated by the Office of the Governor in which all non-essential and those staff eligible to telecommute were sent home. The safety and health of our employees as well as the general public that we serve is of great importance to PERA. Our agency remains committed to our mission and ensuring that adequate internal controls over financial transactions and reporting are maintained. These operation changes continue effect PERA's operation in FY21.

### NOTE 16. Deferred Comp Plan

#### GENERAL

The State of New Mexico also offers employees a deferred compensation plan under NMSA 1978, Sections 10-7A-1 through 10-7A-12, the "Deferred Compensation Act," in conformity with Internal Revenue Code Section 457. The plan provides eligible employees a voluntary, supplemental, tax-deferred retirement program as an additional method to save a portion of their income for future years.

PERA is the trustee of the Deferred Compensation Plan (the "Plan"); however, the Plan is administered by a third party administrator (the "Administrator") acting under contract with PERA. The Administrator has authority to perform recordkeeping, enrollment education services and other administrative duties for the Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Plan, and has certain discretionary authority to decide all matters under the Plan. As Plan trustee, PERA's primary responsibility is to select investment options that provide a prudent rate of return and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

The Plan was amended in October 2004 to allow participants to take loans from their account balances. The maximum term permitted on a loan is five years or 15 years if the loan is for the purchase of a principal residence.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The minimum loan amount permitted is \$1,000 and the maximum amount of any loan under the Plan is the lesser of 50% of the participant's vested account balance or \$50,000. The total balance of loans outstanding to participants was \$12,335,117 at June 30, 2020. Interest rates range between 4.25% and 9.25% for all loans outstanding. These rates are based on the rate approved by the Plan at the time of the loan.

Participants of this plan are required to take distributions at the age of 70½ years old if not already done so. Participants of this plan also may take distributions under certain circumstances such as the participant's death, separation-from- service, retirement, severe financial emergency, or if a participant's account balance does not exceed \$5,000 and no amount was deferred during a 2-year period and there was no prior distribution. Participants may select various payout options, including lump sum payments or periodic payments.

### INVESTMENT INCOME FOR DEFERRED COMP

Investments in the fixed annuity payout option are valued based upon the fixed earnings rates as reported by the investment carriers or manager, which approximate fair value. Investments in the Stable Value Option are valued based upon the daily net asset value reported daily by Galliard Capital Management, which approximates fair value. The investment valuation includes contributions received, plus investment income earned to date less applicable charges and amounts withdrawn.

Variable earnings investments in publicly-traded mutual funds are presented at fair value based upon published quotations. All purchases and sales of investments are recorded on a trade-date basis.

Assets held in fixed and variable annuity payout investments are for discontinued annuity payout options in the Plan. The Plan held \$956,471 at June 30, 2020, which represents assets transferred to a product provider for investment in fixed and variable group annuity contracts. Periodic payments are made to retired participants of the Plan as provided by these purchased annuity contracts. The contract valuation of these assets is based upon an actuarial valuation of the present value of future retirement benefits to be paid under the contracts, which approximates fair value. Annuity payout investments are no longer available as options in the Plan.

### INVESTMENTS AND DEPOSITS

The State of New Mexico Public Employees' Deferred Compensation Plan categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The assets in the Plan are valued through industry standard practices for the respective type of security at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based on the transparency of inputs to the valuation of the assets as of the measurement date. The three levels are defined as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**Mutual Funds:** Shares in mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

deemed to be actively traded. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission.

**Self-directed Investments:** Investments in self-directed brokerage accounts consist primarily of shares of mutual funds, exchange traded funds, common and preferred stock, and cash that are valued on the basis of readily determinable market prices. Self-directed brokerage account investments are actively traded on open markets.

**Lifecycle Funds:** Units in target-date lifecycle funds are valued at their carrying value based on the NAV of the observable market prices of the underlying assets within that account less liabilities (NAV practical expedient). This asset class is generally comprised of a combination of fixed income and equity investment options. These investment options may include balanced, asset allocation, target-date, and target-risk investment options. Although typically lower risk than investment options that invest solely in equities, all investment options in this category have the potential to lose value. Lifecycle funds may be redeemed on a daily basis and have no redemption restrictions.

The following table disclosed the fair value hierarchy of the Plan's assets by level at June 30, 2020:

	Fair Value Measurements Using:			
	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at Fair Value:				
Mutual Funds	\$ 324,599,396	\$ 324,599,396	\$ —	\$ —
Self-directed Investments	6,414,446	6,414,446	—	—
Total Investments at Fair Value	331,013,842	\$ 331,013,842	\$ —	\$ —
<b>Investments Measured at NAV Practical Expedient</b>				
Lifecycle Funds	181,344,323			
<b>Investment at Contract Value</b>				
Stable Value Option	137,335,299			
<b>Investment at Amortized Cost</b>				
Investment in State Treasurer Investment Pool	41,066			
<b>Total Investments***</b>	<b>\$ 649,734,530</b>			

At June 30, 2020 and 2019, investments were as follows. Investments marked with an asterisk (\*) represent investments exceeding 5% or more of net position available for Plan benefits as of June 30, 2020 and 2019. Investments marked with two asterisks (\*\*) represent international mutual funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>Investments:</b>	<b>2020</b>
Vanguard Institutional Index Fund	\$ 93,809,993
Fidelity® Contrafund	54,715,650
T. Rowe Price Institutional Mid Cap Equity Growth Fund	31,301,661
Vanguard Total Bond Market Index Fund	28,101,440
Dodge & Cox Stock Fund	27,004,460
Oakmark Equity and Income Fund	16,887,401
Principal MidCap Blend Fund	14,513,446
Fidelity® Diversified International Fund	10,819,958
DFA U.S. Small Cap Portfolio	9,291,203
American Funds EuroPacific Growth Fund	9,000,223
Vanguard Total International Stock Fund	8,669,172
Fidelity® Low-Priced Stock Fund	7,356,014
Vanguard Inflation Protected Securities Fund	7,134,258
Templeton Global Bond Fund	2,199,027
Aberdeen Emerging Markets Fund	1,864,331
Invesco Global Real Estate	1,554,654
Principal Diversified Real Asset Fund	376,505
	<hr/>
	324,599,396
	<hr/>
Lifecycle Funds	
Life Cycle 2025 Portfolio	54,217,516
Conservative Portfolio	40,951,894
Life Cycle 2035 Portfolio	34,290,132
Life Cycle 2045 Portfolio	19,615,553
Life Cycle 2055 Portfolio	11,780,692
Life Cycle 2030 Portfolio	6,629,702
Life Cycle 2040 Portfolio	5,527,959
Life Cycle 2020 Portfolio	4,205,525
Life Cycle 2050 Portfolio	4,125,350
	<hr/>
	181,344,323
	<hr/>
<b>Shares</b>	
Institutional Shares	137,335,299
	<hr/>
<b>Self-directed brokerage accounts</b>	
Common and Preferred stock	2,511,265
Cash	1,592,679
Exchange-traded fund	1,275,871
Mutual Fund	1,034,631
	<hr/>
	6,414,446
	<hr/>
<b>Total investments at fair value***</b>	<b>\$ 649,693,464</b>
	<hr/> <hr/>

\*\*\* Total investments do not include amount held at State Treasurer's Office of \$41,066.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. The Plan's investments are held in the Plan's name in actively traded securities through Voya Financial Services, Charles Schwab, and Galliard Capital Management, Inc.(Galliard).

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investments in fixed income securities are limited to certain bond mutual funds, which are actively traded and valued daily at a published net asset value, and certain fixed income securities that are selected and monitored by individual members through the Plan's self-directed brokerage option.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. The Plan has a formal investment policy that allows the Plan to select investment options that offer the best prospects to meet each member's financial goals. The investment policy allows for different tiers of investments that provide options for members to choose from. These are member-directed accounts, thus there are no limitations on concentration, credit and interest rate risk aside from the Plan's evaluation of the appropriate investment options to offer. The policy and investment offerings are reviewed and evaluated to ensure appropriate funds are available to the member.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Plan's investment with a single investment or issuer. The Plan's investments are managed by several fund managers. The concentrations of investments are determined by the members' elections to invest in the available investment options as selected by the Plan. The investments that exceed 5% are indicated in the previous table.

### Stable Value Option

At June 30, 2020, the Plan holds Stable Value Option investments totaling \$137,335,299 through Galliard that are reported at contract value. The crediting interest rate, which resets periodically, is based on a formula agreed upon with Galliard. The crediting rate was 2.80% as of June 30, 2020. These funds have certain risks associated with them including default of the issuer, liquidity of the fund to meet cash flow needs, and interest risks of invested funds. In addition, certain events limit the ability of the Plan to transact at contract value. Such events are described in the agreement between Galliard and the Plan.



## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - PERA FUND

For the Years Ended June 30

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

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - PERA FUND (Cont.)**  
**For the Years Ended June 30**

	2018	2019	2020
<b>Total pension liability</b>			
Service Cost	\$ 376,310,442	\$ 403,879,063	401,166,200
Interest	1,462,669,395	1,504,991,169	1,547,096,587
Benefit changes	—	—	(710,227,019)
Difference between expected and actual experience	113,712,339	(54,004,886)	213,520,684
Changes of assumptions	545,509,838	—	(222,293)
Benefit payments	(1,133,417,826)	(1,193,943,794)	(1,255,018,086)
Refunds of contributions	(50,288,373)	(54,336,708)	(44,903,263)
<b>Net change in total pension liability</b>	1,314,495,815	606,584,844	151,412,810
<b>Total pension liability - beginning</b>	20,068,143,304	21,382,639,119	21,989,223,963
<b>Total pension liability - ending (a)</b>	21,382,639,119	21,989,223,963	22,140,636,773
<b>Plan net position</b>			
Contributions - employer	319,499,468	339,676,103	368,424,721
Contributions - member	282,847,487	281,643,094	297,152,638
Special Fund Appropriation			55,000,000
Net investment income	1,004,226,606	935,560,895	(223,544,634)
Benefit payments	(1,133,417,826)	(1,193,943,794)	(1,255,018,086)
Administrative expense	(12,667,256)	(13,583,374)	(14,318,348)
Refunds of contributions	(50,288,373)	(54,336,708)	(44,903,263)
Other	2,109,772	2,046,688	1,645,633
<b>Net change in plan net position</b>	412,309,878	297,062,904	(815,561,339)
Plan net position - beginning	14,798,917,909	15,210,482,641	15,507,545,545
Prior period adjustment	(745,146)	—	
Plan net position - beginning, Restated	14,798,172,763	15,210,482,641	15,507,545,545
<b>Plan net position - ending (b)</b>	15,210,482,641	15,507,545,545	14,691,984,206
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 6,172,156,478</b>	<b>\$ 6,481,678,418</b>	<b>7,448,652,567</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.



## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - JUDICIAL FUND

For the Years Ended June 30

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

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

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

	2018	2019	2020
<b>Total pension liability</b>			
Service Cost	\$ 4,488,035	\$ 4,282,426	5,285,772
Interest	9,866,593	10,341,109	10,210,516
Benefit changes	—	—	—
Difference between expected and actual experience	(1,358,467)	7,420,163	(3,901,004)
Changes of assumptions	(2,891,617)	19,032,967	18,400,431
Benefit payments	(10,585,112)	(11,351,841)	(12,013,293)
Refunds of contributions	—	(100,360)	(7,599)
<b>Net change in total pension liability</b>	(480,568)	29,624,464	17,974,823
<b>Total pension liability - beginning</b>	176,290,693	175,810,125	205,434,589
<b>Total pension liability - ending (a)</b>	175,810,125	205,434,589	223,409,412
<b>Plan net position</b>			
Contributions - employer	4,723,239	4,731,492	4,683,130
Contributions - member	1,631,848	1,690,837	1,783,295
Net investment income	6,019,600	5,527,664	(1,252,476)
Benefit payments	(10,585,112)	(11,351,841)	(12,013,294)
Administrative expense	(75,127)	(79,364)	(81,903)
Refunds of contributions	—	(100,360)	(7,599)
Other	—	10,280	—
<b>Net change in plan net position</b>	1,714,448	428,708	(6,888,847)
Plan net position - beginning	89,616,194	91,330,642	91,759,350
Prior period adjustment	—	—	—
Plan net position - beginning, Restated	89,616,194	91,330,642	91,759,350
<b>Plan net position - ending (b)</b>	91,330,642	91,759,350	84,870,503
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 84,479,483</b>	<b>\$ 113,675,239</b>	<b>138,538,909</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - MAGISTRATE FUND

For the Years Ended June 30

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

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY - MAGISTRATE FUND

For the Years Ended June 30

	2018	2019	2020
<b>Total pension liability</b>			
Service Cost	\$ 1,353,643	\$ 1,465,584	1,655,800
Interest	3,486,404	3,493,260	3,435,004
Benefit changes	—	—	—
Difference between expected and actual experience	(237,450)	2,208,900	(1,285,934)
Changes of assumptions	2,874,007	5,255,023	(18,413,936)
Benefit payments	(3,951,032)	(4,026,067)	(4,204,113)
Refunds of contributions	(63,274)	(55,566)	—
<b>Net change in total pension liability</b>	<b>3,462,298</b>	<b>8,341,134</b>	<b>(18,813,179)</b>
<b>Total pension liability - beginning</b>	<b>65,627,669</b>	<b>69,089,967</b>	<b>77,431,101</b>
<b>Total pension liability - ending (a)</b>	<b>69,089,967</b>	<b>77,431,101</b>	<b>58,617,922</b>
<b>Plan net position</b>			
Contributions - employer	1,231,917	1,236,273	1,292,686
Contributions - member	580,290	639,552	650,354
Net investment income	2,155,789	1,938,490	(437,321)
Benefit payments	(3,951,032)	(4,026,067)	(4,204,111)
Administrative expense	(26,591)	(27,744)	(28,329)
Refunds of contributions	(63,274)	(55,566)	—
Other	13,607	—	—
<b>Net change in plan net position</b>	<b>(59,294)</b>	<b>(295,062)</b>	<b>(2,726,721)</b>
Plan net position - beginning	32,225,122	32,092,452	31,797,390
Prior period adjustment	(73,376)	—	—
Plan net position - beginning, Restated	32,151,746	32,092,452	31,797,390
<b>Plan net position - ending (b)</b>	<b>32,092,452</b>	<b>31,797,390</b>	<b>29,070,669</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 36,997,515</b>	<b>\$ 45,633,711</b>	<b>\$ 29,547,253</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

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

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

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

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

	2018	2019	2020
<b>Total pension liability</b>			
Service Cost	\$ 2,203,655	\$ 2,193,612	2,250,251
Interest	3,555,496	3,594,117	3,715,452
Benefit changes	—	—	—
Difference between expected and actual experience	(2,503,558)	(1,572,798)	(2,142,042)
Changes of assumptions	1,362,635	—	(1,853,146)
Benefit payments	(2,318,519)	(2,456,859)	(2,625,832)
Refunds of contributions	—	—	—
<b>Net change in total pension liability</b>	<b>2,299,709</b>	<b>1,758,072</b>	<b>(655,317)</b>
<b>Total pension liability - beginning</b>	<b>48,502,745</b>	<b>50,802,454</b>	<b>52,560,526</b>
<b>Total pension liability - ending (a)</b>	<b>50,802,454</b>	<b>52,560,526</b>	<b>51,905,209</b>
<b>Plan net position</b>			
Contributions - employer	750,000	750,000	750,000
Contributions - member	—	—	—
Net investment income	4,512,059	4,317,954	(1,056,611)
Benefit payments	(2,318,519)	(2,456,859)	(2,625,832)
Administrative expense	(57,574)	(62,918)	(67,207)
Refunds of contributions	—	—	—
Other	719	1,000	—
<b>Net change in plan net position</b>	<b>2,886,685</b>	<b>2,549,177</b>	<b>(2,999,650)</b>
Plan net position - beginning	66,400,768	69,287,453	71,836,630
Prior period adjustment	—	—	—
Plan net position - beginning, Restated	66,400,768	69,287,453	71,836,630
<b>Plan net position - ending (b)</b>	<b>69,287,453</b>	<b>71,836,630</b>	<b>68,836,980</b>
<b>Net pension liability/(asset) - ending (a) - (b)</b>	<b>\$ (18,484,999)</b>	<b>\$ (19,276,104)</b>	<b>(16,931,771)</b>

Note: The above schedules are intended to show information for ten years, and that additional years' information will be displayed as it becomes available.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**For the Years Ended June 30,**

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

<b>PERA Fund</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Pension Liability	\$ 21,382,639,119	\$ 21,989,223,963	\$ 22,140,636,773
Plan Net Position	15,210,482,641	15,507,545,545	14,691,984,206
Net Pension Liability	\$ 6,172,156,478	\$ 6,481,678,418	\$ 7,448,652,567
Ratio of Plan Net Pension to Total Pension Liability	71.13%	70.52%	66.36%
Covered Payroll	\$ 2,265,036,299	\$ 2,287,711,652	\$ 2,339,923,387
Net Pension liability as a Percentage of Covered Payroll	272.50%	283.33%	318.33%

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

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

<b>Judicial Fund</b>	<b>2018</b>		<b>2019</b>		<b>2020</b>	
Total Pension Liability	\$	175,810,125	\$	205,434,589	\$	223,409,412
Plan Net Position		91,330,642		91,759,350		84,870,503
Net Pension Liability	\$	84,479,483	\$	113,675,239	\$	138,538,909
Ratio of Plan Net Pension to Total Pension Liability		51.95 %		44.67 %		37.99 %
Covered Payroll	\$	15,126,140	\$	16,291,947	\$	16,090,456
Net Pension Liability as a Percentage of Covered Payroll		558.50 %		697.74 %		861.00 %

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

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

<b>Magistrate Fund</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Pension Liability	\$69,089,967	\$77,431,101	\$58,617,922
Plan Net Position	32,092,452	31,797,390	29,070,669
Net Pension Liability	\$36,997,515	\$45,633,711	\$29,547,253
Ratio of Plan Net Pension to Total Pension Liability	46.45 %	41.07 %	49.59 %
Covered Payroll	5,638,423	6,025,309	\$6,025,289
Net Pension Liability as a Percentage of Covered Payroll	656.17 %	757.37 %	490.39 %

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

<b>Volunteer Firefighter Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total Pension Liability	\$40,881,090.00	\$44,477,629.00	\$48,935,662.00	\$48,502,745.00
Plan Net Position	61,923,262.00	62,103,236.00	61,049,688.00	66,400,768.00
Net Pension Liability/(Asset)	\$ (21,042,172)	\$ (17,625,607)	\$ (12,114,026)	\$ (17,898,023)
Ratio of Plan Net Pension to Total Pension Liability/(Asset)	151.47 %	139.63 %	124.76 %	136.90 %
Covered Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

<b>Volunteer Firefighter Fund</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Pension Liability	\$50,802,454	\$52,560,526	\$51,905,209
Plan Net Position	69,287,453	71,836,630	68,836,980
Net Pension Liability/(Asset)	\$ (18,484,999)	\$ (19,276,104)	\$ (16,931,771)
Ratio of Plan Net Pension to Total Pension Liability/(Asset)	136.39 %	136.67 %	132.62 %
Covered Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Years Ended June 30

#### PERA Fund\*

	2020	2019	2018	2017	2016
Contractually Required contributions*	\$ 368,424,721	\$ 339,676,103	\$ 319,499,468	\$ 332,473,332	\$ 324,751,997
Actual employer contributions*	368,424,721	339,676,103	319,499,468	332,473,332	324,751,997
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	\$ 2,339,923,387	\$ 2,287,711,652	\$ 2,265,036,299	\$ 2,193,888,677	\$ 2,326,943,176
Actual contributions as a percentage of covered payroll	15.75%	14.85%	14.11%	15.15%	13.96%

\*Includes \$74,357,341 of employer paid plan member contributions for 2014 (in accordance with Question 40 in the GASB 67 Implementation Guide). The 2017 amount has been revised to align with GASB 68 reporting.

	2015	2014	2013	2012	2011
Contractually Required contributions*	\$ 317,163,961	\$ 370,766,329	\$ 285,560,291	\$ 274,905,978	\$ 283,376,830
Actual employer contributions*	317,163,961	370,766,329	285,560,291	274,905,978	283,376,830
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	\$ 2,248,254,276	\$ 2,102,265,325	\$ 2,049,737,510	\$ 1,994,280,107	\$ 1,935,013,761
Actual contributions as a percentage of covered payroll	14.11 %	17.64 %	13.93 %	13.78 %	14.64 %

#### Judicial Fund

	2020	2019	2018	2017	2016
Contractually Required contributions	\$ 6,045,184	\$ 5,881,393	\$ 4,908,432	\$ 4,974,779	\$ 4,816,367
Actual employer contributions	4,683,130	4,731,492	4,723,239	4,524,201	4,237,424
Annual contributions deficiency (excess)	1,362,054	1,149,901	185,193	450,578	578,943
Covered payroll	\$ 16,090,456	\$ 16,291,947	\$ 15,126,140	\$ 15,492,927	\$ 15,612,212
Actual contributions as a percentage of covered payroll	29.11 %	29.04 %	31.23 %	29.20 %	27.14 %

	2015	2014	2013	2012	2011
Contractually Required contributions	\$ 4,918,978	\$ 6,412,805	\$ 7,235,448	\$ 5,834,621	\$ 5,784,453
Actual employer contributions	4,196,276	3,740,786	3,527,270	3,266,203	3,823,546
Annual contributions deficiency (excess)	722,702	2,672,019	3,708,178	2,568,418	1,960,907
Covered payroll	\$ 15,084,263	\$ 13,163,305	\$ 13,226,142	\$ 12,690,503	\$ 12,266,852
Actual contributions as a percentage of covered payroll	27.82 %	28.42 %	26.67 %	25.74 %	31.17 %

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

**Magistrate Fund**

	2020	2019	2018	2017	2016
Contractually Required contributions	\$ 1,922,670	\$ 1,861,820	\$ 1,587,780	\$ 1,576,148	\$ 1,462,825
Actual employer contributions	1,292,686	1,236,273	1,231,917	1,282,356	1,280,104
Annual contributions deficiency (excess)	629,984	625,547	355,863	293,792	182,721
Covered payroll	\$ 6,025,289	\$ 6,025,309	\$ 5,638,423	\$ 5,633,125	\$ 5,243,101
Actual contributions as a percentage of covered payroll	21.45 %	20.52 %	21.85 %	22.76 %	24.42 %

	2015	2014	2013	2012	2011
Contractually Required contributions	\$ 1,966,543	\$ 1,992,392	\$ 2,286,413	\$ 1,793,261	\$ 2,013,684
Actual employer contributions	936,602	793,044	805,337	676,073	894,644
Annual contributions deficiency (excess)	1,029,941	1,199,348	1,481,076	1,117,188	1,119,040
Covered payroll	\$ 5,065,798	\$ 3,515,567	\$ 3,136,834	\$ 3,213,712	\$ 3,405,121
Actual contributions as a percentage of covered payroll	18.49 %	25.67 %	21.04 %	26.27 %	23.45 %

**Volunteer Firefighters Fund**

	2020	2019	2018	2017	2016
Contractually Required contributions	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Actual employer contributions	750,000	750,000	750,000	750,000	750,000
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	N/A	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

	2015	2014	2013	2012	2011
Contractually Required contributions	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Actual employer contributions	750,000	750,000	750,000	750,000	750,000
Annual contributions deficiency (excess)	—	—	—	—	—
Covered payroll	N/A	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A



## SCHEDULE OF INVESTMENT RETURNS

### For the Years Ended June 30

Annual money-weighted rate of return for the defined benefit funds, net of investment expense:

2014	2015	2016	2017	2018	2019	2020
17.40%	1.70%	0.70%	10.60%	6.50%	5.60%	(2.70)%

Note: The above schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### Summary of Actuarial Methods and Assumptions

<b>PERA Fund</b>	
<b>Actuarial valuation date</b>	June 30, 2019
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percentage of Pay
<b>Amortization period</b>	Solved for based on statutory rates
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

### Summary of Actuarial Methods and Assumptions

<b>Judicial Fund</b>	
<b>Actuarial valuation date</b>	June 30, 2019
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percentage of Pay, Open
<b>Amortization period</b>	30 years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense, SEIR 4.34%
Projected benefit payment	89 years
Municipal bond rate	3.50%
Discount rate	4.34%
Payroll Growth	3.00%
Projected salary increases	4.00%
Includes inflation at	2.50%
Mortality Assumption	RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally
Experience Study Dates	July 1, 2013 to June 30, 2017

### Summary of Actuarial Methods and Assumptions

<b>Magistrate Fund</b>	
<b>Actuarial date</b>	June 30, 2019
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percent of Payroll, Open
<b>Amortization period</b>	30 years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense,
Projected benefit payment	86 years
Discount rate	7.25%
Payroll Growth	3.00%
Projected salary increases	3.50%
Mortality Assumption	RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally.
Experience Study Dates	July 1, 2013 to June 30, 2017

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

## Summary of Actuarial Methods and Assumptions

<b>Volunteer Firefighters Fund</b>	
<b>Actuarial valuation date</b>	June 30, 2019
<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Dollar, Open
<b>Amortization period</b>	30 Years
<b>Actuarial Assumptions:</b>	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	N/A
Projected salary increases	N/A
Mortality Assumptions	RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally.
Experience Study Dates	July 1, 2013 to June 30, 2017



**SCHEDULE OF REVENUES, APPROPRIATION, AND EXPENSES-**  
**BUDGET AND ACTUAL PUBLIC EMPLOYEES RETIREMENT FUND ONLY**  
**For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues and Appropriations				
Other state funds:				
General Fund Appropriation	\$ 80,300	\$ 80,300	\$ 80,300	\$ —
Special Appropriation	—	—	55,000,000	—
Other income	36,542,400	36,542,400	36,542,400	—
<b>Total Revenue</b>	<u>36,622,700</u>	<u>36,622,700</u>	<u>91,622,700</u>	<u>—</u>
Expenditures				
Administration				
Contractual services	27,069,200	26,567,600	20,518,674	6,048,926
Personnel services and benefits	8,164,800	8,164,800	7,628,138	536,662
Other operating costs	1,388,700	1,890,300	1,796,664	93,636
<b>Total Expenditures</b>	<u>36,622,700</u>	<u>36,622,700</u>	<u>29,943,476</u>	<u>6,679,224</u>
<b>Change in net position, budget items</b>			<u>\$ 61,679,224</u>	
<b>Non-budget revenues and expenses:</b>				
Contributions from members and employers (plus service credit purchase)			\$ 665,577,359	
Net Appreciation in Fair Value of Plan Investments			(457,794,648)	
Interest & Dividends			204,327,288	
Other Investment Income			58,151,406	
Other Income			1,645,633	
Benefit payments to retirees and beneficiaries			(1,255,018,086)	
Refunds to terminated employees			(44,903,263)	
Depreciation Expense			(680,471)	
Compensated Absences			(90,221)	
Accounts Payable - FY 19			1,239,638	
Administrative Expense Allocated			373,112	
Non-budgeted Investment Expense			(48,980,981)	
Special Appropriation			(1,187,440)	
Social Security and Deferred Comp Program			108,136	
Reversion			(8,025)	
<b>Increase (Decrease) in plan net assets</b>			<u>(815,561,339)</u>	
<b>Net Position held in trust for pension benefits</b>				
Balance - beginning of year			<u>15,507,545,545</u>	
<b>Balance - end of year</b>			<u><b>\$ 14,691,984,206</b></u>	

## OTHER SUPPLEMENTAL SCHEDULES

### SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2020

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	SSA Program	Deferred Comp (1)
<b>Personnel Services and Benefits</b>						
Salaries	\$ 5,433,613	\$ 31,354	\$ 11,001	\$ 25,303	\$ 53,242	\$ 68,492
Employee Insurance	602,220	3,475	1,219	2,804	4,643	4,240
Retirement	914,675	5,278	1,852	4,259	9,179	11,607
Other Personnel Expenses	513,067	2,961	1,039	2,389	4,911	6,295
<b>Total Personnel Services and Benefits</b>	<b>7,463,575</b>	<b>43,068</b>	<b>15,111</b>	<b>34,755</b>	<b>71,975</b>	<b>90,634</b>
<b>Other Contractual Services:</b>						
Information Technology Services	1,241,120	7,162	2,513	5,780	—	—
Legal Fees	839,201	4,843	1,699	3,908	—	3,137
Audit Fees	158,373	914	321	738	—	—
Medical Services	100,423	579	203	468	—	—
Other Professional Services	926,431	5,346	1,876	4,314	—	—
<b>Total Other Contractual Services</b>	<b>3,265,548</b>	<b>18,844</b>	<b>6,612</b>	<b>15,208</b>	<b>—</b>	<b>3,137</b>
<b>Education, Meeting and Travel</b>						
Professional Development	33,389	193	68	155	—	600
Travel	51,713	298	105	241	—	1,283
<b>Total Education, Meeting and Travel</b>	<b>85,102</b>	<b>491</b>	<b>173</b>	<b>396</b>	<b>—</b>	<b>1,883</b>
<b>General Administrative Expense</b>						
Subscriptions/Dues/License Fee	123,192	711	249	574	300	600
Equipment	195,542	1,128	396	911	—	1,693
DOIT Telecommunications	185,113	1,068	375	862	—	—
Postage	176,502	1,018	357	822	—	—
Printing & Photo Services	75,718	437	153	353	—	—
Board Member Expenses	14,534	84	29	68	—	—
Other General Administrative Expense	2,733,522	15,054	4,874	13,258	—	331
<b>Total General Administrative expense</b>	<b>3,504,123</b>	<b>19,500</b>	<b>6,433</b>	<b>16,848</b>	<b>300</b>	<b>2,624</b>
<b>Total Administrative Expenses</b>	<b>\$ 14,318,348</b>	<b>\$ 81,903</b>	<b>\$ 28,329</b>	<b>\$ 67,207</b>	<b>\$ 72,275</b>	<b>\$ 98,278</b>

(1) This just reflects internal administrative expense and excludes the external administrative expense.



## OTHER SUPPLEMENTAL SCHEDULES

### SCHEDULE OF INVESTMENT EXPENSES FOR DEFINED BENEFIT FUNDS

For the Year Ended June 30, 2020

	PERA Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighters Fund	TOTAL
<b>External Investment Expenses:</b>					
Investment Advisory Fees	\$ 44,780,860	\$ 256,152	\$ 88,598	\$ 210,190	\$ 45,335,800
Investment Manager Fees	12,159,347	69,553	24,057	57,073	12,310,030
Consultant Fees	2,216,349	12,678	4,385	10,403	2,243,815
Custody Bank	1,174,526	6,718	2,324	5,513	1,189,081
Security Lending Expenses	455,123	2,603	900	2,136	460,762
Legal Fees	245,863	1,406	486	1,154	248,909
Other Fees	3,738,787	21,387	7,398	17,549	3,785,121
<b>Total External Investment Expenses</b>	<b>64,770,855</b>	<b>370,497</b>	<b>128,148</b>	<b>304,018</b>	<b>65,573,518</b>
<b>Internal Investment Expenses*</b>					
<i>Personnel Services and Benefits</i>					
Salaries	1,053,146	6,024	2,084	4,944	1,066,198
Fringe Benefits	345,236	1,975	683	1,620	349,514
<b>Total Personnel Services and Benefits</b>	<b>1,398,382</b>	<b>7,999</b>	<b>2,767</b>	<b>6,564</b>	<b>1,415,712</b>
<i>Education, Meeting and Travel</i>					
Professional Development	10,226	59	20	48	10,353
Travel	35,419	203	70	166	35,858
<b>Total Education, Meeting and Travel</b>	<b>45,645</b>	<b>262</b>	<b>90</b>	<b>214</b>	<b>46,211</b>
<i>General Administrative expense</i>					
Subscriptions/Dues/License Fee	88,054	504	174	413	89,145
Other General Administrative Expense	1,028,981	5,886	2,036	4,830	1,041,733
<b>Total General Administrative expense</b>	<b>1,117,035</b>	<b>6,390</b>	<b>2,210</b>	<b>5,243</b>	<b>1,130,878</b>
<b>Total Internal Investment Activity Expense*</b>	<b>2,561,062</b>	<b>14,651</b>	<b>5,067</b>	<b>12,021</b>	<b>2,592,800</b>
<b>Total Investment Activity Expenses</b>	<b>\$ 67,331,917</b>	<b>\$ 385,148</b>	<b>\$ 133,215</b>	<b>\$ 316,039</b>	<b>\$ 68,166,318</b>

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

\*Internal Investment Expense is also included in the total administrative expenses presented on page 108 and presented on the Statement of Changes of Fiduciary Net Position on page 39.





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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Retirement Board  
Public Employees Retirement Association of New Mexico

Honorable Brian S. Colón  
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund, Volunteer Firefighters Retirement Fund, State of New Mexico Public Employees' Deferred Compensation Plan and Social Security Administration Program (collectively, the Funds) administered by the Public Employees Retirement Association of New Mexico (PERA), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise PERA's basic financial statements, and have issued our report thereon dated November 25, 2020. Our report includes a reference to other auditors who audited the financial statements of the New Mexico Public Employees' Deferred Compensation Plan, as described in our report on PERA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered PERA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PERA's internal control. Accordingly, we do not express an opinion on the effectiveness of PERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Members of the Retirement Board  
Public Employees Retirement Association of New Mexico  
Honorable Brian S. Colón  
New Mexico State Auditor

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether PERA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as Finding 2020-001.

#### **PERA's Response to Findings**

PERA's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. PERA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 25, 2020



**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year ended June 30, 2020**

**2019-001 Other Matters as Required by the New Mexico State Audit Rule - Resolved**

# SCHEDULE OF FINDINGS AND RESPONSES

## For the Year Ended June 30, 2020

### Section I - Summary of Auditors' Results

#### Financial Statements

Type of auditor's report issued	Unmodified	
Internal Control over financial reporting:		
Material Weakness(es) identified?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Noncompliance material to financial statements noted?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

### Section II - Financial Statement Findings

#### A. OTHER MATTERS AS REQUIRED BY THE NEW MEXICO STATE AUDIT RULE

##### 2020-001 Open Meetings Act Violation (Compliance and Other Matters)

**Condition:** During the year, the Board violated the Open Meetings Act, NMSA 1978, Sections 10-15-1 to -4 (1974, as amended through 2013) at its May 29, 2020 meeting by taking action on an item not listed on the meeting agenda.

**Criteria:** As indicated in NMSA 1978 10-15-1 (F) a public body shall take action only on items appearing on the agenda.

**Context:** This was brought to our attention by the NM Office of the Attorney General, as well as through discussion with Board management.

**Cause:** The Board failed to take action only on items of business specifically listed on the agenda.

**Effect:** Noncompliance with Open Meetings Act, NMSA 1978, Sections 10-15-1 to -4 (1974, as amended through 2013).

**Recommendation:** We recommend the Board ensure no action is taken on items not listed on the meeting agenda.

**Management's Response:** PERA agrees with the finding that the Board took action on an item that was not properly noticed in compliance with the Open Meetings Act at its May 2020 Board meeting.

The PERA Board is strongly committed to open government, and strict compliance with the law regarding conduct of its official business. The PERA Board Chair and staff will ensure that the Board only takes action on items listed on a published agenda and prevent items from being added to the agenda that are not properly noticed. In this instance, the New Mexico Attorney General's Office determined that while action on the originally noticed agenda item was valid, that portion of the motion that added an item was invalid. The Board proactively took remedial action by acknowledgement of the partial violation and placement of the action on a subsequent Board agenda in compliance with the Open Meetings Act. In addition, the agency took no action on the administrative action that was determined to have violated the Open Meetings Act.



## **EXIT CONFERENCE**

We discussed the financial statements and recommendations contained in this letter during the exit conference held November 23, 2020. The exit conference was attended by the following individuals.

### **PERA EMPLOYEES RETIREMENT ASSOCIATION**

#### **Members of the Board**

David Royal, Vice-Chair

#### **PERA Management**

Wayne Propst, Executive Director

Greg Trujillo, Deputy Director

Susan Pittard, Chief of Staff

Anna Williams, CPA, Chief Financial Officer

Olasunkanmi Olaoye, Investment Accountant

Dominic Garica, Chief Investment Officer

Kristin Varela, Deputy Chief Investment Officer

#### **CliftonLarsonAllen**

Thomas Rey, CPA, CLA Partner

Brittany Smith, CPA, CLA Manager

# INVESTMENT SECTION

Public Employees Retirement Association



COMPREHENSIVE ANNUAL FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2020

## CHIEF INVESTMENT OFFICER'S LETTER

Dear PERA Members,

It is a pleasure to serve as your Chief Investment Officer. As a native New Mexican, I understand the impact PERA has on the State of New Mexico and its economy—paying out nearly \$1.3 billion annually in retirement benefits. Obviously, the onset of COVID-19 and the subsequent economic and market impact has had an indelible impact on the year. I'm happy to report that through this unprecedented stress we proved resilient and continued rather seamlessly with our investment function and process, working entirely remotely. The economic and market impact in the first quarter was akin to the 2008 Credit Crisis, where markets seized and sold-off violently. Fortunately, PERA was prepared for such an event and was able to mitigate mark-to-market losses to the fund and continue to function normally. PERA maintained a liquid position and was able pay benefits and manage normal portfolio activities without any operational disruption and without distressed selling. Furthermore, when the markets recovered, PERA was able to participate in the rebound.

The Investment Section of the Comprehensive Annual Financial Report for the year ending June 30, 2020 provides more detail around performance and asset allocation for this eventful time period. In addition, the section provides an overview of the key strategic challenges ahead and accomplishments that occurred during the last fiscal year.

### Goals Review

PERA's 5-year Strategic Plan (2018-2022) sets forth the high level goals for all of PERA, which, combined with the Investment Policy set by the Board, determines the Investment Team's focus. These goals also correspond with the investment-related performance measures that are monitored by PERA's regulatory and legislative bodies. The following scorecard matrix identifies the three key, investment-related, objectives and the actual results we have achieved.

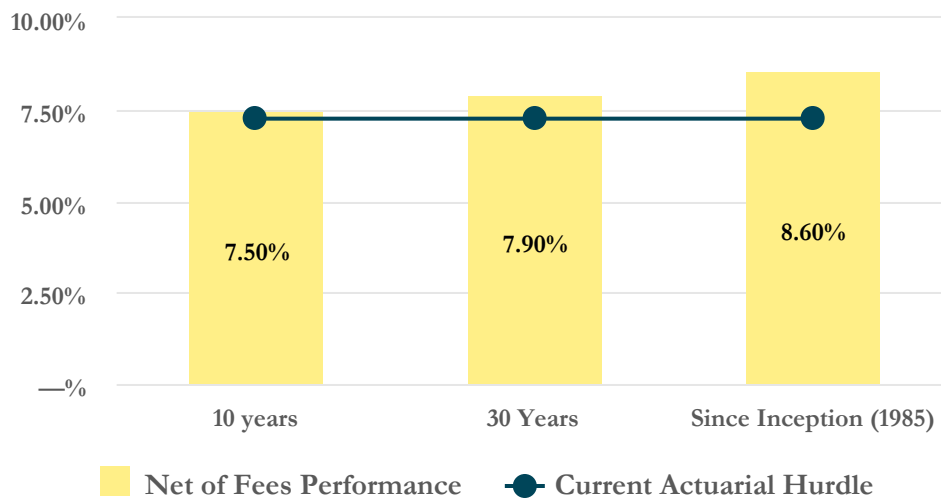
PERA Investment Objectives	Actual Results
Set Strategic Asset Allocation (Policy Portfolio) to meet the assumed return (7.25% currently and 7.7% ave. since inception) and funding goals over the long-term (10 years and longer).	Exceeded actuarial rate for 3 years, 10 years, 30 years and since data inception (1985)
Meet or exceed the Policy Portfolio over the long-term (10 years and longer). Meet or exceed the Reference Passive Portfolio over the long-term	Met or Exceeded Policy Portfolio Benchmark over CYTD, 1 Year, 3 Year, 10 Year, 20 Year, 30 Year and Since Inception.  Exceeded Reference Passive Portfolio over long term.
Achieve a total investment cost at or below a benchmark cost relative to peers adjusted for fund size and asset mix.	Compared to 334 Global funds in a custom benchmark cost, PERA is low cost and saves approximately \$27m in fees and costs..

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

### PERA Fund Performance

PERA ended the fiscal year 2020 with approximately \$14.8 billion in assets. Total absolute performance for the fiscal year was -1.5% net of fees, which roughly matched the policy benchmark for the year.

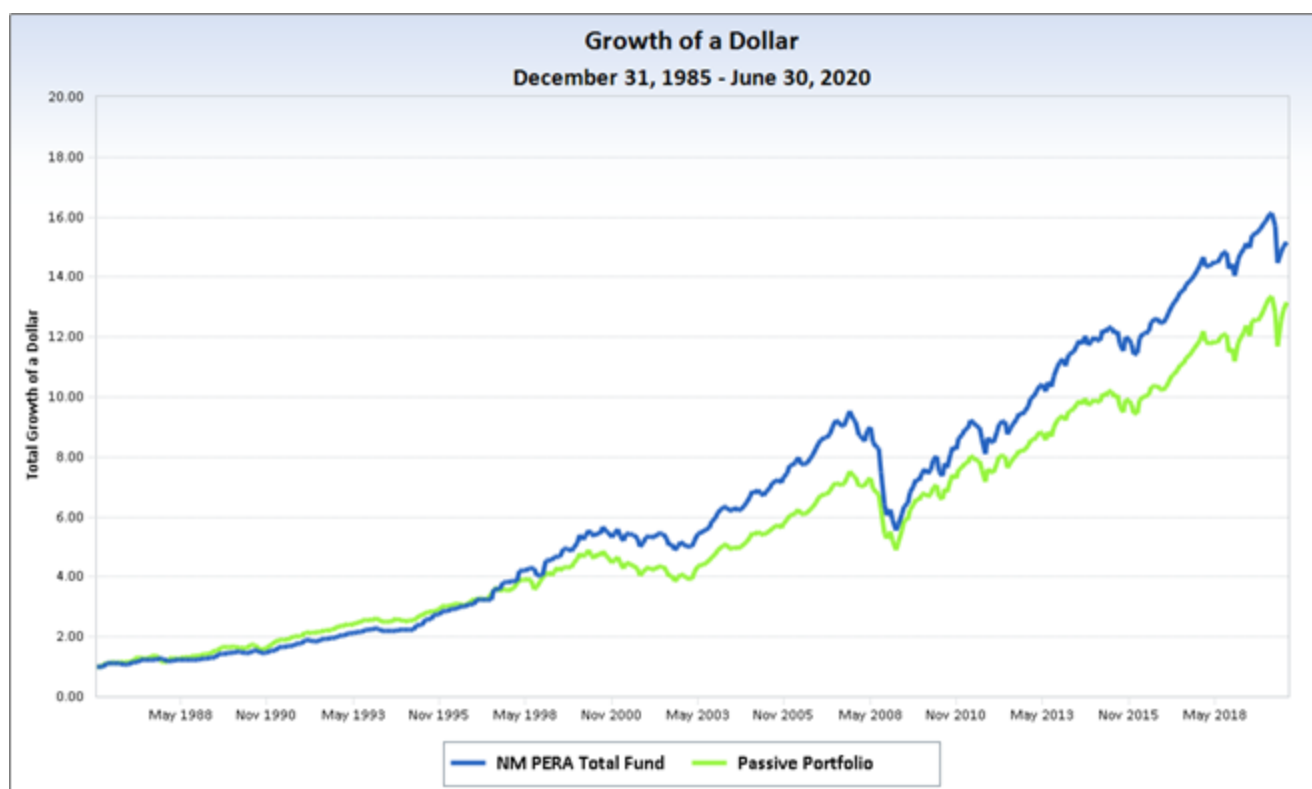
The over-arching goal of the investment portfolio is to generate returns that meet the actuarial return hurdle and meet benefit payment demographics over long periods of time, such as 10-year and 30-year periods. Due to the amount of volatility or risk the investment portfolio takes to generate the long-run actuarial rate of return of 7.25%, it is expected with 95% confidence that in any given 1-year period the portfolio can produce anywhere between +17.25% or lose -3.25%. However, over longer periods of time the range of outcomes shrinks closer to the median expected outcome of 7.25%. For the 1 year period ended June 30, 2020, the portfolio returned within this expectation, albeit on the lower end. However, the fund continues to exceed actuarial targeted returns over the long term. The following chart shows the performance of the PERA fund relative to the current 7.25% actuarial target return. Note: the average actuarial target since 1985 has been 7.71%.



In addition to the actuarial return hurdle of 7.25%, the PERA Board has adopted two additional key benchmarks to evaluate investment performance: the Passive Reference Benchmark and the Internal Policy Benchmark. The Passive Reference Benchmark helps monitor the long term value add of adopting a more complex and diversified asset allocation. The Reference Benchmark is a simple 2-asset class (stocks and bonds), liquid index portfolio that is set to match the expected 10.5% volatility of the PERA portfolio. This benchmark is a 58% global stocks and 42% bond allocation.

The following chart shows the long-term value the PERA portfolio has generated relative to the passive Reference Portfolio. The graph below is the growth of a dollar beginning in 1985. The PERA portfolio is shown in blue. Over that time period, 1 dollar would have grown to roughly 15 dollars. In green is the growth of 1 dollar invested in the Reference Portfolio, which would have grown to roughly 13 dollars over the same time period. The difference is the value add PERA has produced for having a more diversified portfolio.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)



Second, the Internal Policy benchmark is a more difficult benchmark customized to PERA’s investment approach and meant to replicate the more diversified Board adopted strategic asset allocation. This is used to help better evaluate active decisions, costs, and implementation of the strategic asset allocation. PERA has either met or exceeded its Internal Policy Benchmark in all relevant time frames with the exception of the rolling 5-year period.

	Calendar Year to Date	Fiscal Year	3-Year	5-Year	10-Year	Since Inception (1985)
Total PERA Fund Net of Fees	(5.80)%	-1.50%	3.90%	4.60%	7.50%	8.60%
Internal Policy Benchmark	(6.40)%	-1.50%	3.50%	4.80%	7.30%	8.50%

### Asset Allocation

In July 2018, the PERA Board adopted an enhanced strategic asset allocation, in order to better balance risk exposures, and position the PERA Fund for global economic uncertainties. This allocation continues to optimize the risk-adjusted return prospects for the Fund, while maintaining applicable liquidity to meet benefit payments. The fund distributed roughly \$1.3 billion in retiree benefits for fiscal year 2020.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

The PERA Fund's asset allocation targets and ranges as of June 30, 2020, are:

<u>Asset Class</u>	<u>Lower Range</u>	<u>Target</u>	<u>Upper Range</u>
Global Equity	30.50%	35.50%	40.50%
Risk Reduction & Mitigation	16.50%	19.50%	22.50%
Credit Oriented Fixed Income	11.00%	15.00%	19.00%
Real Assets	16.00%	20.00%	24.00%
Multi-Risk Allocation	6.00%	10.00%	14.00%
<b>TOTAL</b>		<b>100.00%</b>	

Global Equity: global equity continues to be PERA's largest asset class with approximately \$5.5 billion (35.8 %) in liquid and illiquid securities. The global equity composite is comprised of Global Public Stock, Global Low Volatility Equity and Private Equity. This asset component returned 0.71% for the fiscal year, outperforming its policy benchmark of 0.09%.

Risk Reduction & Mitigation: PERA invested approximately \$2.9 billion (19.4%) in risk reduction and mitigation ("RRM") strategies, focused on liquid securities. The RRM composite is comprised of Domestic Core Fixed Income and Global Core Fixed Income. This asset component returned 6.32%, under-performing its policy benchmark by 2.11%. Under-performance was primarily due to selection effects from active management and liquidity differences from holdings and policy benchmarks.

Credit-Oriented Fixed Income: PERA invested approximately \$2.9 billion (19.4%) in risk reduction and mitigation ("RRM") strategies, focused on liquid securities. The RRM composite is comprised of Domestic Core Fixed Income and Global Core Fixed Income. This asset component returned 6.32%, under-performing its policy benchmark by 2.11%. Under-performance was primarily due to selection effects from active management and liquidity differences from holdings and policy benchmarks.

Real Assets: The \$3.0 billion (20.0%) real assets composite includes liquid and illiquid securities. The real assets composite is comprised of Real Estate, REITS, Infrastructure, TIPS, Commodities, and Energy related assets. The portfolio returned -7.58% for the fiscal year, and out-performed its policy benchmark by 4.74%.

Multi-Risk Allocation: PERA began its implementation of this newly approved asset class during the second quarter of 2019 and ramped the allocation through the fiscal year. The current \$1.4 billion (9.2%) multi-risk composite includes liquid, passive risk parity exposure. The portfolio returned -8.95%, slightly underperforming its policy benchmark by 0.73%.

### Strategic Challenges Ahead

Post-COVID, investors face a challenging investment environment to meet required returns. To fight the economic fallout from the pandemic, both monetary authorities and fiscal policy-makers instituted unprecedented stimulus. While this stimulus undoubtedly helped stave-off a worst case scenario economic outcome, it also pulled forward future returns. Most notably, monetary authorities moved the rates on cash to near zero and have made clear they will be lower for longer. This makes the investment return goals, at any institution, much harder to achieve.



## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

For instance, from January 1976 to June 2020, a simple, indexed portfolio of 60% stocks and 40% bonds, which very closely resembles PERA's Reference Portfolio, produced a return of 9.25%. However, when de-composing those returns, approximately 4.47% or nearly half was attributable to the T-bill rate or cash. Said another way, the risk premium associated with investing in a 60% stocks and 40% bonds portfolio produced 4.78% over the return of cash. Thus, when looking ahead over the next 10 years with cash rates expected to be near zero, a 60% stocks/40% bond investor's expected total return should be roughly equivalent to the risk premium only, or around 5% based on history.

This is a significant return gap if an investor, like PERA, needs to generate 7.25% returns. Thus, what worked in the past, a simple allocation to markets, will no longer get the job done. Creativity, innovation, and skill are required to bridge the gap. It will require different approaches to asset allocation and embracing the use of active management to help fill the gap.

### Solutions to Bridging the Return Gap

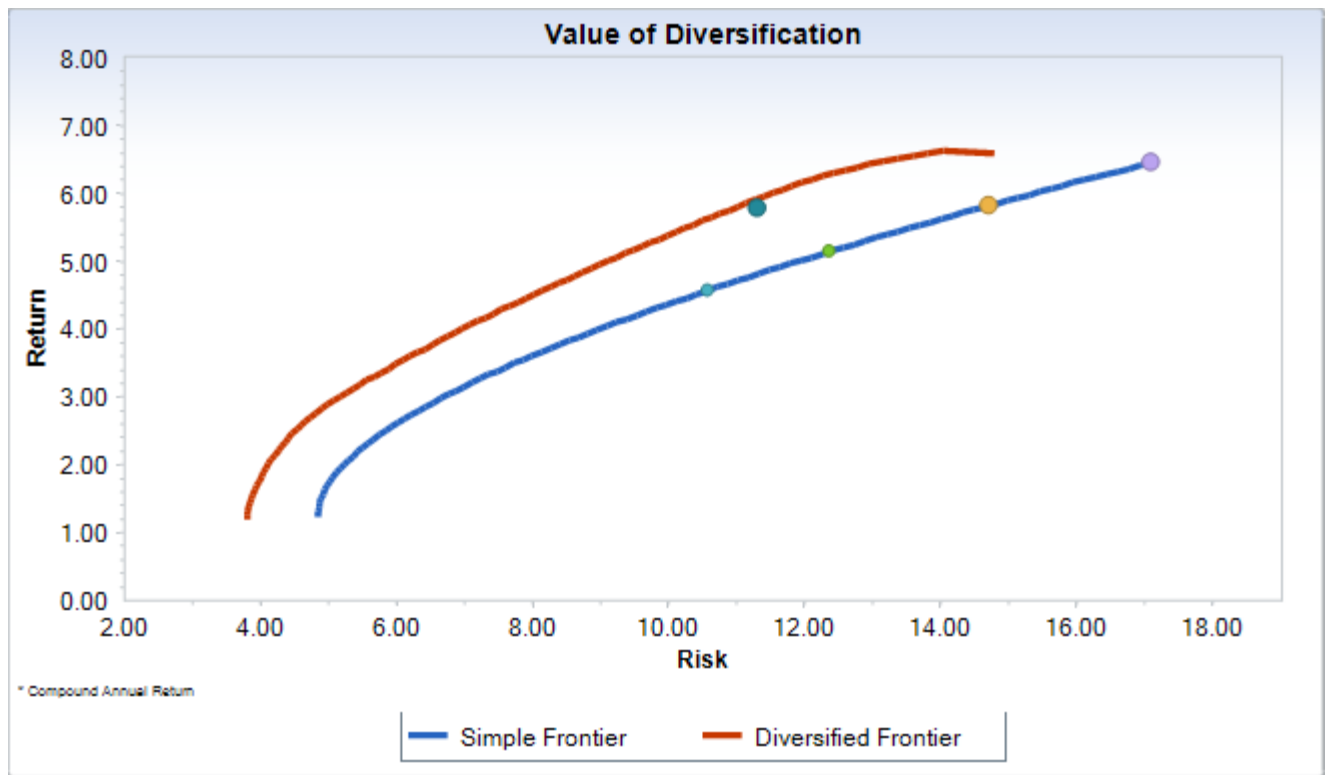
Below is an efficient frontier of 10 year forward expected returns provided by Wilshire Associates, PERA's investment consultant. This provides the available asset allocation mixes in the investment environment and the expected return on the vertical axis coupled with the expected risk or standard deviation of that portfolio on the horizontal axis.

As the graph depicts, there are at least two paths to meeting the return gap. The first path is highlighted in the blue efficient frontier, which is the traditional path of increasing allocations to stocks to enhance returns, which also leads to more risk. At the extreme, a 100% stock allocation is expected to be below PERA's 7.25% return target. A second path, highlighted by the red efficient frontier, takes a more diversified approach. This diversification bonus is punctuated by investing in markets other than stocks and bonds, using innovative asset allocation approaches, and executing assets in private markets. This path is a return and risk enhancement over the simple or traditional path.

Finally, there is a third path, one which PERA has been on. This path uses the diversified efficient frontier plus the use of thoughtful active management. This path, shown in the large blue dot, is expected to provide a total return closer to the 7.25% target over the next 10 years, but at a relatively low to moderate level of risk. Going forward, PERA will continue to live on this path and explore continued enhancements to move along this path to enhance returns.



## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)



### Accomplishments and Initiatives

Over the course of the two past fiscal years we have made numerous strides to improve outcomes in the investment portfolio. The following provides highlights of these accomplishments.

#### Enhanced Governance Structure

Back in fiscal year 2018, PERA and the PERA Board made significant enhancements to the governance structure and strengthened evaluating and oversight mechanisms on the portfolio. First, the PERA Board made the strategic decision to delegate implementation authority to its internal investment professionals, in order to best focus on strategic initiatives, strengthen governance structures, and long-term sustainability of the PERA plan. This governance change has been substantive and reflective of prudence and best practice across U.S. pension plans. The value of these changes to the portfolio will be seen over the course of the next 10 years, but this alone set the foundation for making better investment decisions for our members.

In addition, PERA continued to strengthen the Board's oversight authority through enhanced measurement mechanisms, such as establishing a Risk Budget. Fiscal year 2020 is the third year PERA adopted and monitored the portfolio via the risk budget process. The risk budget is a quantitative framework that provides a mechanism for monitoring and evaluating implementation within the Fund, strengthening accountability for results relative to the Board approved strategic asset allocation and active management.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

### Risk Balance

Back in 2019, PERA moved to implement and move toward a risk balance approach to asset allocation, which examines not just the capital allocated to assets but the risk the assets contribute to returns. For fiscal year 2020, PERA was able to fully implement the initial allocation to this strategy. Risk balance allocation is meant to better balance PERA's portfolio away from growth equity risk. Better balanced portfolios have a higher return per unit of risk profile that results in a smoother experience that over long periods of time compound better and maximize terminal wealth.

### Total Fund Overlay

During 2019, PERA also moved to implement a total fund overlay program. Small at inception but marked by steady growth, the overlay program is designed to reduce PERA's unintended risk relative to benchmarks, which enables the portfolio to more consistently profit from value add that is derived from pure asset selection activities versus simply taking more or less systematic risk versus the benchmark. As of fiscal year 2020, PERA has been able to fully implement this overlay, which has proved additive since inception.

### Monitoring and Alpha measurement

Lastly, PERA has moved toward a more systematized and robust approach to monitoring and measuring our excess returns and excess risk (tracking error) in all strategies. We believe that over 10 years we can produce significant excess return, or value add over market returns and benchmarks. In order to best achieve something of that magnitude, it must be measured well. PERA has thus moved toward measuring every increment of value add along every strategy. In fiscal year 2020, enhancements include integration of more robust quantitative measurements and monitoring of managers and the inclusion of the Excess Value Method to measure the value proposition of investing in private markets. This was a joint research project PERA engaged in that has received industry praise and will shortly be published in a leading industry academic journal.

### PERA SmartSave

In addition to the defined benefit pension assets, PERA also oversees the voluntary 457b deferred compensation program for public employees. The PERA SmartSave Deferred Compensation Plan ended the fiscal year with a fund balance of roughly \$665 million and 23,265 participants. During the year, PERA SmartSave mainly focused on the conversion of its third party administrator and upgrading services for participants and employers. The services included enhanced online and mobile device services for both active and retired participants. It also included automated payroll processing for the 155 individual local public bodies and over 200 State of NM agencies.

In addition, PERA SmartSave implemented a Roth feature providing a cohort of participants who might not otherwise have access to a Roth retirement plan and for those wanting a different option to optimize their individual tax planning. For the fiscal year 2020, approximately 211 participants took advantage of this option.

As a result of COVID and the CARES Act, Congress allowed provisions for actively working participants in PERA SmartSave to have increased flexibility in the use of their funds if they've been affected by COVID. PERA SmartSave implemented and incorporated this flexibility into the Plan seamlessly and quickly.

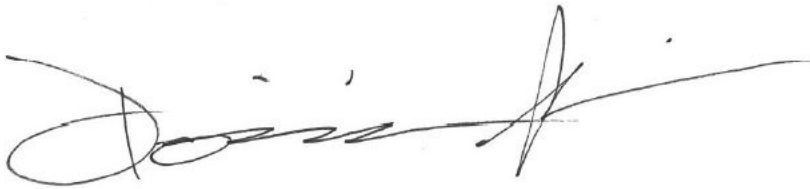
These enhancements are significant to the evolution of PERA SmartSave and will enable an increase in participation.

## CHIEF INVESTMENT OFFICER'S LETTER (CONTINUED)

### Conclusion

The PERA Board and staff have made significant strides to improve the plan and its results in order to ensure a secure retirement benefit for all generations of public employees. We will continue to strive toward excellence and drive favorable results that best meet our liability needs. In closing, I would like to reaffirm that we remain committed to preserving and growing the Fund by ensuring accountability through strong governance, transparency and meaningful results.

Sincerely,



Dominic Garcia  
Chief Investment Officer

# INVESTMENT OBJECTIVES AND POLICIES

## Introduction

The PERA Board is charged with the responsibility of administering the PERA Fund for the sole and exclusive benefit of the members, retirees and other beneficiaries of PERA. In accordance with the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, the Board is required to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. This standard of care encourages diversifying investments across various asset classes to minimize the risk of large losses.

The Board approves the Investment Policy which governs the investment of assets for PERA and establishes parameters to ensure prudence and care in the execution of the investment program. The Investment Policy serves as the touchstone for prudent management of the Fund and describes the Board's investment objectives and tolerance for investment risk. The Investment Policy outlines objectives, benchmarks, restrictions and responsibilities necessary for members of the Board, staff, investment managers, consultants, and PERA stakeholders to clearly understand the policies, goals and objectives, and risks connected with the PERA investment program.

The Chief Investment Officer, with the assistance of PERA staff, has the responsibility and authority to assist the Board in establishing investment and administrative policy, and to implement the policies and programs established by the Board. The Chief Investment Officer has primary responsibility for the implementation authority of the investment decisions, as governed by the Board approved Strategic Asset Allocation and Active Risk Budget.

## General Objectives

PERA's primary objective is to prudently invest assets in order to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board has adopted the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be taken into account in assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment to the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.
- The Fund's liabilities are long-term, and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

## Third Party Service Providers

- Investment Consultants: To accomplish its mission, PERA relies on third-party investment management consultants to properly administer the Fund and implement the investment strategies it adopts. PERA currently utilizes the services of one Board consultant, Wilshire Associates, and two manager selection

## INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)

consultants, Albourne Partners and TorreyCove Capital Partners. These consultants provide performance review, asset allocation studies, manager screening, and topical studies. The comments and recommendations of the consultants are considered by PERA in conjunction with other available information to make informed and prudent decisions.

- **Investment Managers:** PERA believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Professional investment managers are retained by PERA to assist in managing PERA's assets. Investments are sufficiently diversified, both by asset class and investment manager, to minimize concentration and market risks. Each investment manager functions under a formal contract that delineates the manager's responsibilities and appropriate performance expectations, including a formal set of investment guidelines and administrative requirements for the management of each portfolio. PERA's external managers are subject to compliance with PERA's Investment Policy and all applicable State and federal laws.
- **Custodian Bank:** The custodian bank, Bank of New York Mellon, serves as the bank of record for the assets comprising the Fund and is responsible for maintaining the official book of record under the supervision of staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The custodian bank is responsible for the ongoing pricing and valuation of all assets, collection of income generated by those assets, and any corporate action notification. The custodian bank cooperates with and assists staff and investment managers in the reconciliation process.

### Prohibitions

In accordance with UPIA guidelines, the PERA Board, staff, investment consultants, and investment managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

- Investments precluded by law or regulation.
- Transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction are prohibited unless otherwise approved in each manager's respective professional services agreement.
- Any other investments as specified in each investment manager's respective contract.
- An investment that violates the placement agent limitations set forth in the PERA Act.

### Asset Allocation

Asset allocation is the single largest contributor to the PERA Fund's return and risk. Based on the factors identified in the Investment Policy, PERA has established strategic asset allocation targets and ranges for global equity, risk reduction and mitigation, credit-oriented fixed income, and real assets on a fair value basis. Ranges for each asset class are included in the asset allocation investment policy to provide the Fund with the flexibility to take advantage of market opportunities.

**INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)**

Long-term asset class targets and ranges as of June 30, 2020

<b>Asset Class</b>	<b>Lower Range</b>	<b>Target</b>	<b>Upper Range</b>
Global Equity	30.50%	35.50%	40.50%
Risk Reduction & Mitigation	16.50%	19.50%	22.50%
Credit Oriented Fixed Income	11.00%	15.00%	19.00%
Real Assets to include Real Estate Equity	16.00%	20.00%	24.00%
Multi-Risk Allocation	6.00%	10.00%	14.00%
<b>TOTAL</b>		<b>100.00%</b>	

The Board approves the allocation of assets among various asset classes. Generally, in determining the asset allocation, PERA considers: (1) the historical performance of capital markets adjusted for the perception of the future short and long-term market performance; (2) the correlation of returns among the relevant asset classes; (3) the projected liability stream of benefits and the costs of funding to both covered employees and employers; and, (4) the relationship between the current and projected assets and the projected actuarial liability stream.

The Investment Policy describes the target allocation for investable asset types and the allowable ranges. An appropriate asset allocation facilitates diversification of assets necessary to maximize the investment return to PERA consistent with prudent market and economic risk. PERA assets are fully invested at all times with only small balances in cash equivalents to cover benefits and operational expenses.

**Rebalancing**

PERA's rebalancing procedure is governed by allocation ranges rather than time periods. Upper and lower allocation limits have been established for each asset class. The ranges, specified in the table above, are a function of the volatility of each asset class and the proportion of the total fund allocated to the asset class. PERA rebalances the portfolio in accordance with policy guidelines and established procedures on an ongoing basis. The goal in implementing the rebalancing procedure is to minimize transaction costs, market impact, and opportunity costs.

When the allocation to all asset classes remains within established limits, cash flows are used to maintain the overall allocation as closely as possible to the target. In the event that a liquid strategy within an asset class breaches an upper or lower limit, the asset class is rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day period, it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category. Rebalancing shall consider liquidity so that investments can be converted into cash in a short time, with little or no loss in value, as necessary to facilitate the objectives of the Fund. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through the use of the cash overlay program.

## INVESTMENT OBJECTIVES AND POLICIES (CONTINUED)

### Performance

PERA relies on the following long-term objectives to measure investment performance:

- The actuarial assumed target rate of return is the key actuarial assumption affecting future funding rates and payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. PERA seeks to realize long-term investment performance that will meet or exceed its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance to a total fund benchmark and to measure the contribution of active investment management and policy adherence.

The performance of each asset class is measured against a benchmark that describes, in general terms, the opportunity set and return characteristics associated with the asset class. For certain illiquid asset classes, the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. These benchmarks are referred to as the "Policy Index." PERA may use the Policy Index to compare the Fund's actual performance to its Total Fund Benchmark and to measure the contributions of active investment management and policy adherence.

Mandate-level benchmarks relevant to an investment shall be used as standards to measure the performance of investment managers. These benchmarks are referred to as the "Selection Index." Acceptable benchmarks include but are not limited to:

- The appropriate market indices on a nominal and risk-adjusted basis;
- The performance of peers within their style group;
- Adherence of the investment manager to the stated investment philosophy and style; and
- Adherence to the Investment Policy and the guidelines established in the investment contract.

Appropriateness of benchmarks are reviewed and approved by the PERA Board, annually.

### Basis of Presentation

Wilshire the investment performance consultant provides PERA investments returns fund based on data made available. Performance calculations were prepared using time-weighted rates of return and net-of-fees.



## 2020 Equity Performance

### For the Fiscal Year ending June 30, 2020

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Global Equity	\$ 5,503,964	0.71 %	6.13 %	6.82 %	—	7.96 %	4/1/2013
Russell 3000 Index		0.63 %	5.78 %	6.7 %	—	8.51 %	
Global Public Stock	3,320,335	0.85 %	5.27 %	6.32 %	9.18 %	7.19 %	10/1/2004
Policy Index		1.17 %	5.55 %	6.08 %	10.24 %		
Global Low Volatility Equity	1,033,821	(2.14)%	6.24 %	—	—	7.89 %	11/1/2016
MSCI ACWI Min Vol Net Index		(2.50)%	5.75 %	—	—	7.34 %	
Hedged Equity	675	(7.08)%	2.69 %	1.48 %	—	3.68 %	4/1/2013
MSCI ACWI Min Vol Net Index		(2.50)%	5.36 %	4.32 %	—	4.98 %	
Private Equity	1,156,143	2.36 %	10.25 %	11.63 %	13.28 %	5.50 %	12/1/2006
Russell 3000 Index		1.17 %	6.52 %	8.48 %			
LGIMA Global Equity Overlay	(7010)						
80/20 MSCI ACWI IMI & Vol							

## 2020 Risk Reduction & Mitigation Performance

### For the Fiscal Year ending June 30, 2020

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Risk Reduction & Mitigation	\$ 2,857,274	6.32 %	4.66%	4.13%	—	3.38 %	
Policy Index		8.43 %	5.31%	4.31%	—	3.52 %	
Domestic Core Fixed Income	1,833,664	8.86 %	5.52%	4.46%	4.29%	7.12 %	6/1/1985
Bloomberg Barclays Aggregate Bond Index		8.74 %	5.32%	4.30%	3.82%	6.68 %	
Global Core Fixed Income	418,256	5.89 %	4.21%	3.98%	—	4.45 %	5/1/2011
Bloomberg Barclays Global Aggregate (USDH)		6.07 %	5.14%	4.44%	—	4.30 %	
Cash	32,264	5.65 %	4.58%	3.73%	3.59%	4.71 %	3/1/1989
ICE BofAML 3 Month US Treasury Bill G0O1		0.00 %	1.38%	0.87%	0.49%	3.11 %	
Bond Plus	510,241					(6.45)%	1/1/2020
BB U.S Agg Bond Index	33					6.14 %	
LGIMA Overlay Collateral	62,815						
LGIMA TAA Overlay							

## 2020 Credit Oriented Fixed Income Performance

For the Fiscal Year ending June 30, 2020

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Credit Oriented Fixed Income	\$ 2,089,646	(4.73)%	1.45 %	2.78%	—	3.37 %	
Policy Benchmark		(1.31)%	2.76 %	4.46%	—	4.32 %	
Liquid Credit	464,882	(3.62)%	1.74 %	3.07%	—	2.09 %	4/1/2013
		(1.37)%	2.77 %	4.88%	—	4.79 %	
Emerging Market Debt	358,281	5.95 %	3.06 %	—	—	3.71 %	8/1/2015
JPM EM SOV50 LM50 Bond Index		(1.10)%	2.43 %	—	—	4.18 %	
Illiquid Credit	745,952	(9.14)%	1.96 %	3.69%	7.43%	6.32 %	12/1/2006
Bloomberg Barclays Global High Yield		(1.37)%	3.44 %	5.14%	—		
Credit Oriented Hedge Funds	209,402	(10.06)%	0.11 %	1.43%		1.43 %	7/1/2015
Bloomberg Barclays Global High Yield		(1.37)%	2.77 %	4.88%	—	4.88	
Credit Beta Overlay	3,252					534.51 %	5/1/2020
Leveraged Loan Structured Credit	307,879					7.14 %	
BB Global High Yield Hedged							

## 2020 Real Assets Performance

For the Fiscal Year ending June 30, 2020

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the General Investment Consultant and was calculated using time-weighted monthly returns.

	Fair Value (in millions)	Annualized Rate of Return				Since Inception	Inception Date
		1 Year	3 Years	5 Years	10 Years		
Real Assets	\$ 2,954,234	(7.58)%	0.74 %	1.55 %	—	3.16 %	
Policy Benchmark		(12.31)%	(2.01)%	0.59 %	—	2.34 %	
Liquid Real Estate	265,801	(7.02)%	2.98 %	4.90 %	8.95 %	9.93 %	12/1/2008
Wilshire Global REIT Total Return Index		(15.07)%	(0.45)%	2.79 %	8.51 %	10.88 %	
Illiquid Real Estate	810,039	2.32 %	8.54 %	9.29 %	13.54 %	6.39 %	5/1/2007
Wilshire Global REIT Total Return Index		(15.07)%	(0.45)%	2.79 %	—	2.34	
Liquid Real Assets	1,119,286	(10.78)%	(4.42)%	(5.82)%	(1.93)	(1.72)%	9/1/2009
Policy Benchmark		(9.63)%	(3.37)%	(4.68)%	—		
Illiquid Real Assets	757,195	(10.97)%	0.09 %	(0.40)%	7.01 %	(11.04)%	1/1/2007
Policy Benchmark		(13.69)%	(4.80)%	(2.97)%	—	—	
Market Neutral Hedge Fund	1,914						4/1/2013
Libor + 2% 1 MA							

## 2020 Real Assets Performance (continued)

For the Fiscal Year ending June 30, 2020

### Benchmark Information:

**Total Fund Benchmark** consists of 35% Russell 3000 Index, 25% MSCI ACW Ex US Blended Index (Gross), 25% LB Aggregate Bond Index, 5% 3 Mo LIBOR Index + 4%, 5% Venture Economics All Private Equity Index (lagged one quarter), 2.5% NCREIF Property Index, and 2.5% CPI +5% from 6/30/2007 until 10/31/2009; 35% Russell 3000 Index, 25% MSCI ACW Ex US Blended Index (Gross), 25% Barclays Global Aggregate Blended Index, 5% 3 Mo LIBOR Index + 4%, 5% Venture Economics All Private Equity Index (lagged one quarter), 2.5% NCREIF Property Index, 1% Barclays US TIPS Index, 1% S&P GSCI Light Energy Index, and 0.5% CPI +5% until 06/30/2010; 27% Russell 3000 Index, 27% MSCI ACW Ex US Blended Index (Gross), 26% Barclays Global Aggregate Blended Index, 9% HFRI Fund of Funds Composite Index, 5% Private Equity Custom Index, 3% Real Estate Custom Index, and 3% Real Assets Custom Index until 11/30/2012; 29% Russell 3000 Index, 20% Int'l Equity Custom Index, 26% Fixed Income Custom Index, 5% Liquid Alpha Index, 7% HFRI Fund of Funds Composite Index, 5% Private Equity Custom Index, 3% Real Estate Custom Index, and 5% Real Assets Custom Index until 8/31/2014; 21.1% Russell 3000 Index, 24.8% International Equity Custom Index, 26.1% Core and Global Fixed Income Custom Index, 5% Fixed Income Plus Sectors Custom Index, 4% HFRI Fund of Funds Composite Index, 7% Private Equity Custom Index, 5% Real Estate Custom Index, and 7% Real Assets Custom Index until 04/30/2016; 43.5% Global Equity, 21.5% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, and 20% Real Assets until 4/30/2019; 42.8% Global Equity, 21.5% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets and 0.7% Multi-Risk Custom Index until 5/31/2019; 42.3% Global Equity, 21.4% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets custom index and 1.3% Multi-Risk Custom Index until 6/30/2019; 41% Global Equity, 21% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets custom index and 3% Multi-Risk Custom Index until 9/30/19; 35.5% Global Equity, 19.5% Risk Reduction & Mitigation, 15% Credit Oriented Fixed Income, 20% Real Assets custom index and 7.0% Multi-Risk Custom Index until current.

**Global Equity Benchmark** consists of 75% MSCI ACWI IMI (\$N), 20% Russell 3000 1QA +3%, and 5% HRFI Equity Hedge (Total) Index from 4/30/2013 until 6/30/2015; 20% Russell 3000 1QA +3%, 5% HRFI Equity Hedge (Total) Index, 65% MSCI ACWI IMI (\$N), and 10% MSCI ACWI Minimum Volatility (\$N) until 12/31/2017; and 65% MSCI ACWI IMI (\$N), 20% Russell 3000, and 15% MSCI ACWI Minimum Volatility (\$N) until 12/31/2018; 84% MSCI ACWI IMI (\$N), and 16% MSCI ACWI Minimum Volatility (\$N) until 5/31/2019 and 83% MSCI ACWI IMI (\$N), and 17% MSCI ACWI Minimum Volatility (\$N) until 10/31/19; 82% MSCI ACWI IMI (\$N), and 18% MSCI ACWI Minimum Volatility (\$N) until 2/29/20; 80% MSCI ACWI IMI (\$N), and 20% MSCI ACWI Minimum Volatility (\$N).

**Risk Reduction & Mitigation Benchmark** consists of 86% Bloomberg Barclays U.S. Aggregate Bond Index, 2% ICE BofAML 3 Month US Treasury Bill, and 12% Bloomberg Barclays Global Aggregate Hedged until 12/31/2018 and 88% Bloomberg Barclays U.S. Aggregate Bond Index and 12% Bloomberg Barclays Global Aggregate bond Index until 6/30/19, 87% Bloomberg Barclays U.S. Aggregate Bond Index and 13% Bloomberg Barclays Global Aggregate bond Index .

**Credit Oriented Fixed Income Benchmark** consists of 80% Bloomberg Barclays Global High Yield and 20% HFRI Credit Index 1 MA from Treasury Bill, and 12% Bloomberg Barclays Global Aggregate Hedged until 12/31/17;

**Credit Oriented Fixed Income** consists 20% Bloomberg Barclays Global High Yield, 20% HFRI Credit Index 1MA, 40% Bloomberg Barclays Global High Yield + 1% 1QA, and 20% JP Morgan Emerging Markets Bond until 12/31/2017; 80% Bloomberg Global High Yield and 20% JP Morgan Emerging Markets Bond (50% JP Morgan EMBI Global Diversified (\$) / 50% JP Morgan GBI (\$)) and 80% Bloomberg Global High Yield and 10% JP Morgan EMBI Global Diversified (\$) and 10% JP Morgan GBI (\$) until current.

**Real Assets Benchmark** consists of 42% Cambridge Associates Natural Resource Index 1QA, 38% NCREIF ODCE +1% 1QA, 10% Alerian MLP, 5% LIBOR + 2% 1MA, and 5% Wilshire Global REIT Total Return Index from 5/01/2016 until 12/31/2017; 35% Wilshire Global Real Estate Securities Index, 25% Bloomberg Commodity Index Total Return, 15% Bloomberg Barclays U.S. TIPS, 15% Dow Jones Brookfield Global Infrastructure, and 10% Alerian MLP until 12/31/2018 and 35% Wilshire Global REIT Index, 25% Bloomberg Commodity Index Total Return, 15% Bloomberg Barclays U.S. TIPS, 15% Dow Jones Brookfield Global Infrastructure, and 10% Alerian MLP Index until current.

**Multi Risk Allocation** consist of 100% Wilshire Risk Parity Index 15%.

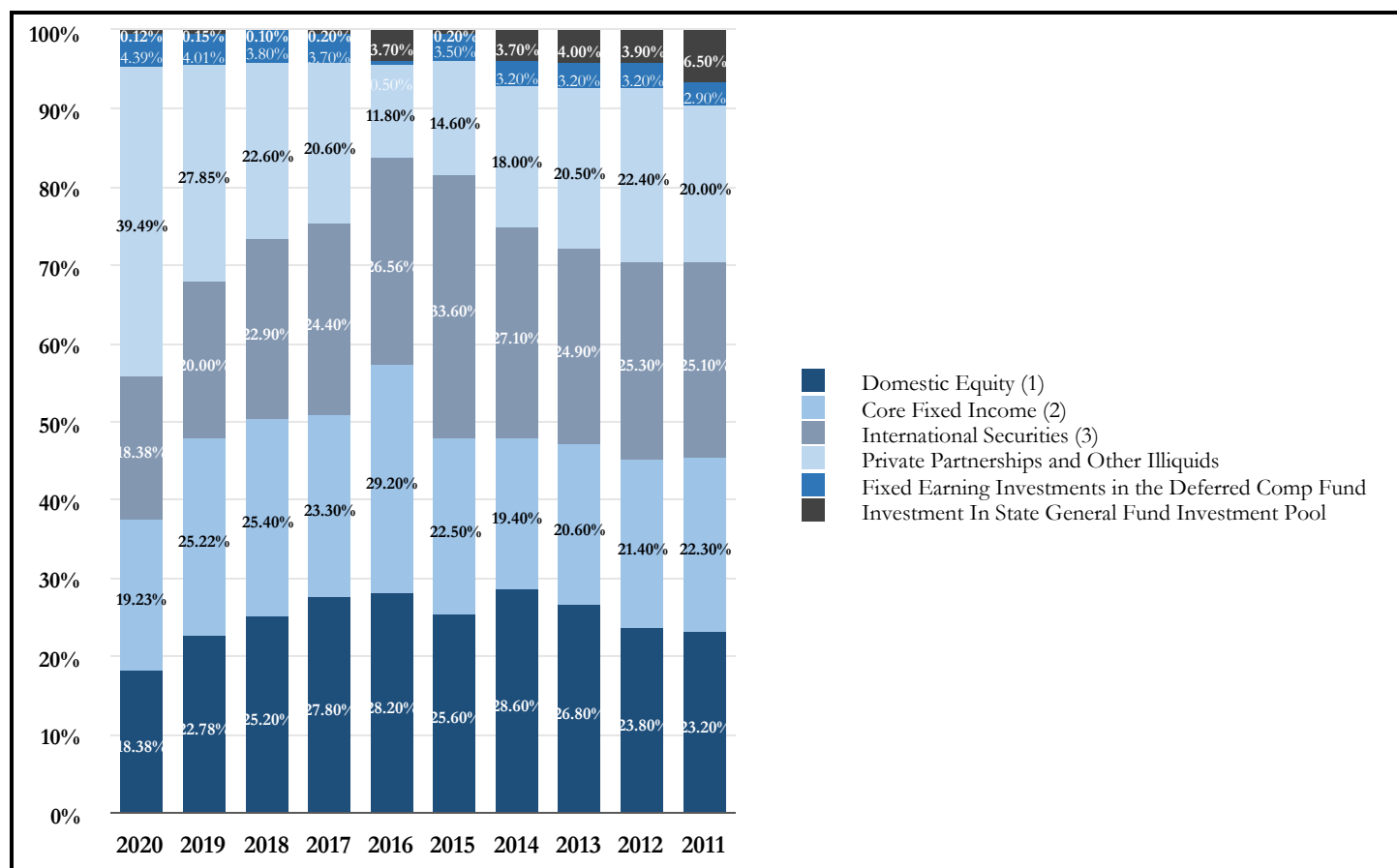
## 2020 Illiquid Investment Program

For the Fiscal Year ending June 30, 2020

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

Private Equity ( <i>in thousands</i> )	Number of Partnerships	Capital Committed	Capital Contrib	Fair Value	Cumulative Distrib	Total Value	Net IRR
Buyout	43	\$ 1,966,286	\$1,226,638	\$ 791,804	\$ 962,884	\$1,754,688	12.00 %
Funds of One	3	250,000	154,935	137,325	36,478	173,803	5.60 %
Venture Capital	13	485,962	334,227	335,815	254,373	590,188	15.80 %
Total	59	\$ 2,702,248	\$1,715,800	\$ 1,264,944	\$ 1,253,735	\$2,518,679	12.60 %
<b>Real Assets (<i>in thousands</i>)</b>							
Agriculture	3	\$ 160,000	\$ 20,900	\$ 79,433	\$ 109	\$ 79,542	(0.60)%
Energy	23	762,000	59,853	232,240	33,273	265,513	(1.30)%
Infrastructure	6	517,664	95,235	334,834	46,516	381,350	10.70 %
Non-US Infrastructure	3	209,022	20,202	125,999	4,158	130,157	10.40 %
Total	35	\$ 1,648,686	\$ 196,190	\$ 772,506	\$ 84,056	\$ 856,562	2.80 %
<b>Real Estate (<i>in thousands</i>)</b>							
Core	3	285,000	52,431	224,694	4,933	229,627	8.90 %
Core Plus	2	250,000	46,864	182,982	22,771	205,753	(1.60)%
Opportunistic	14	624,507	54,227	274,340	35,942	310,282	10.80 %
Value Added	6	198,890	6,331	49,187	8,124	57,311	7.90 %
Non-US	3	154,671	11,585	68,561	16,207	84,768	14.20 %
Total	28	\$ 1,513,068	\$ 171,438	\$ 799,764	\$ 87,977	\$ 887,741	9.40 %
<b>Illiquid Credit (<i>in thousands</i>)</b>							
Distressed Debt	13	\$ 620,000	\$ 33,095	\$ 363,541	\$ 57,649	\$ 421,190	7.10 %
Private Debt	9	618,916	99,660	227,145	165,766	392,911	10.20 %
Total	22	\$ 1,238,916	\$ 132,755	\$ 590,686	\$ 223,415	\$ 814,101	8.10 %
<b>Absolute Return (<i>in thousands</i>)</b>							
Credit Oriented	24	\$ 1,256,297	-6.27 %	0.23%	2.50%	4.84 %	Inception Date 2/1/2007
Equity Oriented	15	5,778	-5.41 %	2.28%	2.92%	4.83 %	3/1/2007
Real Assets	12	1,897	-11.77 %	-0.34%	0.09%	2.69 %	2/1/2007
Total	51	\$ 1,263,972	-6.26 %	0.27%	1.83%	4.32 %	2/1/2007
<b>Bond Plus Alpha Engine (<i>in thousands</i>)</b>							
Bond Plus	8	\$441,777	(12.93)%	n/m	n/m	(13.90)%	Inception Date 1/1/2020

## TEN-YEAR COMPARATIVE ASSET ALLOCATIONS FISCAL YEARS ENDED JUNE 30, 2011-2020



	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Domestic Equity (1)	18.38 %	22.78 %	25.20 %	27.80 %	28.20 %	25.60 %	28.60 %	26.80 %	23.80 %	23.20 %
Core Fixed Income (2)	19.23 %	25.22 %	25.40 %	23.30 %	29.20 %	22.50 %	19.40 %	20.60 %	21.40 %	22.30 %
International Securities (3)	18.38 %	20.00 %	22.90 %	24.40 %	26.56 %	33.60 %	27.10 %	24.90 %	25.30 %	25.10 %
Private Partnerships and Other Illiquids	39.49 %	27.85 %	22.60 %	20.60 %	11.80 %	14.60 %	18.00 %	20.50 %	22.40 %	20.00 %
Fixed Earning Investments in the Deferred Comp Fund	4.39 %	4.01 %	3.80 %	3.70 %	0.50 %	3.50 %	3.20 %	3.20 %	3.20 %	2.90 %
Investment In State General Fund Investment Pool	0.12 %	0.15 %	0.10 %	0.20 %	3.70 %	0.20 %	3.70 %	4.00 %	3.90 %	6.50 %
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

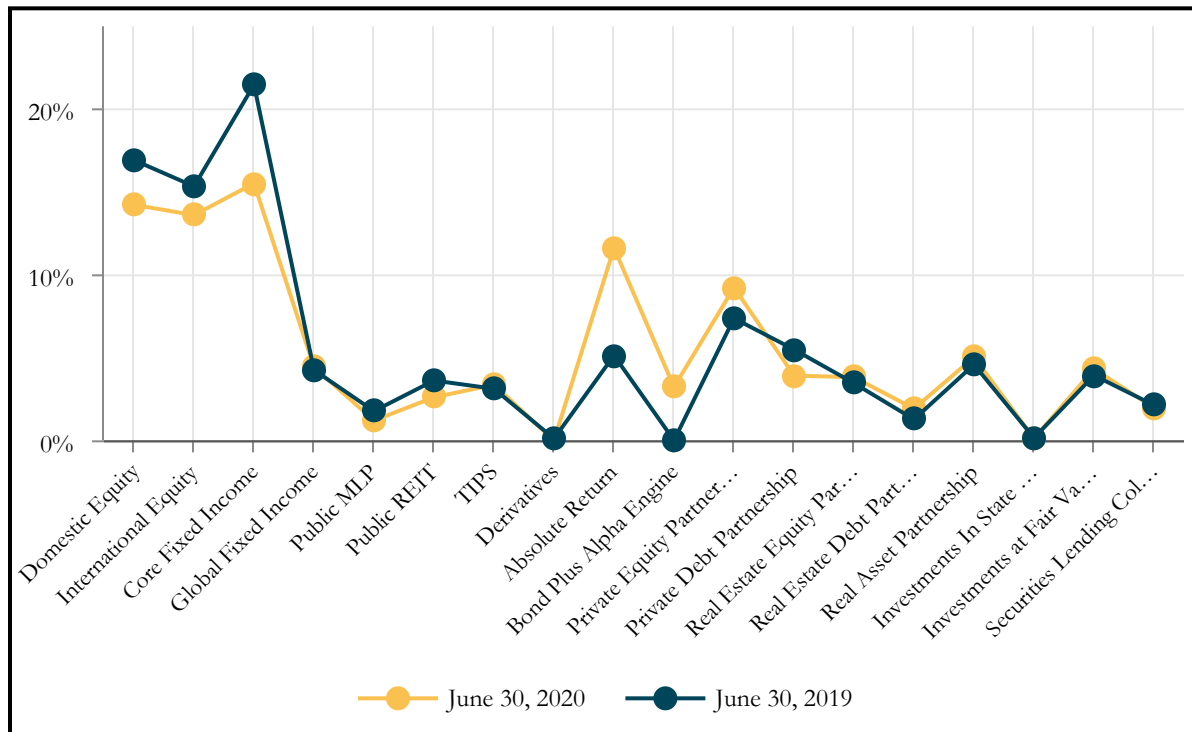
(1) Includes public MLPs, REITs and Equity Derivatives

(2) Includes corporate obligation, US government bonds, municipal bonds, TIPS and Fixed Income Derivatives

(3) Includes international equity and global fixed income

## COMPARATIVE INVESTMENT SUMMARY AT FAIR VALUE

### FISCAL YEARS ENDED JUNE 30, 2019 & 2020



	Fair Value June 30, 2020	% Of Total Fair Value	Fair Value June 30, 2019	% Of Total Fair Value
Domestic Equity	\$2,145,189,948	14.22 %	\$2,722,512,815	16.92 %
International Equity	2,051,545,364	13.60 %	2,467,335,866	15.34 %
Core Fixed Income	2,340,092,196	15.52 %	3,454,883,287	21.47 %
Global Fixed Income	665,794,261	4.41 %	682,525,694	4.24 %
Public MLP	180,510,962	1.20 %	284,308,739	1.77 %
Public REIT	392,462,686	2.60 %	581,020,928	3.61 %
TIPS	505,618,297	3.35 %	501,258,271	3.1 %
Derivatives	(2,032,461)	-0.01 %	16,639,992	0.1 %
Absolute Return	1,752,385,361	11.62 %	824,730,527	5.13 %
Bond Plus Alpha Engine	485,637,550	3.22 %	—	0.00 %
Private Equity Partnership	1,391,459,986	9.23 %	1,185,494,023	7.37 %
Private Debt Partnership	589,513,211	3.91 %	882,551,041	5.49 %
Real Estate Equity Partnership	574,721,347	3.81 %	554,859,320	3.45 %
Real Estate Debt Partnership	288,339,335	1.91 %	204,187,412	1.27 %
Real Asset Partnership	757,194,460	5.02 %	735,949,796	4.57 %
	14,118,432,503		15,093,650,612	
Investments In State General Fund Investment Pool	18,023,639	0.12 %	23,221,767	0.14 %
Investments at Fair Value in Deferred Comp Fund	649,693,464	4.31 %	630,988,341	3.92 %
Securities Lending Collateral	296,084,177	1.96 %	341,650,662	2.12 %
<b>Total Investments</b>	<b>\$15,082,233,783</b>	<b>100.00%</b>	<b>\$16,089,511,382</b>	<b>100.00%</b>

## COMPARATIVE INVESTMENTS AT FAIR VALUE

### FISCAL YEARS ENDED JUNE 30, 2019 & 2020

Asset Type	Fair Value June 30, 2020	Fair Value June 30, 2019	Change in Fair Value
Government Bonds	\$ 628,364,078	\$ 968,318,442	\$ (339,954,364)
Municipal Bonds	18,473,938	14,859,820	3,614,118
Corporate Bonds	1,001,627,918	1,318,506,386	(316,878,468)
Mortgage Backed Securities	659,342,814	988,957,406	(329,614,592)
Asset Backed Securities	240,755,347	333,399,056	(92,643,709)
Commercial Mortgage Backed Securities	78,749,848	116,071,724	(37,321,876)
CMO/REMIC	20,291,792	59,146,945	(38,855,153)
TIPS	505,618,297	501,258,270	4,360,027
Derivatives	(5,584,946)	14,630,402	(20,215,348)
Commingled Debt Products	358,280,725	338,149,203	20,131,522
Absolute Return - Credit	384,941,533	462,337,684	(77,396,151)
Absolute Return - Risk Parity	1,364,876,910	315,307,691	1,049,569,219
Limited Partnerships - Credit	877,852,546	1,086,738,452	(208,885,906)
Bond Plus Alpha Engine	485,637,550	—	485,637,550
<b>Total Fixed Income</b>	<b>6,619,228,350</b>	<b>6,517,681,481</b>	<b>101,546,869</b>
Common Stock	\$ 3,921,142,593	\$ 4,416,242,473	\$ (495,099,880)
Preferred Stock	13,772,405	20,931,776	(7,159,371)
ADR	—	56,109,293	(56,109,293)
MLP	180,510,962	284,308,739	(103,797,777)
REIT	392,462,686	581,020,927	(188,558,241)
Currency & Equity Derivatives	3,552,485	2,009,590	1,542,895
Commingled Equity Products	261,820,315	696,565,139	(434,744,824)
Absolute Return - Equity	2,566,917	47,085,153	(44,518,236)
Limited Partnerships - Equity	2,723,375,790	2,476,303,140	247,072,650
<b>Total Equities</b>	<b>7,499,204,153</b>	<b>8,580,576,230</b>	<b>(1,081,372,077)</b>
Subtotal Equities and Fixed Income	\$ 14,118,432,503	\$ 15,098,257,711	\$ (979,825,208)
Securities Lending Collateral Investments	296,084,177	341,650,662	(45,566,485)
<b>Total Investments as Presented Above</b>	<b>\$ 14,414,516,680</b>	<b>\$ 15,439,908,373</b>	<b>\$ (1,025,391,693)</b>
Deferred Comp Fund Investments Directed by Participants	649,693,464	630,988,341	18,705,123
Investments In State General Fund	18,023,639	23,221,767	(5,198,128)
<b>Total Investments per the Statement of Plan Net Position</b>	<b>\$ 15,082,233,783</b>	<b>\$ 16,094,118,481</b>	<b>\$ (1,011,884,698)</b>



**LIST OF LARGEST ASSETS HELD**

As of June 30, 2020

<b>Ten Largest Stock Holdings</b>	<b>Shares</b>	<b>Cost</b>	<b>Fair Value</b>
APPLE INC	6,040,900	\$ 25,201,810	\$ 63,339,742
MICROSOFT CORP	4,601,318	21,860,164	59,081,263
AMAZON.COM INC	3,200,100	16,937,181	45,252,762
NESTLE SA	354,215	27,191,915	37,100,479
ENTERPRISE PRODUCTS PARTNERS L	1,682,860	40,361,851	30,577,566
CROWN CASTLE INTERNATIONAL COR	7,939,062	21,765,672	30,164,253
AMERICAN TOWER CORP	3,749,010	16,009,631	28,340,217
VERIZON COMMUNICATIONS INC	4,433,079	26,035,315	28,201,385
ROCHE HOLDING AG	78,589	18,738,970	25,804,698
JOHNSON & JOHNSON	3,677,363	22,865,128	26,695,020
<b>TOTAL EQUITIES</b>		<b>\$ 236,967,637</b>	<b>\$ 374,557,385</b>

<b>Ten Largest Stock Holdings</b>	<b>Shares</b>	<b>Cost</b>	<b>Fair Value</b>
US TREAS-CPI INFLAT	443,667,177	\$ 469,071,770	\$ 505,618,297
U S TREASURY NOTE	262,899,000	264,998,113	273,576,758
COMMIT TO PUR FNMA SF MTG	241,892,032	252,310,183	253,293,531
U S TREASURY BILL	95,201,000	95,161,594	95,161,594
U S TREASURY BOND	66,445,000	76,553,351	89,375,721
VANGUARD REAL ESTATE ETF	533,200	39,726,198	41,872,196
BANK OF AMERICA CORP	19,891,900	25,630,706	27,999,467
JPMORGAN CHASE & CO	13,404,700	22,167,343	25,359,260
FEDERAL HOME LN CONS DISC NTS	19,900,000	19,892,203	19,892,203
JAPAN GOVERNMENT TEN YEAR BOND	2,105,600,000	19,621,833	19,867,525
<b>TOTAL FIXED INCOME</b>		<b>\$ 1,285,133,294</b>	<b>\$ 1,352,016,552</b>
<b>GRAND TOTAL</b>		<b>\$ 1,522,100,931</b>	<b>\$ 1,726,573,937</b>

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

## SCHEDULE OF INVESTMENT FEES

For Year Ended June 30, 2020

	Investment Fees	Trade Commissions	Trade Fees	Carried * Interest Fee	Other Fees	Total (a)
Domestic Equities	\$ 3,604,462	\$ 255,018	\$ 4,325	\$ —	\$ —	\$ 3,863,805
International Equities	3,610,705	438,519	465,495	—	—	4,514,719
Fixed Income	2,385,834	243,701		—	—	2,629,535
Illiquids	43,290,916	—	—	11,560,628	1,390,825	56,242,369
Security Lending	—	—	—	—	460,762	460,762
Liquid Real Assets	5,103,324	585,768	52,058	—	—	5,741,150
<b>Subtotal</b>	<b>57,995,241</b>	<b>1,523,006</b>	<b>521,878</b>	<b>11,560,628</b>	<b>1,851,587</b>	<b>73,452,340</b>
Custodian Bank Fees	—	—	—	—	1,189,081	1,189,081
Consultant Fees	—	—	—	—	2,243,815	2,243,815
Legal Fees	—	—	—	—	248,910	248,910
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,681,806</b>	<b>3,681,806</b>
<b>TOTAL</b>	<b>\$ 57,995,241</b>	<b>\$ 1,523,006</b>	<b>\$ 521,878</b>	<b>\$ 11,560,628</b>	<b>\$ 5,533,393</b>	<b>\$ 77,134,146</b>

\*Represents share of profits of an investment to the investment manager based on investment returns exceeding agreed-upon hurdle. Investment managers' carried interest varies year-to-year based on investment types and the magnitude of gains.

(a) This totals less carried interest agrees to the combined total of securities lending expenses and other investment expense per the Statement of Changes of Fiduciary Net Position.



Public Employees Retirement Association

# ACTUARIAL SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2020



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

November 19, 2020

Board of Trustees Public Employees Retirement Association  
of New Mexico

33 Plaza La Prensa Santa Fe,  
New Mexico 87507

Attention: Mr. Wayne Propst, Executive Director

**Re: Certification and Statement Regarding the Actuarial Valuations as of June 30, 2020**

Dear Members of the Board:

The basic funding objective of the Public Employees Retirement Association of New Mexico (PERA) is to establish and receive contributions which, when expressed as a percentage of active member payroll, will remain approximately level over time and, together with present assets and future investment return, will be sufficient to meet the future obligations of PERA.

In order to measure progress toward this objective, PERA has an actuarial valuation performed each year. The valuation measures the present financial position and determines the sufficiency of the current statutory contribution rates to meet the Board's established objective to fund the current normal cost plus an amount necessary to amortize the unfunded actuarial accrued liability over a period not to exceed 25 years. The current statutory combined employer and employee contribution rates are:

State General Division	27.16%
State Police/Corrections Division	34.55
Municipal General Division	23.56
Municipal Police Division	36.21
Municipal Fire Division	39.38

If it is determined that the current employer contribution rate is not sufficient to amortize the unfunded actuarial accrued liability within 25 years, the valuation determines the additional contribution rate necessary to satisfy this objective.

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Board of Trustees  
November 19, 2020  
Page 2



In preparing the valuations, we, as the actuary, relied on data provided by PERA. As part of our work, we performed a limited review of the data for consistency and reasonableness. The economic assumptions (rates of price inflation, wage inflation, payroll growth and investment return) were adopted by the Board pursuant to an economic experience study adopted July 26, 2018. The demographic assumptions were adopted by the Board of Trustees pursuant to an experience study for the five-year period ending June 30, 2017. The demographic assumptions for the Judicial, Magistrate, Legislative and Volunteer Firefighter plans were adopted by the Board pursuant to demographic experience studies for the four-year period ending June 30, 2019. Assets are valued according to a method that fully recognizes expected investment return and averages unanticipated market return over a four-year period. The assumptions and methods utilized in this valuation, in our opinion, are reasonable both individually as well as in aggregate.

We have performed the necessary calculations in accordance with the guidance provided in Statement No. 67 which is the basis for the disclosure information contained in the actuarial section of the CAFR. Historical information provided in this section for periods beginning June 30, 2010 and after were performed by our firm.

We are qualified actuaries with Cavanaugh Macdonald Consulting, LLC and are experienced with performing actuarial valuations of public sector benefit plans. We are Members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, we certify that, to the best of our knowledge, the valuation reports are complete and accurate and have been prepared in accordance with New Mexico's statutes and generally recognized and accepted actuarial principles.

We further certify that our reports are prepared using practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,



John J. Garrett, ASA, FCA, MAAA  
MAAA, EA Principal and Consulting Actuary



Jonathan T. Craven, ASA, FCA, MAAA, EA

## SUMMARY OF ASSUMPTIONS AND METHODS

The method used for the PERA, Judicial, and Magistrate valuations is called the individual entry-age actuarial cost method and has the following characteristics:

- The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement.
- Each annual normal cost is a constant percentage of the member's year by year projected pensionable compensation.

The method used for the Volunteer Firefighters and Legislative valuations is called the entry age normal level dollar cost method and has the following characteristics:

- The total present value of projected benefits of each individual is allocated on a level basis over service from entry age to retirement age. The portion of this present value allocated to the valuation is the normal cost.
- The actuarial accrued liability is accumulation of past normal costs on the valuation date.

The individual entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the pattern of projected exit ages.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Subtracting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability (UAAL).

**PERA:** The period of time needed to finance the unfunded actuarial accrued liability with current statutory contribution rates is determined using a level percent of payroll amortization technique.

**Judicial:** Unfunded actuarial accrued liability was amortized as a level percent of payroll over 30 years to determine the computed contribution for fiscal integrity. This period is consistent with the policy established by the Retirement Board as of October 1996.

**Magistrate:** Unfunded actuarial accrued liability was amortized as a level percent of payroll over 30 years to determine the computed contribution for fiscal integrity. This period is consistent with the policy established by the Retirement Board as of October 1996.

**Volunteer Firefighters:** Unfunded actuarial accrued liability is amortized over a 30 year period. As of June 30, 2019 the funding value of assets exceeded accrued liabilities. The excess was amortized over 30 years and applied as a credit to the computed normal cost.

**Legislative:** Unfunded actuarial accrued liability is amortized over a 30 year period. As of June 30, 2019 the funding value of assets exceeded accrued liabilities. The excess was amortized over 30 years and applied as a credit to the computed normal cost.



## SUMMARY OF ASSUMPTIONS AND METHODS (CONTINUED)

The valuation assets used for funding purposes is derived as follows: prior year actuarial value of assets are increased by contributions and expected investment income and reduced by refunds, benefit payments and expenses. To this amount 25% of the difference between expected and actual investment income (net of investment expenses) for each of the previous four years is added. The funding value of assets for each division is allocated in proportion to the total fund balances.

Demographic assumptions used by the professional actuaries in valuing PERA's actuarial position were adopted by the PERA Board based on recommendations from the actuary for actuarial valuations effective beginning June 30, 2019. Demographic assumptions used for the Judicial, Magistrate, and Volunteer Firefighter plans were adopted by the PERA Board for actuarial valuations beginning June 30, 2019. Plan assets are valued on a market related basis for purposes of the actuarial valuation. Mortality uses the RPH-2014 Blue Collar Mortality Table (combined table for healthy post-retirement lives, employee table for active members, and the disabled table for disabled retirees before reaching retirement age). In addition, the following assumptions were used in calculating the actuarial liability (effective beginning with the June 30, 2019 valuation):

- Active member payroll
  - **PERA** — payroll was projected to increase 3.00% per year continuously. Other projected salary increases of up to 11.25% per year are attributed to seniority and merit.
  - **Judicial** — payroll was projected to increase 3.00% per year continuously.
  - **Magistrate** — payroll was projected to increase 3.00% per year continuously.
- Benefit payments are increased by cost of living adjustments of 2% per year for retirees (2.5% for certain retirees) with varying lengths of deferral depending on retirement date (from 2 to 7 years).
- Rate of return on the investment of present and future assets of 7.25% continuously (net of investment expenses) per year compounded annually is made up of an assumed inflation rate of 2.50% continuously. and a 5.00% assumed real rate of return.
- Administrative expenses are assumed to be 0.50% of payroll for PERA, Judges, and Magistrates; \$45,000 for Volunteer Firefighters; and \$6,000 for the Legislative Division.
- Other assumptions are in the following tables and schedules (see following pages): Rates of Retirement
  - Rate of Separation of Active Membership
  - Rates of Disability
  - Member and Employer Contribution Rates

## RATES OF RETIREMENT AT FIRST ELIGIBILITY

These rates are used to measure the probability of members retiring in the first year eligible for retirement at the indicated ages.

**Percents Retiring at Indicated Ages (by Coverage Plan)**

Retirement Age	State General		State Police		State Corrections	Municipal General		Municipal Police	Municipal Fire
	Male	Female	Tier 1	Tier 2		Male	Female		
40	25%	25%	25%	40%	40%	20%	25%	30%	30%
45	25%	25%	25%	40%	40%	20%	25%	30%	25%
50	25%	25%	25%	40%	40%	20%	25%	30%	20%
55	25%	25%	25%	40%	40%	20%	25%	30%	25%
60	30%	25%	50%	40%	35%	15%	25%	30%	20%
65	25%	25%	100%	100%	35%	15%	25%	30%	20%
70	25%	20%			100%	20%	15%	100%	100%
75	25%	20%				20%	15%		
80	100%	100%				100%	100%		

## RATES OF RETIREMENT SUBSEQUENT TO FIRST ELIGIBILITY

These rates are used to measure the probability of members retiring after the first year eligible for retirement at the indicated ages.

**Percents Retiring at Indicated Ages (by Coverage Plan)**

Retirement Age	State General		State Police**		State Corrections	Municipal General		Municipal Police***		Municipal Fire
	Male	Female	Tier 1	Tier 2		Male	Female	Tier 1	Tier 2	
40	25%	25%	35%	20%	20%	20%	25%	35%	40%	30%
45	25%	25%	35%	20%	20%	20%	25%	35%	40%	25%
50	25%	25%	35%	20%	20%	20%	25%	35%	40%	20%
55	25%	25%	35%	20%	20%	20%	25%	35%	40%	25%
60	20%	35%	50%	20%	20%	15%	15%	35%	30%	20%
65	30%	35%	100%	100%	20%	15%	10%	30%	30%	20%
70	25%	20%			100%	20%	15%	100%	100%	100%
75	25%	20%				20%	15%			
80	100%	100%				100%	100%			

\*Rates are 70% at 30 years of service for all ages except State General and Municipal General Tier 2 uses 75% at 36 years of service and Municipal Police Tier 1 uses 75% at 26 years of service.

\*\* Rates for State Police Tier 1 are 45% at 27 years of service, 55% at 28 years of service, and 65% at 29 years of service.

\*\*\* Rates for Municipal Police Tier 1 are 35% at 21 years of service, 40% at 22 years of service, and 45% at 23 years of service, 55% at 24 years of service, and 65% at 25 years of service.

\*\*\* Rates for Municipal Police Tier 2 are 35% at 25 years of service, 40% at 26 years of service, and 45% at 27 years of service, 55% at 28 years of service, and 65% at 29 years of service.

## RATES OF DISABILITY

These rates are used to measure the probabilities of active members becoming disabled. Rates for sample ages follow. For non-public safety groups, 25% disabilities are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.

### Percents Retiring at Indicated Ages (by Coverage Plan)

Sample Ages	State General		State Police		Municipal General		Municipal Detention	Municipal Police	Municipal Fire
	Male	Female	State Police	State Corrections	Male	Female			
25	0.02%	0.02%	0.03%	0.14%	0.03%	0.04%	0.06%	0.01%	0.02%
30	0.04%	0.03%	0.06%	0.16%	0.06%	0.04%	0.10%	0.01%	0.02%
35	0.08%	0.06%	0.08%	0.21%	0.09%	0.04%	0.15%	0.05%	0.02%
40	0.13%	0.12%	0.21%	0.27%	0.13%	0.06%	0.22%	0.11%	0.08%
45	0.24%	0.20%	0.25%	0.46%	0.18%	0.14%	0.32%	0.18%	0.08%
50	0.41%	0.39%	0.41%	0.90%	0.30%	0.25%	0.51%	0.28%	0.33%
55	0.57%	0.61%	0.95%	1.40%	0.49%	0.39%	0.85%	0.46%	0.33%
60	0.74%	0.73%	1.39%	1.88%	0.60%	0.51%	1.04%	0.74%	1.17%
65	0.75%	0.73%	1.39%	1.88%	0.62%	0.59%	1.07%	1.08%	1.17%

## RATES OF SEPARATION FROM ACTIVE MEMBERSHIP

These rates are used to measure probabilities of active members terminating that status for a reason other than disability or death.

The rates do not apply to members who are within the retirement rate range.

Separation rates are service and age related for the State General and Municipal General divisions.

### Percent of Active Members Terminating During Year

Sample Age	Years of Service	State General		Municipal General	
		Males	Females	Males	Females
ALL	2	13.26% - 18.76%	13.37% - 18.13%	12.18% - 21.70%	14.01% - 24.40%
	4	8.37% - 10.86%	8.50% - 11.95%	8.01% - 14.59%	9.14% - 17.77%
	6	6.49% - 8.21%	6.45% - 8.22%	6.79% - 11.29%	6.50% - 14.41%
	8	5.40% - 7.78%	4.70% - 6.05%	5.58% - 8.93%	5.30% - 11.94%

### Percent of Active Members Terminating During Year

Sample Age	Years of Service	State General		Municipal General	
		Males	Females	Males	Females
20	10+	5.11%	4.83%	8.54%	7.51%
25	10+	4.65%	4.25%	7.32%	6.38%
30	10+	4.13%	3.55%	5.69%	4.94%
35	10+	3.89%	3.46%	4.61%	4.09%
40	10+	3.86%	3.46%	3.92%	3.67%
45	10+	3.86%	3.46%	3.65%	3.62%
50	10+	3.86%	3.46%	3.65%	3.62%
55	10+	3.86%	3.46%	3.65%	3.62%
60	10+	3.86%	3.46%	3.65%	3.62%

Separation rates are service related only for the other divisions of PERA.

### Percent of Active Members Terminating During Year

Sample Age	Years of Service	State Police	State Corrections	Municipal Detention	Municipal Police	Municipal Fire
ALL	1	8.00%	20.00%	22.00%	14.00%	10.00%
	3	7.00%	16.00%	16.00%	9.50%	7.50%
	5	4.00%	9.00%	10.00%	6.80%	5.00%
	7	4.00%	8.00%	10.00%	5.15%	3.30%
	10+	4.00%	5.75%	6.00%	3.50%	2.75%

**MEMBER AND EMPLOYER CONTRIBUTION RATES**

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
State General	2011 (1)					8.92%	15.09%				
	2012 (2)					10.67%	13.34%				
	2013 (1)					8.92%	15.09%				
	2014					8.92%	16.59%				
	2015					8.92%	16.99%				
	2016					8.92%	16.99%				
	2017					8.92%	16.99%				
	2018					8.92%	16.99%				
	2019					8.92%	16.99%				
	2020					8.92%	17.24%				
State Police and Adult Corrections Plan 1	2011 (1)	9.10%	23.60%								
	2012 (2)	10.85%	21.85%								
	2013 (1)	9.10%	23.60%								
	2014	9.10%	25.10%								
	2015	9.10%	25.50%								
	2016	9.10%	25.50%								
	2017	9.10%	25.50%								
	2018	9.10%	25.50%								
	2019	9.10%	25.50%								
	2020	9.10%	25.50%								
Juvenile Corrections (Plan 2)	2011 (1)			6.28%	24.22%						
	2012 (2)			8.03%	22.47%						
	2013 (1)			6.28%	24.22%						
	2014			6.28%	25.72%						
	2015			6.28%	26.12%						
	2016			6.28%	26.12%						
	2017			6.28%	26.12%						
	2018			6.28%	26.12%						
	2019			6.28%	26.12%						
	2020			6.28%	26.12%						
Municipal General	2011	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2012	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2013	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2014	8.50%	7.00%	10.65%	9.15%	14.65%	9.15%	17.15%	11.65%		
	2015	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
	2016	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
	2017	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		

**MEMBER AND EMPLOYER CONTRIBUTION RATES (CONTINUED)**

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
Municipal	2018	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
General	2019	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
(Cont)	2020	8.50%	7.65%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%		
Detention	2011	16.65%	16.65%								
Officers	2012	16.65%	16.65%								
(Plan 1)	2013	16.65%	16.65%								
	2014	18.15%	16.65%								
	2015	18.15%	17.05%								
	2016	18.15%	17.05%								
	2017	18.15%	17.05%								
	2018	18.15%	17.05%								
	2019	18.15%	17.05%								
	2020	18.15%	17.05%								
Municipal	2010	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
Police	2011	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2012	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2013	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2014	8.50%	10.00%	8.50%	15.00%	8.50%	18.50%	13.85%	18.50%	17.80%	18.50%
	2015	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2016	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2017	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2018	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
	2019	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%
Municipal	2010	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
Fire	2011	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2012	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2013	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2014	9.50%	11.00%	9.50%	17.50%	9.50%	21.25%	14.30%	21.25%	17.70%	21.25%
	2015	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2016	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2017	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2018	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
	2019	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%
Judicial	2010 (1)	9.00%	10.50%	*							
	2011 (1)	9.00%	10.50%	*							
	2012 (2)	10.75%	8.75%	*							
	2013 (1)	9.00%	10.50%	*							
	2014	7.50%	12.00%	*							
	2015	10.50%	15.00%	*							

## MEMBER AND EMPLOYER CONTRIBUTION RATES (CONTINUED)

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
Judicial (Cont')	2016	10.50%	15.00%		*						
	2017	10.50%	15.00%		*						
	2018	10.50%	15.00%		*						
	2019	10.50%	15.00%		*						
Magistrate	2010 (1)	9.00%	9.50%		*						
	2011 (1)	9.00%	9.50%		*						
	2012 (2)	10.75%	7.75%		*						
	2013 (1)	9.00%	9.50%		*						
	2014	7.50%	11.00%		*						
	2015	10.50%	11.00%		*						
	2016	10.50%	15.00%		*						
	2017	10.50%	15.00%		*						
	2018	10.50%	15.00%		*						
	2019	10.50%	15.00%		*						

NOTE: Legislative member contribution for the Legislative Division is \$100, \$200 or \$500 for every year of credited service

\*Employers are also required to remit a portion of docket fees

(1) Includes a temporary 1.5% of pay shift from the employer statutory rate effective July 1, 2009. This contribution shift was effective for 4 fiscal years

(2) Includes Note #1 plus also includes a temporary 1.75% of pay shift from the employer statutory rate effective July 1, 2011. This contribution shift was effective for 1 fiscal year



## ACTIVE MEMBER VALUATION

AS OF June 30, 2020

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
State General	2011	123	19,614	\$ 818,428,532	\$ 41,727	0.53 %
	2012	123	19,325	803,873,875	41,598	(0.31)%
	2013	123	19,980	835,817,618	41,833	0.57 %
	2014	123	20,015	863,797,166	43,157	3.17 %
	2015	129	20,253	938,168,776	46,322	7.33 %
	2016	122	19,655	904,829,688	46,036	(0.62)%
	2017	121	19,213	928,864,843	48,346	5.02 %
	2018	121	19,114	900,513,193	47,113	(2.55)%
	2019	122	18,923	935,478,450	49,436	4.93 %
	2020	121	19,065	1,002,475,715	52,582	6.36 %
State Police/ Hazardous Duty	2011	3	1,881	83,759,230	44,529	1.50 %
	2012	3	1,916	87,137,037	45,479	2.13 %
	2013	3	1,956	90,225,253	46,127	1.43 %
	2014	3	1,951	91,551,934	46,926	1.73 %
	2015	3	1,880	97,352,917	51,783	10.35 %
	2016	3	1,866	78,225,782	41,922	(19.04)%
	2017	3	1,907	87,941,130	46,115	10.00 %
	2018	3	1,928	84,845,998	44,007	(4.57)%
	2019	3	1,863	88,220,403	47,354	7.60 %
	2020	3	2,294	113,842,830	49,414	4.35 %
Municipal General	2011	169	20,848	736,339,828	35,319	(2.70)%
	2012	169	21,434	791,529,406	36,929	4.56 %
	2013	169	22,123	803,398,205	36,315	(1.66)%
	2014	187	21,480	814,827,128	37,934	4.46 %
	2015	190	21,217	857,243,239	40,404	6.51 %
	2016	190	21,274	845,735,646	39,754	(1.61)%
	2017	192	21,673	871,633,574	40,217	1.16 %
	2018	193	21,511	901,617,649	41,914	4.22 %
	2019	195	21,198	901,598,748	42,532	1.47 %
	2020	195	21,137	924,361,625	43,732	2.82 %
Municipal Police	2011	98	3,603	188,010,463	52,182	0.45 %
	2012	98	3,660	196,453,568	53,676	2.86 %
	2013	98	3,744	201,525,064	53,826	0.28 %
	2014	102	3,685	209,092,483	56,742	5.42 %
	2015	102	3,647	222,085,818	60,895	7.32 %
	2016	102	3,708	192,670,656	51,961	(14.67)%
	2017	102	3,726	196,767,735	52,809	1.63 %
	2018	102	3,748	206,898,932	55,202	4.53 %

## ACTIVE MEMBER VALUATION (CONTINUED)

AS OF JUNE 30, 2020

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
	2019	102	3,687	\$ 214,508,600	\$ 58,180	5.39 %
	2020	102	3,773	229,730,475	60,888	4.65 %
Municipal Fire	2011	35	2,111	108,475,708	51,386	(0.32)%
	2012	35	2,148	115,286,221	53,671	4.45 %
	2013	35	2,209	118,771,370	53,767	0.18 %
	2014	43	2,157	122,996,614	57,022	6.05 %
	2015	43	2,176	133,403,526	61,307	7.51 %
	2016	44	2,190	113,709,690	51,922	(15.31)%
	2017	44	2,232	119,207,608	53,408	2.86 %
	2018	44	2,309	127,203,502	55,090	3.15 %
	2019	45	2,389	131,964,078	55,238	0.27 %
	2020	45	2,431	139,540,121	57,400	3.91 %
Legislative	2011	1	105	N/A	N/A	N/A
	2012	1	106	N/A	N/A	N/A
	2013	1	111	N/A	N/A	N/A
	2014	1	119	N/A	N/A	N/A
	2015	1	126	N/A	N/A	N/A
	2016	1	121	N/A	N/A	N/A
	2017	1	122	N/A	N/A	N/A
	2018	1	111	N/A	N/A	N/A
	2019	1	120	N/A	N/A	N/A
	2020	1	118	N/A	N/A	N/A
Judicial	2011	16	114	12,266,852	107,604	(0.17)%
	2012	16	118	12,690,503	107,547	(0.05)%
	2013	16	123	13,226,142	107,530	(0.02)%
	2014	16	121	13,163,305	108,788	1.17 %
	2015	16	127	15,084,263	118,774	9.18 %
	2016	16	127	15,078,274	118,727	(0.04)%
	2017	16	124	14,721,304	118,720	(0.01)%
	2018	16	125	15,817,424	126,539	6.59 %
	2019	16	124	15,621,802	125,982	(0.44)%
	2020	16	123	16,490,136	134,066	6.42 %
Magistrate	2011	9	45	3,405,121	75,669	(1.10)%
	2012	9	42	3,213,712	76,517	1.12 %
	2013	9	41	3,136,834	76,508	(0.01)%
	2014	1	45	3,515,567	78,124	2.11 %
	2015	1	60	5,065,798	84,430	8.07 %

**ACTIVE MEMBER VALUATION (CONTINUED)**

AS OF JUNE 30, 2020

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
	2016	1	65	\$ 5,482,360	\$ 84,344	(0.10)%
	2017	1	65	5,487,517	84,423	0.09 %
	2018	1	65	5,849,815	89,997	6.60 %
	2019	1	65	5,849,795	89,997	— %
	2020	1	62	5,914,106	95,389	5.99 %
Volunteer	2011	363	5,867	N/A	N/A	N/A
Firefighter	2012	363	5,065	N/A	N/A	N/A
	2013	363	6,461	N/A	N/A	N/A
	2014	365	7,499	N/A	N/A	N/A
	2015	365	8,136	N/A	N/A	N/A
	2016	368	7,823	N/A	N/A	N/A
	2017	402	7,491	N/A	N/A	N/A
	2018	364	7,939	N/A	N/A	N/A
	2019	364	8,182	N/A	N/A	N/A
	2020	364	8,014	N/A	N/A	N/A

\* Actual payroll is projected to a full-year salary for actuarial calculations

## SCHEDULE OF RETIREES AND BENEFICIARIES

AS OF June 30, 2020

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increase Annual Allowance	Number Removed	Decrease Annual Allowance	Net Change Annual Allowance	Total Retirees & Beneficiaries	Annual Allowance	Increase in Annual Allowances	Average Annual Allowances	% Change in Average Allowances
State General										
2011	1,005	\$ 34,914,890	347	\$ 6,179,881	\$ 28,735,009	13,639	\$ 342,143,687	9.17 %	\$ 25,086	3.90 %
2012	1,075	35,697,983	323	5,911,795	29,786,188	14,391	371,929,875	8.71 %	25,845	3.03 %
2013	1,285	43,656,998	358	7,006,726	36,650,272	15,318	408,580,147	9.85 %	26,673	3.21 %
2014	1,150	37,217,020	379	7,574,003	29,643,017	16,089	438,223,164	7.26 %	27,237	2.12 %
2015	1,499	32,859,803	418	8,741,632	24,118,171	17,170	462,341,335	5.50 %	26,927	(1.14)%
2016	1,105	30,796,909	440	9,067,427	21,729,482	17,835	484,070,817	4.70 %	27,142	0.80 %
2017	912	31,124,051	536	11,387,703	19,736,348	18,211	503,807,165	4.08 %	27,665	1.93 %
2018	986	35,111,580	427	9,977,306	25,134,274	18,770	528,941,439	4.99 %	28,180	1.86 %
2019	1,017	38,014,119	537	12,503,719	25,510,400	19,250	554,451,839	4.82 %	28,803	2.21 %
2020	1,229	43,864,347	492	11,705,908	32,158,439	19,987	586,610,278	5.80 %	29,350	1.90 %
State Police/Hazardous Duty										
2011	90	3,480,618	20	507,415	2,973,203	1,227	34,896,189	9.31 %	28,440	3.08 %
2012	83	3,323,294	21	561,598	2,761,696	1,289	37,657,885	7.91 %	29,215	2.72 %
2013	60	2,706,075	23	725,085	1,980,990	1,326	39,638,875	5.26 %	29,894	2.32 %
2014	110	4,049,560	34	937,729	3,111,831	1,402	42,750,706	7.85 %	30,493	2.00 %
2015	108	3,301,453	40	1,047,237	2,254,216	1,470	45,004,922	5.27 %	30,616	0.40 %
2016	65	2,479,773	26	578,925	1,900,848	1,509	46,905,770	4.22 %	31,084	1.53 %
2017	51	2,309,111	38	882,314	1,426,797	1,522	48,332,567	3.04 %	31,756	2.16 %
2018	62	2,532,699	31	992,132	1,540,567	1,553	49,873,134	3.19 %	32,114	1.13 %
2019	58	2,826,753	44	1,195,773	1,630,980	1,567	51,504,114	3.27 %	32,868	2.35 %
2020	52	2,615,081	29	809,380	1,805,701	1,590	53,309,815	3.51 %	33,528	2.01 %
Municipal General										
2011	767	23,981,216	269	3,952,559	20,028,660	9,538	217,136,162	10.16 %	22,765	4.41 %
2012	761	23,166,131	240	3,984,904	19,181,227	10,059	236,317,389	8.83 %	23,493	3.20 %
2013	933	29,438,538	281	4,828,481	24,610,057	10,711	260,927,446	10.41 %	24,361	3.69 %
2014	849	24,476,772	268	4,923,518	19,553,254	11,292	280,480,700	7.49 %	24,839	1.96 %
2015	1066	24,563,648	331	6,177,685	18,385,963	12,027	298,866,663	6.56 %	24,850	0.04 %
2016	933	24,135,156	342	6,564,419	17,570,737	12,618	316,437,400	5.88 %	25,078	0.92 %
2017	717	21,257,836	418	7,607,253	13,650,583	12,917	330,087,983	4.31 %	25,555	1.90 %
2018	911	27,278,930	313	6,346,069	20,932,861	13,515	351,020,844	6.34 %	25,973	1.64 %
2019	946	29,052,180	426	8,634,982	20,417,198	14,035	371,438,042	5.82 %	26,465	1.89 %
2020	725	25,400,841	385	8,249,790	17,151,051	14,375	388,589,093	4.62 %	27,032	2.14 %
Municipal Police										
2011	166	8,033,315	30	821,740	7,211,578	2,574	87,127,512	9.02 %	33,849	3.26 %
2012	183	8,670,002	33	967,953	7,702,049	2,724	94,829,561	8.84 %	34,813	2.85 %
2013	177	8,276,701	46	1,276,954	6,999,747	2,855	101,829,308	7.38 %	35,667	2.45 %
2014	222	10,277,993	34	988,805	9,289,188	3,043	111,118,496	9.12 %	36,516	2.38 %

**SCHEDULE OF RETIREES AND BENEFICIARIES (CONTINUED)****AS OF June 30, 2020**

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increased Annual Allowance	Number Removed	Decreased Annual Allowance	Net Change Annual Allowance	Total Retirees & Beneficiaries	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances	% Change in Average Allowances
Municipal Police (Cont)										
2015	204	\$ 8,516,186	37	\$ 994,098	\$ 7,522,088	3,210	\$ 118,640,584	6.77 %	\$ 36,960	1.21 %
2016	211	9,918,243	49	1,493,127	8,425,116	3,372	127,065,700	7.10 %	37,683	1.96 %
2017	166	8,150,488	61	1,633,073	6,517,415	3,477	133,583,115	5.13 %	38,419	1.95 %
2018	165	8,523,713	44	1,491,360	7,032,353	3,598	140,615,468	5.26 %	39,082	1.72 %
2019	177	9,107,704	70	2,029,823	7,077,881	3,705	147,693,349	5.03 %	39,863	2.00 %
2020	71	5,531,990	52	1,634,353	3,897,637	3,724	151,590,986	2.64 %	40,706	2.11 %
Municipal Fire										
2011	98	5,203,080	23	617,946	4,585,134	1,548	53,848,050	9.31 %	34,786	4.01 %
2012	86	4,861,646	31	901,384	3,960,262	1,603	57,808,312	7.35 %	36,063	3.67 %
2013	70	4,239,651	20	590,379	3,649,272	1,653	61,457,584	6.31 %	37,179	3.10 %
2014	112	5,738,384	29	946,274	4,792,110	1,736	66,249,694	7.80 %	38,162	2.64 %
2015	93	4,762,883	34	1,134,858	3,628,025	1,795	69,877,719	5.48 %	38,929	2.01 %
2016	110	5,799,234	33	1,012,932	4,786,302	1,872	74,664,021	6.85 %	39,885	2.45 %
2017	34	2,496,048	22	816,881	1,679,167	1,884	76,343,188	2.25 %	40,522	1.60 %
2018	81	4,982,102	27	1,063,296	3,918,806	1,938	80,261,994	5.13 %	41,415	2.20 %
2019	95	5,867,307	40	1,447,080	4,420,227	1,993	84,682,221	5.51 %	42,490	3.37 %
2020	61	4,093,428	34	1,423,643	2,669,785	2,020	87,352,006	3.15 %	43,244	1.77 %
Legislative										
2011	11	102,686	6	222,746	(120,060)	165	1,286,436	(8.54)%	7,797	(11.31)%
2012	4	64,427	6	40,989	23,438	163	1,309,874	1.82 %	8,036	3.07 %
2013	24	334,780	8	66,916	267,864	179	1,577,738	20.45 %	8,814	9.68 %
2014	6	58,860	7	89,045	(30,185)	178	1,547,553	(1.91)%	8,694	(1.36)%
2015	20	281,735	12	94,011	187,724	186	1,735,277	12.13 %	9,329	7.31 %
2016	3	59,052	7	44,779	14,273	182	1,749,550	0.82 %	9,613	3.04 %
2017	14	218,597	10	83,281	135,316	186	1,884,866	7.73 %	10,134	5.42 %
2018	5	95,699	8	112,239	(16,540)	183	1,868,326	(0.88)%	10,209	0.75 %
2019	17	255,728	6	48,710	207,018	194	2,075,344	11.08 %	10,698	4.79 %
2020	6	87,219	5	44,912	42,307	195	2,117,651	2.04 %	10,860	1.51 %
Judicial										
2011	14	962,927	6	362,843	600,084	118	7,219,474	9.07 %	61,182	1.67 %
2012	12	774,812	3	234,997	539,815	127	7,759,289	7.48 %	61,097	(0.14)%
2013	12	935,944	6	396,548	539,396	133	8,298,685	6.95 %	62,396	2.13 %
2014	10	687,978	2	108,230	579,748	141	8,878,433	6.99 %	62,968	0.92 %
2015	14	759,235	3	136,169	623,066	152	9,501,499	7.02 %	62,510	(0.73)%
2016	14	768,805	6	390,090	378,715	160	9,880,214	3.99 %	61,751	(1.21)%
2017	7	504,314	4	242,548	261,766	163	10,141,980	2.65 %	62,221	0.76 %
2018	14	890,836	3	261,534	629,302	174	10,771,282	6.20 %	61,904	-0.51 %

## SCHEDULE OF RETIREES AND BENEFICIARIES (CONTINUED)

AS OF June 30, 2020

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increased Annual Allowance	Number Removed	Decreased Annual Allowance	Net Change Annual Allowances	Total Retirees & Beneficiaries	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances	% Changes in Average Allowances
Judicial (Cont)										
2019	24	\$ 1,758,836	12	\$ 814,665	\$ 944,171	186	\$ 11,715,453	8.77 %	\$62,986	1.75 %
2020	11	580,112	4	166,902	413,210	193	12,128,663	3.53 %	62,843	-0.23 %
Magistrate										
2011	11	395,293	2	295,966	99,327	78	3,054,770	3.36 %	39,164	(8.57)%
2012	10	411,841	3	187,934	223,908	85	3,278,678	7.33 %	38,573	(1.51)%
2013	4	240,678	3	89,904	150,774	86	3,429,452	4.60 %	39,877	3.38 %
2014	9	543,699	1	59,234	484,466	94	3,913,918	14.13 %	41,637	4.41 %
2015	9	132,776	1	34,707	98,069	102	4,011,987	2.51 %	39,333	(5.53)%
2016	4	93,126	6	211,449	(118,323)	100	3,893,664	(2.95)%	38,937	(1.01)%
2017	8	188,602	6	191,813	(3,211)	102	3,890,453	(0.08)%	38,142	(2.04)%
2018	4	127,328	2	117,673	9,655	104	3,900,108	0.25 %	37,501	(1.68)%
2019	6	255,565	5	146,339	109,226	105	4,009,334	2.80 %	38,184	1.82 %
2020	7	321,327	4	143,286	178,041	108	4,187,375	4.44 %	38,772	1.54 %
Volunteer Firefighter										
2011	72	100,800	7	8,400	92,400	609	821,945	12.67 %	1,350	0.64 %
2012	72	92,400	14	17,592	74,810	667	896,753	9.10 %	1,344	(0.39)%
2013	109	399,400	14	17,600	381,800	762	1,278,553	42.58 %	1,678	24.80 %
2014	139	262,048	8	11,300	250,750	893	1,529,301	19.61 %	1,713	2.07 %
2015	127	226,500	16	28,300	198,200	1,004	1,727,501	12.96 %	1,721	0.47 %
2016	126	238,500	17	26,300	212,200	1,113	1,939,701	12.28 %	1,743	1.29 %
2017	123	231,999	25	41,300	190,699	1,211	2,130,400	9.83 %	1,759	0.94 %
2018	164	290,000	21	33,100	256,900	1,354	2,387,300	12.06 %	1,763	0.22 %
2019	103	166,999	28	45,300	121,699	1,429	2,508,999	5.10 %	1,756	(0.40)%
2020	131	229,000	23	40,500	188,500	1,537	2,697,499	7.51 %	1,755	(0.06)%

## SOLVENCY TEST

June 30, 2020

DIVISION/ PLAN	Year	-----Aggregate Accrued Liabilities-----					Portion of Accrued Liabilities Covered by Reported Assets			
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	TOTAL (4)	Reported Assets	(1)	(2)	(3)	(4)
State General	2011	\$ 796,011,595	\$ 4,725,622,520	\$ 1,961,725,462	\$ 7,483,359,577	\$ 4,883,299,367	100%	86%	—%	65%
	2012	787,435,758	5,117,428,346	1,914,051,334	7,818,915,438	4,724,562,943	100%	77%	—%	60%
	2013	841,174,061	5,064,595,209	1,617,991,066	7,523,760,336	4,996,425,681	100%	82%	—%	66%
	2014	826,785,813	5,390,816,297	1,568,388,787	7,785,990,897	5,334,025,804	100%	84%	—%	69%
	2015	849,806,169	5,646,053,464	1,705,146,120	8,201,005,753	5,549,137,149	100%	83%	—%	68%
	2016	853,069,949	6,055,630,306	1,620,222,312	8,528,922,567	5,720,834,981	100%	80%	—%	67%
	2017	878,994,137	6,218,179,179	1,714,643,642	8,811,816,958	5,831,916,099	100%	80%	—%	66%
	2018	892,279,750	6,620,228,801	1,682,936,866	9,195,445,417	5,799,854,720	100%	74%	—%	63%
	2019	896,762,967	6,893,274,726	1,746,565,214	9,536,602,907	5,805,041,751	100%	71%	—%	61%
	2020	924,990,774	6,884,617,226	1,880,098,094	9,689,706,094	5,807,551,328	100%	71%	—%	61%
State Police/ Hazardous Duty	2011	53,270,846	522,073,854	271,764,015	847,108,715	862,058,143	100%	100%	100%	102%
	2012	54,156,044	561,452,471	278,404,119	894,012,634	851,976,386	100%	100%	85%	95%
	2013	58,260,570	525,211,454	246,248,914	829,720,938	926,108,695	100%	100%	100%	112%
	2014	57,705,918	569,659,307	222,557,567	849,922,792	1,016,533,008	100%	100%	100%	120%
	2015	58,543,902	595,623,306	236,967,557	891,134,765	1,075,204,637	100%	100%	100%	121%
	2016	59,921,229	635,036,352	180,402,152	875,359,733	1,136,076,589	100%	100%	100%	130%
	2017	64,332,242	645,636,929	199,904,014	909,873,185	1,196,338,715	100%	100%	100%	131%
	2018	67,111,945	677,224,121	201,630,652	945,966,718	1,231,975,474	100%	100%	100%	130%
	2019	69,799,978	695,901,232	219,280,926	984,982,136	1,282,058,570	100%	100%	100%	130%
	2020	72,530,634	666,980,924	308,639,531	1,048,151,089	1,332,772,683	100%	100%	100%	130%
Municipal General	2011	926,331,337	3,086,715,812	1,107,402,880	5,120,450,029	3,845,662,093	100%	95%	—%	75%
	2012	949,311,379	3,336,286,064	1,192,111,747	5,477,709,190	3,808,143,673	100%	86%	—%	70%
	2013	1,000,561,795	3,309,385,678	1,005,890,251	5,315,837,724	4,108,957,408	100%	94%	—%	77%
	2014	1,023,202,668	3,548,792,552	965,182,192	5,537,177,412	4,515,120,417	100%	98%	—%	82%
	2015	1,033,953,619	3,756,083,836	1,069,558,300	5,859,595,755	4,696,871,223	100%	98%	—%	80%
	2016	1,053,649,176	4,071,034,047	1,035,772,981	6,160,456,204	4,916,985,846	100%	95%	—%	80%
	2017	1,104,575,618	4,191,453,200	1,099,006,703	6,395,035,521	5,106,489,938	100%	95%	—%	80%
	2018	1,137,899,276	4,528,287,174	1,131,956,929	6,798,143,379	5,184,797,302	100%	89%	—%	76%
	2019	1,161,061,009	4,771,658,727	1,124,215,032	7,056,934,768	5,301,086,178	100%	87%	—%	75%
	2020	1,199,236,797	4,682,479,829	1,173,089,522	7,054,806,148	5,410,004,791	100%	87%	—%	75%
Municipal Police	2011	231,902,509	1,374,649,843	540,837,909	2,147,390,261	1,527,062,745	100%	94%	—%	71%
	2012	231,924,646	1,488,001,979	566,994,541	2,286,921,166	1,504,516,513	100%	86%	—%	66%
	2013	247,882,167	1,413,249,313	485,163,146	2,146,294,626	1,627,455,783	100%	98%	—%	76%
	2014	249,816,375	1,551,716,281	462,032,152	2,263,564,808	1,772,210,104	100%	98%	—%	78%
	2015	258,992,011	1,649,950,363	493,438,566	2,402,380,940	1,865,190,859	100%	97%	—%	78%
	2016	260,474,657	1,810,426,144	382,129,648	2,453,030,449	1,952,310,191	100%	93%	—%	80%
	2017	275,702,207	1,882,156,157	404,904,171	2,562,762,535	2,027,593,334	100%	93%	—%	79%
	2018	289,967,593	2,011,087,857	449,322,578	2,750,378,028	2,058,403,842	100%	88%	—%	75%



## SOLVENCY TEST (CONTINUED)

June 30, 2020

DIVISION/ PLAN	Year	←-----Aggregate Accrued Liabilities-----→				Portion of Accrued Liabilities Covered by Reported Assets				
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	TOTAL (4)	Reported Assets	(1)	(2)	(3)	(4)
Municipal	2019	\$ 303,167,527	\$ 2,095,697,284	\$ 485,333,068	\$ 2,884,197,879	\$ 2,109,268,722	100%	86%	—%	73%
Police (Cont')	2020	327,110,526	1,993,453,153	565,984,579	2,886,548,258	2,161,723,690	100%	92%	—%	73%
Municipal	2011	146,327,512	816,875,672	264,880,643	1,228,083,827	737,135,025	100%	72%	—%	60%
Fire	2012	147,973,606	875,612,944	286,898,869	1,310,485,419	722,847,504	100%	66%	—%	55%
	2013	163,287,521	822,738,793	255,740,084	1,241,766,398	779,204,098	100%	75%	—%	63%
	2014	162,999,130	893,055,155	291,666,492	1,347,720,777	844,926,189	100%	76%	—%	63%
	2015	171,569,805	934,914,512	325,885,020	1,432,369,337	888,515,174	100%	77%	—%	62%
	2016	175,510,949	1,026,377,371	254,584,111	1,456,472,431	928,606,766	100%	73%	—%	64%
	2017	194,507,068	1,033,070,516	287,632,507	1,515,210,091	961,829,211	100%	74%	—%	63%
	2018	205,989,875	1,099,223,887	318,303,879	1,623,517,641	977,829,334	100%	70%	—%	60%
	2019	214,452,786	1,158,090,653	327,737,219	1,700,280,658	1,002,875,446	100%	68%	—%	59%
	2020	227,986,295	1,107,995,694	373,677,291	1,709,659,280	1,025,786,446	100%	72%	—%	59%
Legislative	2011	730,297	13,241,429	12,375,633	26,347,359	23,508,201	100%	100%	77%	89%
	2012	794,178	13,223,056	13,412,029	27,429,263	25,168,813	100%	100%	83%	92%
	2013	704,324	15,121,069	9,301,918	25,127,311	28,939,243	100%	100%	100%	115%
	2014	765,491	14,602,470	10,465,381	25,833,342	33,392,919	100%	100%	100%	129%
	2015	744,611	16,230,264	9,635,456	26,610,331	36,868,121	100%	100%	100%	139%
	2016	808,856	16,858,156	10,275,939	27,942,951	40,450,852	100%	100%	100%	145%
	2017	753,758	18,105,164	9,197,764	28,056,686	42,479,371	100%	100%	100%	151%
	2018	808,527	18,493,679	11,637,539	30,939,745	42,602,900	100%	100%	100%	138%
	2019	751,334	21,102,594	9,666,906	31,520,834	43,139,113	100%	100%	100%	137%
	2020	823,365	20,052,792	11,269,908	32,146,065	44,466,366	100%	100%	100%	137%
Judicial	2011	9,046,618	95,520,784	35,142,086	139,709,488	78,199,003	100%	72%	—%	56%
	2012	9,430,314	102,121,251	36,371,278	147,922,843	75,506,702	100%	65%	—%	51%
	2013	10,484,159	99,609,628	33,652,184	143,745,971	80,007,287	100%	70%	—%	56%
	2014	10,878,347	93,176,816	29,291,252	133,346,415	85,577,431	100%	80%	—%	64%
	2015	11,063,301	97,761,695	32,456,159	141,281,155	88,249,418	100%	79%	—%	62%
	2016	11,641,376	103,610,547	31,682,987	146,934,910	90,471,110	100%	76%	—%	62%
	2017	12,589,634	106,164,363	30,658,789	149,412,786	92,137,316	100%	75%	—%	62%
	2018	12,916,868	116,119,124	34,347,300	163,383,292	92,022,272	100%	68%	—%	56%
	2019	11,618,040	125,839,968	29,740,527	167,198,535	92,081,178	100%	64%	—%	55%
	2020	12,600,961	129,838,667	28,316,019	170,755,647	91,269,164	100%	61%	—%	55%
Magistrate	2011	3,002,793	41,665,824	10,760,548	55,429,165	33,121,149	100 %	72 %	— %	60 %
	2012	3,014,932	43,497,240	11,524,903	58,037,075	30,878,948	100 %	64 %	— %	53 %
	2013	3,309,456	41,374,066	9,815,124	54,498,646	31,813,605	100 %	69 %	— %	58 %
	2014	2,913,700	40,865,470	7,361,245	51,140,415	32,970,978	100 %	74 %	— %	64 %
	2015	3,073,097	41,845,485	7,662,180	52,580,762	32,803,715	100 %	71 %	— %	62 %

**SOLVENCY TEST (CONTINUED)**

June 30, 2020

DIVISION/ PLAN	Year	<-----Aggregate Accrued Liabilities----->				Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets			
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	TOTAL (4)		(1)	(2)	(3)	(4)
	2016	\$ 3,654,856	\$ 41,202,695	\$ 8,689,309	\$ 53,546,860	\$ 33,059,864	100 %	71 %	— %	62 %
	2017	4,156,427	40,691,805	9,238,834	54,087,066	33,162,734	100 %	71 %	— %	61 %
	2018	4,681,462	41,973,554	11,444,465	58,099,481	32,331,750	100 %	66 %	— %	56 %
	2019	4,992,710	45,004,313	8,726,054	58,723,077	31,882,687	100 %	60 %	— %	54 %
	2020	5,068,019	45,542,311	7,980,475	58,590,805	31,274,386	100 %	58 %	— %	54 %
Volunteer Firefighter	2011	—	16,196,108	10,912,740	27,108,848	47,004,974	N/A	100%	100%	173%
	2012	—	18,133,190	10,086,158	28,219,348	47,382,330	N/A	100%	100%	168%
	2013	—	23,246,567	14,519,733	37,766,300	52,179,180	N/A	100%	100%	138%
	2014	—	25,218,910	14,519,733	39,738,643	52,179,180	N/A	100%	100%	131%
	2015	—	26,280,594	17,635,798	43,916,392	61,575,304	N/A	100%	100%	140%
	2016	—	27,259,993	17,996,285	45,256,278	64,899,802	N/A	100%	100%	143%
	2017	—	28,060,938	18,327,515	46,388,453	67,985,320	N/A	100%	100%	147%
	2018	—	30,285,764	18,950,008	49,235,772	69,674,334	N/A	100%	100%	142%
	2019	—	31,110,078	19,408,782	50,518,860	72,011,279	N/A	100%	100%	143%
	2020	—	32,829,521	17,510,145	50,339,666	73,916,369	N/A	100%	100%	143%

## ANALYSIS OF FINANCIAL EXPERIENCE

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

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

PERA Fund	2020	2019	2018	2017	2016	2015	2014	2013	2012
UAAL at Beginning of Year	\$ 6,662,600	\$ 6,060,500	\$ 5,070,600	\$ 4,819,500	\$ 4,711,600	\$ 4,301,700	\$ 4,619,200	\$ 6,176,000	\$ 4,971,200
Normal Cost for Year	380,500	379,400	358,000	352,500	385,700	372,500	403,300	431,900	419,700
Contributions (net of Refunds)	664,500	(621,200)	(602,200)	(604,200)	(587,900)	(573,600)	(544,300)	(516,900)	(528,000)
Interest Accrual and other income/exp	(485,800)	442,400	369,600	351,500	355,800	309,600	352,700	475,200	381,000
Expected UAAL before Non-Recurring Adjust	6,364,500	6,261,100	5,196,000	4,919,300	4,865,200	4,410,200	4,830,900	6,566,200	5,243,900
Effect of Assumption Changes	—	—	564,000	—	468,000	—	(30,800)	—	—
Effect of New Employers, Benefit Changes & Plan Coverage Shifts	(788,500)	—	—	—	(373,300)	—	—	(1,690,100)	(1,800)
Expected UAAL after Audit Adjustment	6,076,000	6,261,100	5,760,000	4,919,300	4,959,900	4,410,200	4,800,100	4,876,100	5,242,100
Actual UAAL	6,651,000	6,662,600	6,060,500	5,070,600	4,819,500	4,711,600	4,301,700	4,619,200	6,176,000
Gain (Loss)	\$ (575,100)	\$ (401,500)	\$ (300,500)	\$ (151,300)	\$ 140,400	\$ (301,400)	\$ 498,400	\$ 256,900	\$ (933,900)

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

Legislative Fund	2020	2019	2018	2017	2016	2015	2014	2013	2012
UAAL at Beginning of Year	\$ (11,618,279)	\$ (11,663,155)	\$ (14,422,685)	\$ (12,507,901)	\$ (10,257,790)	\$ (7,559,577)	\$ (3,811,932)	\$ 2,260,450	\$ 2,839,158
Normal Cost for Year	815,910	931,257	739,695	802,336	786,119	749,175	661,821	548,797	591,322
Contributions (net of Refunds)	(967,200)	(72,000)	(66,600)	(73,200)	(72,600)	(117,474)	(343,284)	(737,687)	(828,571)
Interest Accrual and other Income/exp	(811,040)	(780,959)	(990,613)	(848,376)	(771,879)	(603,008)	(283,081)	167,865	210,841
Expected UAAL before Non-Recurring Adjust	(12,580,609)	(11,584,857)	(14,740,203)	(12,627,141)	(10,316,150)	(7,530,884)	(3,776,476)	2,239,425	2,812,750
Effect of Assumption Changes	—	—	—	—	—	—	—	—	—
Expected UAAL after Audit Adjustment	(12,580,609)	(11,584,857)	(14,740,203)	(12,627,141)	(10,316,150)	(7,530,884)	(3,776,476)	2,239,425	2,812,750
Actual UAAL	(12,320,301)	(11,618,279)	(11,663,155)	(14,422,685)	(12,507,901)	(10,257,790)	(7,559,577)	(3,811,932)	2,260,450
Gain (Loss)	\$ (260,308)	\$ 33,422	\$ (3,077,048)	\$ 1,795,544	\$ 2,191,751	\$ 2,726,906	\$ 3,783,101	\$ 6,051,357	\$ 552,300

**ANALYSIS OF FINANCIAL EXPERIENCE (CONTINUED)**

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

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

<b>Judicial Fund</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
UAAL at Beginning of Year	\$ 75,117,357	\$ 71,361,020	\$ 57,275,470	\$ 56,463,800	\$ 53,031,737	\$ 47,768,984	\$ 63,738,684	\$ 72,416,141	\$ 61,510,485
Normal Cost for Year	\$3,264,394	3,339,293	2,991,527	3,139,091	3,287,278	3,083,765	3,656,173	3,907,766	3,840,620
Contributions (net of Refunds)	(7,734,474)	(7,590,872)	(6,495,531)	(6,601,548)	(6,455,003)	(5,873,849)	(7,174,481)	(7,905,061)	(7,235,934)
Interest Accrual and other Income/exp	5,368,843	5,091,143	4,103,302	4,039,679	3,979,726	3,621,948	4,803,414	5,457,356	4,635,494
Expected UAAL before Non-Recurring Adjust	76,016,120	72,200,584	57,874,768	57,041,022	53,843,738	48,600,848	65,023,790	73,876,202	62,750,665
Effect of Assumption Changes	—	—	5,072,854	—	3,423,578	—	(18,732,751)	(14,130,428)	143,056
Expected UAAL after Audit Adjustment	76,548,836	72,200,584	62,947,622	57,041,022	57,267,316	48,600,848	46,291,039	59,745,774	62,893,721
Actual UAAL	79,486,483	75,117,357	71,361,020	57,275,470	56,463,800	53,031,737	47,768,984	63,738,684	72,416,141
Gain (Loss)	\$ (2,937,647)	\$ (2,916,773)	\$ (8,413,398)	\$ (234,448)	\$ 803,516	\$ (4,430,889)	\$ (1,477,945)	\$ (3,992,910)	\$ (9,522,420)

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

<b>Magistrate Fund</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
UAAL at Beginning of Year	\$ 26,840,390	\$ 25,767,731	\$ 20,924,332	\$ 20,486,996	\$ 19,777,047	\$ 18,169,437	\$ 22,685,041	\$ 27,158,127	\$ 22,308,016
Normal Cost for Year	956,706	958,605	899,592	911,388	834,750	733,255	883,328	983,930	1,100,747
Contributions (net of Refunds)	(2,719,554)	(2,494,519)	(2,180,208)	(2,167,739)	(2,013,479)	(1,794,493)	(2,135,518)	(2,483,030)	(2,332,126)
Interest Accrual and other Income/exp	1,911,380	1,841,233	1,484,046	1,462,528	1,483,773	1,410,788	1,709,568	2,046,665	1,681,155
Expected UAAL before Non-Recurring Adjust	26,988,922	26,073,050	21,127,762	20,693,173	20,082,091	18,518,987	23,142,419	27,705,692	22,757,792
Effect of Assumption Changes	(36,649)	—	1,689,577	—	1,454,465	—	(7,960,815)	(5,286,884)	832,806
Expected UAAL after Audit Adjustment	26,952,273	26,073,050	22,817,339	20,693,173	21,536,556	18,518,987	15,181,604	22,418,808	23,590,598
Actual UAAL	27,316,419	26,840,390	25,767,731	20,924,332	20,486,996	19,777,047	18,169,437	22,685,041	27,158,127
Gain (Loss)	\$ (364,146)	\$ (767,340)	\$ (2,950,392)	\$ (231,159)	\$ 1,049,560	\$ (1,258,060)	\$ (2,987,833)	\$ (266,233)	\$ (3,567,529)

## ANALYSIS OF FINANCIAL EXPERIENCE (CONTINUED)

This table is a reconciliation of the Unfunded Actuarial Accrued Liability

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

<b>Volunteer Firefighters Fund</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
UAALat Beginning of Year	\$ (21,492,419)	\$ (20,438,562)	\$ (21,596,867)	\$ (19,643,524)	\$ (17,658,912)	\$ (16,480,497)	\$ (14,412,880)	\$ (19,162,982)	\$ (19,896,126)
Normal Cost for Year	2,220,228	2,159,827	2,022,277	2,111,322	1,490,704	1,433,147	1,208,648	785,758	891,551
Contributions (net of Refunds)	(549,550)	(573,276)	(289,024)	(565,979)	(60,072)	(55,987)	(4,264)	—	—
Interest Accrual and other Income/exp	(1,427,995)	(1,360,121)	(1,444,026)	(1,315,944)	(1,317,787)	(1,192,301)	(1,070,328)	(1,454,683)	(1,507,402)
Expected UAAL before Non-Recurring Adjust	(21,249,736)	(20,212,132)	(21,307,640)	(19,414,125)	(17,546,067)	(16,295,638)	(14,278,824)	(19,831,907)	(20,511,977)
Effect of Assumption Changes	(1,390,154)	—	1,330,595	—	1,201,717	—	405,028	7,495,792	—
Expected UAAL after Audit Adjustment	(22,639,890)	(20,212,132)	(19,977,045)	(19,414,125)	(16,344,350)	(16,295,638)	(13,873,796)	(12,336,115)	(20,511,977)
Actual UAAL	(23,576,703)	(21,492,419)	(20,438,562)	(21,596,867)	(19,643,524)	(17,658,912)	(16,480,497)	(14,412,880)	(19,162,982)
Gain (Loss)	\$ 936,813	\$ 1,280,287	\$ 461,517	\$ 2,182,742	\$ 3,299,174	\$ 1,363,274	\$ 2,606,701	\$ 2,076,765	\$ 1,348,995

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS

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

All PERA Divisions	2020	2019	2018
Total Annual Payroll	\$ 2,409,950,766	\$ 2,271,770,279	\$ 2,221,079,274
Total Valuation Payroll	2,482,249,289	2,339,923,387	2,287,711,652
Actuarial Accrued Liability			
Active and Deferred Vested Members	7,542,860,001	7,073,283,818	6,850,306,745
Retired Members and Survivors	14,846,010,868	15,089,714,530	14,463,144,438
Total	\$ 22,388,870,869	\$ 22,162,998,348	\$ 21,313,451,183
Actuarial Value of Assets	\$ 15,737,838,938	\$ 15,500,330,667	\$ 15,252,860,672
Funded Ratio	70.30 %	69.90 %	71.60 %
Unfunded Actuarial Accrued Liability	\$ 6,651,031,931	\$ 6,662,667,681	\$ 6,060,590,511

### Calculation of Required Contribution

#### Statutory Contribution Rate

Employer Contribution Rate	15.50 %	15.12 %	14.81 %
Member Contribution Rate	12.20 %	12.01 %	12.03 %
Total	27.70 %	27.13 %	26.84 %
Less Normal Cost:			
Retirement	10.74 %	10.74 %	10.73 %
Termination	3.78 %	3.82 %	3.81 %
Pre-Retirement Survivors	0.85 %	0.84 %	1.10 %
Disability	0.90 %	0.86 %	0.95 %
Total Normal Cost	16.27 %	16.27 %	16.59 %
Less Administrative Expenses	0.50 %	0.50 %	0.50 %
Amount Remaining to Amortize UAAL	10.93 %	10.37 %	9.75 %
Amortization Period	106 years	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years	6.37 %	6.27 %	5.73 %

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

PERA Division - State General	2020		2019		2018	
Total Annual Payroll	\$	1,002,475,715	\$	935,478,450	\$	900,513,193
Total Valuation Payroll		1,032,549,986		963,542,804		927,528,589
Actuarial Accrued Liability						
Active and Deferred Vested Members		3,082,550,456		2,932,732,812		2,846,188,979
Retired Members and Survivors		6,607,155,638		6,603,870,095		6,349,256,438
Total	\$	9,689,706,094	\$	9,536,602,907	\$	9,195,445,417
Actuarial Value of Assets	\$	5,807,551,328	\$	5,805,041,751	\$	5,799,854,720
Funded Ratio		59.90 %		60.90 %		63.10 %
Unfunded Actuarial Accrued Liability	\$	3,882,154,766	\$	3,731,561,156	\$	3,395,590,697
Calculation of Required Contribution						
Statutory Contribution Rate						
Employer Contribution Rate		17.74 %		17.24 %		16.99 %
Member Contribution Rate		9.42 %		8.92 %		8.92 %
Total		27.16 %		26.16 %		25.91 %
Less Normal Cost:						
Retirement		9.66 %		9.75 %		9.74 %
Termination		3.62 %		3.68 %		3.68 %
Pre-Retirement Survivors		0.84 %		0.82 %		1.16 %
Disability		1.08 %		1.05 %		1.15 %
Total Normal Cost		15.20 %		15.30 %		15.73 %
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		11.46 %		10.36 %		9.68 %
Amortization Period		Infinite		Infinite		Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		12.81 %		12.27 %		11.71 %



**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

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

<b>PERA Division - State Police/Corrections</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	113,842,830	\$	88,220,403	\$	84,845,998
Total Valuation Payroll		117,258,115		90,867,015		87,391,378
Actuarial Accrued Liability						
Active and Deferred Vested Members		388,547,885		299,347,891		275,833,201
Retired Members and Survivors		659,603,204		685,634,245		670,133,517
Total	\$	1,048,151,089	\$	984,982,136	\$	945,966,718
Actuarial Value of Assets	\$	1,282,058,570	\$	1,123,975,474	\$	1,136,076,589
Funded Ratio		127.20%		130.20%		130.20%
Unfunded Actuarial Accrued Liability	\$	(284,621,594)	\$	(297,076,434)	\$	(286,008,756)

**Calculation of Required Contribution**

<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		25.56%		25.58%		25.58%
Member Contribution Rate		8.99%		8.74%		8.75%
Total		34.55%		34.32%		34.33%
<b>Less Normal Cost:</b>						
Retirement		14.96%		15.98%		16.09%
Termination		4.29%		4.08%		4.12%
Pre-Retirement Survivors		0.68%		0.71%		0.75%
Disability		1.69%		1.60%		1.79%
Total Normal Cost		21.62%		22.37%		22.75%
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		12.43%		11.45%		11.08%
Amortization Period		—		—		—
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		N/A		N/A		N/A

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

<b>PERA Division - Municipal General</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	924,361,625	\$	901,598,748	\$	901,617,649
Total Valuation Payroll		952,092,474		928,646,710		928,666,178
Actuarial Accrued Liability						
Active and Deferred Vested Members		2,548,387,539		2,477,879,338		2,437,854,958
Retired Members and Survivors		4,506,418,609		4,579,055,430		4,360,288,421
Total	\$	7,054,806,148	\$	7,056,934,768	\$	6,798,143,379
Actuarial Value of Assets	\$	5,410,004,791	\$	5,301,086,178	\$	5,184,797,302
Funded Ratio		76.70 %		75.10 %		76.30%
Unfunded Actuarial Accrued Liability	\$	1,644,801,357	\$	1,755,848,590	\$	1,613,346,077

### Calculation of Required Contribution

Statutory Contribution Rate						
Employer Contribution Rate		10.03 %		10.02 %		9.78%
Member Contribution Rate		13.53 %		13.49 %		13.47%
Total		23.56 %		23.51 %		23.25%
Less Normal Cost:						
Retirement		8.04 %		8.13 %		8.11%
Termination		4.04 %		4.08 %		4.05%
Pre-Retirement Survivors		0.93 %		0.91 %		1.20%
Disability		0.76 %		0.73 %		0.80%
Total Normal Cost		13.77 %		13.85 %		14.16%
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		9.29 %		9.16 %		8.59%
Amortization Period		35 years		49 years		43 years
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		1.86 %		1.89 %		0.0156

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

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

<b>PERA Division - Municipal Police</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	229,730,475	\$	214,508,600	\$	206,898,932
Total Valuation Payroll		236,622,389		220,943,858		213,105,900
Actuarial Accrued Liability						
Active and Deferred Vested Members		912,825,415		808,317,496		760,169,317
Retired Members and Survivors		1,973,722,843		2,075,880,383		1,990,208,711
Total	\$	2,886,548,258	\$	2,884,197,879	\$	2,750,378,028
Actuarial Value of Assets	\$	2,161,723,690	\$	2,109,268,722	\$	2,058,403,842
Funded Ratio		74.90 %		73.10 %		74.80 %
Unfunded Actuarial Accrued Liability	\$	724,824,568	\$	774,929,157	\$	691,974,186

**Calculation of Required Contribution**

<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		18.93 %		18.91 %		18.66 %
Member Contribution Rate		17.28 %		17.24 %		17.21 %
Total		36.21 %		36.15 %		35.87 %
<b>Less Normal Cost:</b>						
Retirement		17.75 %		17.55 %		17.74 %
Termination		3.73 %		3.77 %		3.77 %
Pre-Retirement Survivors		0.68 %		0.68 %		0.71 %
Disability		0.54 %		0.53 %		0.58 %
Total Normal Cost		22.70 %		22.53 %		22.80 %
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		13.01 %		13.12 %		12.57 %
Amortization Period		70 years		Infinite		Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		6.77 %		7.38 %		6.41 %

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

<b>PERA Division - Municipal Fire</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	139,540,121	\$	131,964,078	\$	127,203,502
Total Valuation Payroll		143,726,325		135,923,000		131,019,607
Actuarial Accrued Liability						
Active and Deferred Vested Members		610,548,706		555,006,281		530,260,290
Retired Members and Survivors		1,099,110,574		1,145,274,377		1,093,257,351
Total	\$	1,709,659,280	\$	1,700,280,658	\$	1,623,517,641
Actuarial Value of Assets	\$	1,025,786,446	\$	1,002,875,446	\$	977,829,334
Funded Ratio		60.00 %		59.00 %		60.20 %
Unfunded Actuarial Accrued Liability	\$	683,872,834	\$	697,405,212	\$	645,688,307
 Calculation of Required Contribution						
<hr/>						
Statutory Contribution Rate						
Employer Contribution Rate		21.81 %		21.80 %		21.55 %
Member Contribution Rate		17.57 %		17.56 %		17.55 %
Total		39.38 %		39.11 %		39.10 %
Less Normal Cost:						
Retirement		21.31 %		21.06 %		21.37 %
Termination		2.92 %		2.92 %		2.90 %
Pre-Retirement Survivors		0.75 %		0.75 %		0.76 %
Disability		0.53 %		0.52 %		0.56 %
Total Normal Cost		25.51 %		25.25 %		25.59 %
Less Administrative Expenses		0.50 %		0.50 %		0.50 %
Amount Remaining to Amortize UAAL		13.37 %		13.36 %		13.01 %
Amortization Period		Infinite		Infinite		Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 25 years		17.35 %		16.37 %		15.79 %

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

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

<b>PERA Division - Legislative</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	—	\$	—	\$	—
Total Valuation Payroll		—		—		—
Actuarial Accrued Liability						
Active and Deferred Vested Members		12,675,870		11,322,019		12,748,308
Retired Members and Survivors		19,470,195		20,198,815		18,191,437
Total	\$	32,146,065	\$	31,520,834	\$	30,939,745
Actuarial Value of Assets	\$	44,466,366	\$	43,139,113	\$	42,602,900
Funded Ratio		138.30%		136.90%		137.70%
Unfunded Actuarial Accrued Liability	\$	(12,320,301)	\$	(11,618,279)	\$	(11,663,155)
<b>Calculation of Required Contribution</b>						
<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		0.00%		0.00%		0.00%
Member Contribution Rate		0.00%		0.00%		0.00%
Total		0.00%		0.00%		0.00%
<b>Less Normal Cost:</b>						
Retirement	\$	903,878	\$	728,503	\$	903,878
Pre-Retirement Survivors		27,379		11,192		27,379
Disability						
Total Normal Cost	\$	988,578	\$	815,910	\$	931,257
Less Expected Member Contribution		70,800		67,200		72,000
Employer Normal Cost	\$	728,503	\$	728,503	\$	728,503
Expected Administrative Expenses		40,000		6,000		6,000
UAAL Amortization Amount (25 Years)	\$	(1,044,588)	\$	(985,067)	\$	(931,036)
Total Employer Contribution	\$	—	\$	—	\$	—

## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

Judicial Fund	2020	2019	2018
Total Annual Payroll	\$ 16,490,136	\$ 15,621,802	\$ 15,817,424
Total Valuation Payroll	16,984,840	16,090,456	16,291,947
Actuarial Accrued Liability			
Active and Deferred Vested Members	48,544,753	47,413,874	52,890,230
Retired Members and Survivors	122,210,894	119,784,661	110,493,062
Total	\$ 170,755,647	\$ 167,198,535	\$ 163,383,292
Actuarial Value of Assets	\$ 91,269,164	\$ 92,081,178	\$ 92,022,272
Funded Ratio	53.50%	55.10%	56.30%
Unfunded Actuarial Accrued Liability	\$ 79,486,483	\$ 75,117,357	\$ 71,361,020
<b>Calculation of Required Contribution</b>			
<b>Statutory Contribution Rate</b>			
Employer Contribution Rate	15.00%	15.00%	15.00%
Expected Docket Fees	14.71%	14.76%	15.14%
Member Contribution Rate	10.50%	10.50%	10.50%
Total	40.21%	40.26%	40.64%
<b>Less Normal Cost:</b>			
Retirement	16.76%	15.99%	16.00%
Termination	3.56%	3.25%	3.19%
Pre-Retirement Survivors	1.03%	1.05%	1.31%
Disability	0.00%	0.00%	0.00%
Total Normal Cost	21.35%	20.29%	20.50%
Administrative Expenses	0.50%	0.50%	0.50%
UAAL 25 Year Amortization Rate	23.14%	30.14%	25.60%
Total Required Contribution Rate	44.99%	50.93%	46.60%
Total Required Contribution Amount	\$ 7,641,728	\$ 7,734,474	\$ 7,590,872
Expected Statutory Amount	\$ 6,829,604	\$ 6,478,018	\$ 6,621,047
Deficiency in Statutory Rate	4.78%	10.67%	5.96%
Deficiency in Expected Statutory Amount	\$ 812,124	\$ 1,716,141	\$ 969,825

**COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)**

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

<b>Magistrate Fund</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	5,914,106	\$	5,849,795	\$	5,849,815
Total Valuation Payroll		6,091,529		6,025,289		6,025,309
Actuarial Accrued Liability						
Active and Deferred Vested Members		16,443,088		18,745,945		18,596,411
Retired Members and Survivors		42,147,717		39,977,132		39,503,070
Total	\$	58,590,805	\$	58,723,077	\$	58,099,481
Actuarial Value of Assets	\$	31,274,386	\$	31,882,687	\$	32,331,750
Funded Ratio		53.40 %		54.30%		55.60%
Unfunded Actuarial Accrued Liability	\$	27,316,419	\$	26,840,390	\$	25,767,731
<b>Calculation of Required Contribution</b>						
<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		15.00 %		15.00%		15.00%
Expected Docket Fees		5.97 %		5.77%		6.69%
Member Contribution Rate		10.50 %		10.50%		10.50%
Total		31.47 %		31.27%		32.19%
Less Normal Cost:						
Retirement		12.60 %		10.97%		10.63%
Termination		5.58 %		4.28%		4.54%
Pre-Retirement Survivors		0.72 %		0.63%		0.74%
Disability		0.00 %		0.00%		0.00%
Total Normal Cost		18.90 %		15.88%		15.91%
Administrative Expenses		0.50 %		0.50%		0.50%
UAAL 25 Year Amortization Rate		9.25 %		28.76%		24.99%
Total Required Contribution Rate		28.65 %		42.41%		41.40%
Total Required Contribution Amount	\$	1,745,055	\$	2,719,554	\$	2,494,519
Expected Statutory Amount	\$	1,917,004	\$	1,884,108	\$	1,939,547
Deficiency in Statutory Rate		(2.82)%		13.87%		9.21%
Deficiency in Expected Statutory Amount		N/A	\$	835,446	\$	554,972



## COMPARATIVE SUMMARY OF PRINCIPAL RESULTS (CONTINUED)

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

<b>Volunteer Firefighters Fund</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
Total Annual Payroll	\$	—	\$	—	\$	—
Total Valuation Payroll		—		—		—
Actuarial Accrued Liability						
Active and Deferred Vested Members	\$	22,331,698	\$	24,226,222	\$	24,007,091
Non-Vested Inactive Members *		718,655		627,940		562,389
Retired Members and Survivors		27,289,313		25,664,698		24,666,292
Total	\$	50,339,666	\$	50,518,860	\$	49,235,772
Actuarial Value of Assets	\$	73,916,369	\$	72,011,279	\$	69,674,334
Funded Ratio		146.8%		142.50%		141.5%
Unfunded Actuarial Accrued Liability	\$	(23,576,703)	\$	(21,492,419)	\$	(20,438,562)
<b>Calculation of Required Contribution</b>						
<b>Statutory Contribution Rate</b>						
Employer Contribution Rate		0.00%		0.00%		0.00%
Member Contribution Rate		0.00%		0.00%		0.00%
Total		0.00%		0.00%		0.00%
<b>Less Normal Cost:</b>						
Retirement	\$	1,477,389	\$	1,703,488	\$	1,657,097
Termination		415,597		480,885		463,436
Pre-Retirement Survivors		34,252		35,855		39,294
Disability						
Total Normal Cost	\$	1,927,238	\$	2,220,228	\$	2,159,827
<b>Less Expected Member Contribution</b>						
Employer Normal Cost	\$	1,927,238	\$	2,220,228	\$	2,159,827
Expected Administrative Expenses		60,000		45,000		45,000
UAAL Amortization Amount (25 Years)		(1,998,973)		(1,822,255)		(1,631,551)
Total Employer Contribution	\$	—	\$	(442,973)	\$	573,276

\* Members with at least 5 years of service and a last reported date within the last 5 years are valued similarly to deferred vested members in order to recognize potential liability these members hold.

## SUMMARY OF PERA PLAN PROVISIONS

### Membership Eligibility

The Public Employees Retirement Association of New Mexico includes employees of the State of New Mexico and employees of affiliated public employers. Effective July 1, 2013, legislation established two benefit tiers under each PERA coverage plan. A member is in Tier 1 if they were hired for the first time on or before June 30, 2013; had member contributions on account as of June 30, 2013 or was retired as of June 30, 2013. A member is in Tier 2 if they were hired for the first time on or after July 1, 2013; or refunded their employee contributions on or before June 30, 2013, and returned to work for a PERA affiliate on or after July 1, 2013. Employees excluded from PERA membership include: seasonal employees; student employees; part-time employees who work less than 20 hours per week; independent contractors; and retirees of the Educational (ERA), Judicial (JRA) or Magistrate (MRA) Retirement Systems. Elected officials become members unless they submit a written application for exemption from membership.

### Vesting

Retirement benefits become vested upon member's completion of the following years of qualifying service with accumulated member contributions remaining on deposit with the Association: five years for Tier 1 members, eight years for Tier 2 general members (non-public safety employees), and six years for Tier 2 public safety members.

#### Retirement Eligibility - Tier 1 Members

<u>Age</u>	<u>Years of Credited Service</u>
Any	25 or more
60+	20 or more
61+	17 or more
62+	14 or more
63+	11 or more
64+	8 or more
65+	5 or more

#### Retirement Eligibility - Tier 2 Members

Rule of 85 – members must have eight or more years of service credit and age at time of retirement and years of service credit must equal 85

Age 65 with 8 or more years of service credit.

The municipal police and fire coverage plans 3, 4, and 5 require any age with 20 or more years of credited service for Tier 1 members and any age with 25 or more years of credited service for Tier 2 members.

The service credit for Tier 1 members of State Police and Adult Correctional Officer Member Coverage Plan 1 shall be increased by twenty percent for service credit earned while under the plan. To qualify for retirement under the plan, adult correctional officers were required to contribute 18 months under the plan beginning July 1, 2004 and ending December 31, 2005 for those first eligible.

The service credit for Tier 1 members of Municipal Detention Officer Member Coverage Plan 1 shall be increased by twenty percent for service credit earned while under the plan. To qualify for retirement under the plan, municipal detention officers are required to contribute a minimum of 18 months under the plan. Members employed by municipalities which adopted the plan effective July 1, 2004 were first eligible after December 31, 2005.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Service Benefit Formula

For Tier 1 members, the final average salary is calculated with highest 36 consecutive month's salary, multiplied by years of service, multiplied by the applicable plan pension factor, up to the maximum allowable pension. For Tier 2 members the final average salary is calculated with the highest 60 consecutive month's salary, multiplied by years of service, multiplied by the applicable plan pension factor, up to the maximum allowable pension.

### Cost of Living Adjustment

Effective July 1, 2013, PERA provides a COLA as follows:

- Retirees under normal retirement will receive a 2% annual compounding COLA.
- Retirees with 25 or more years of PERA serviced credit (not including reciprocity) with an annual pension of \$20,000 or less will receive a 2.5 percent annual compounding COLA.
- Retirees under disability retirement with an annual pension of \$20,000 or less will receive a 2.5 percent annual compounding COLA.

There is a graduated COLA eligibility period for members who retire under normal retirement:

- Retirement dates through June 1, 2014; two full calendar year eligibility period to receive a COLA;
- Retirement dates of July 1, 2014 through June 1, 2015: three full calendar year eligibility period to receive a COLA.
- Retirement dates of July 1, 2015 through June 1, 2016: four full calendar year eligibility period to receive a COLA: and
- Retirement dates on or after July 1, 2016: seven full calendar year eligibility period to receive a COLA.

### Death Benefits

PERA death benefits depend on whether or not the death occurred in the line of duty.

*Death in the Line-of-Duty* – A survivor pension is paid to the eligible spouse and children if the member has not designated a different survivor beneficiary under the “Elective Survivor Pension Beneficiary” provision. The amount of pension payable for life to an eligible spouse is the greater of 1) 50% of final average salary, or 2) the accrued normal retirement pension reduced for option B election. The amount of pension payable to each eligible child is an equal share of 25% of final average salary. If there is not an eligible spouse or the eligible spouse dies, and if there are 2 or more eligible children, the amount of pension payable to each eligible child is an equal share of 50% of final average salary.

*Death NOT in the Line-of-Duty* –Member must be vested for eligibility. A survivor pension is paid to the eligible spouse or children if the member has not designated a different survivor beneficiary under the “Elective Survivor Pension Beneficiary” provision. The amount of pension payable for life of an eligible spouse is the greater of 1) 30% of final average salary, or 2) accrued normal retirement pension reduced for option B election. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share of 25% of final average salary or if greater, 50% of accrued normal retirement pension.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### **Disability Retirement**

Applicable to vested members and vested former members. The vesting requirement is waived if the disability is incurred in the line of duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

### **Refunds**

A terminated member is eligible for a 100% refund of member contributions plus interest after being unemployed by an affiliated public employer for 30 days or more. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

### **Purchase of Service Credit**

A PERA member or current contributing member of ERA, JRA, or MRA may purchase previously refunded service credit by paying a lump sum amount plus interest.

### **Contribution Rates**

Applicable member and employer contribution rates are dependent on the plan adopted by the affiliated public employer.

## JUDICIAL PLAN

### **Membership Eligibility**

The Judicial Retirement Plan of New Mexico includes all justices of the Supreme Court and judges of district courts, metropolitan courts and the Court of Appeals.

### **Retirement Eligibility**

A judge or justice may retire at: 1) Age 64 with five or more years of service, or 2) Age 60 with fifteen or more years of service. For judges or justices hired after July 1, 2005: 1) Age 64 with five or more years of service, or 2) Age 55 with sixteen or more years of service.

### **Service Benefit Formula**

Final average salary (calculated using the last 12 months of salary received in office prior to retirement) multiplied by a minimum of 37.50% up to a maximum of 75%, depending on years of service.

### **Early Retirement Pension**

Applicable to judges or justices between the ages of 50 and 60, with 18 or more years of service. The pension is 70% of final average salary (received during the last year in office prior to retirement) plus 0.5% of final average salary multiplied by the number of complete years the age at retirement exceeds age 50. Members hired after July 1, 2005 are not eligible for early retirement.

### **Cost of Living Adjustment**

Pensions are increased each July 1 by 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Death Benefits

The surviving beneficiary of an active or retired member would receive 75% of the member's vested pension until death. The pension is payable to the deceased member's minor and dependent children if there is no eligible surviving spouse or designated survivor beneficiary.

### Refunds

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

### Purchase of Service Credit

A JRA member or current contributing member of PERA, ERA, or MRA may purchase previously refunded service credit by paying a lump sum amount plus interest.

### Other Service

PERA, MRS and ERA service may be combined with Judicial service for purposes of satisfying age and service requirements once a member has attained one month of Judicial service. When combining service, members may retire under the JRA after satisfying either the JRA or PERA age and service requirements for immediate benefits.

### Contribution Rates

The contribution rate for judges and justices from July 1, 2005 is 7.5% of salary. For fiscal years 2010 and 2011, the member contribution rate is 9%. For fiscal years 2012 and 2013, the member contribution rate is 10.75%. From July 1, 2005, the employer contributes 12% plus \$38 from each civil case docket fee paid in district court, \$25 from each civil case docket fee paid in metropolitan court and \$10 from each jury fee paid in metropolitan court. For fiscal years 2010 and 2011, the employer contribution was 10.5% and thereafter the rate is 12% with the docket fees charges remaining the same.

## MAGISTRATE PLAN

### Membership Eligibility

The Magistrate Retirement Plan of New Mexico includes all magistrate court judges.

### Retirement Eligibility

A judge may retire at: 1) Age 64 with five or more years of service, or 2) Age 60 with fifteen or more years of service, or 3) Any age with twenty-four or more years of service. Magistrates with one or more years of service in PERA, ERA or JRA may combine service credits to satisfy these voluntary retirement conditions.

### Service Benefit Formula

Final average salary (calculated using the last 12 months of salary received in office prior to retirement) multiplied by a minimum of 37.5% up to a maximum of 75%, depending on years of service.

### Cost of Living Adjustment

Pensions are increased each July 1, 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Death Benefits

The surviving beneficiary of an active or retired member would receive 75% of the member's vested pension until death. The pension is payable to the deceased member's minor and dependent children if there is no eligible surviving spouse or designated survivor beneficiary.

### Disability Retirement

Applicable if magistrate has five or more years of magistrate service and becomes incapacitated to perform duties of office. Magistrate would receive vested pension. Five year service requirement is waived if the disability is duty-related.

### Refunds

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

### Purchase of Service Credit

A MRA member or current contributing member of PERA, ERA, or JRA may purchase previously refunded service credit if employed by an affiliated public employer at the time of purchase by paying a lump sum amount plus interest.

### Contribution Rates

The contribution rate for judges and justices from July 1, 2005 is 7.5% of salary. For fiscal years 2010 and 2011, the member contribution rate is 9.0%. For fiscal years 2012 and 2013, the member contribution rate is 10.75%. From July 1, 2005, the employer contributes 11% plus \$25 from each civil case docket fee paid and \$10 from each jury fee paid in magistrate or metropolitan court. For fiscal years 2010 and 2011, the employer contribution was 9.5% and thereafter the rate is 11% with the docket fees charges remaining the same.

## VOLUNTEER FIREFIGHTERS PLAN

### Membership Eligibility

The Volunteer Firefighter Retirement Plan of New Mexico includes any active volunteer non-salaried firefighter whose first year of service credit was earned during or after the year turning age 16.

### Retirement Eligibility

A member may retire at: 1) a full retirement annuity at age 55 with 25 or more years of service, or 2) with a reduced retirement annuity at age 55 with at least 10 but less than 25 years of service credit.

### Service Credit

A year of service credit may be granted upon required certification for each year the member: 1) attended 50% of all scheduled fire drills; 2) attended 50% of all scheduled business meetings; and 3) participated in at least 50% of all emergency response calls which the fire department held him/her responsible to attend.

### Service Benefit Formula

The full retirement annuity is \$250 per month. The reduced retirement annuity is \$150 per month.

## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Vested Retirement Annuity

Any member with at least 10 years of service credit who ceases to be a volunteer non-salaried firefighter is eligible for a deferred retirement annuity commencing at age 55. The monthly amount is \$250 if the member has at least 25 years of service credit and \$125 if the member has between 10 and 25 years of service credit.

### Cost of Living Adjustment

Retired volunteer firefighters are not eligible for a Cost of Living Adjustment.

### Death Benefits

- 1) The surviving spouse of a deceased annuitant receives a pension equal to two-thirds of the retirement annuity being paid at the time of death. The annuity ceases upon the surviving spouse's marriage or death.
- 2) If there is no surviving spouse, then a surviving depended child will receive an annuity equal to two-thirds of the retirement annuity being paid at the time of the member's death. The annuity will cease upon the earlier of the dependent child's 18th birthday or death.

### Contribution Rates

Funding from the New Mexico State's Fire Protection Fund is transferred annually to the Volunteer Firefighter Retirement Fund. The amount transferred in FY 2020 was \$750,000.

## LEGISLATIVE PLAN

### Membership Eligibility

The New Mexico Legislative Retirement Plan includes any state legislators and lieutenant governors.

#### State Legislator Member Coverage Plan 1 and Plan 1 Enhanced

Age	Years of Credited Service
Any	14 or more
60+	12 or more
63+	11 or more
64+	8 or more
65+	5 or more

#### **State Legislator Member Coverage Plan 2**

- Any age with 10 or more years of service credit; or
- Age 65 with 5 or more years of service credit.

### Service Benefit Formula

The annual pension for State Legislator Member Coverage Plan 1 is \$250 multiplied by the years of credited service.

The annual pension for State Legislator Member Coverage Plan 1 Enhanced is \$500 multiplied by the years of credited service.

The annual pension for State Legislator Member Coverage Plan 2 is 11% of the per diem rate in effect multiplied by 60 and further multiplied by the member's service credit.



## SUMMARY OF PERA PLAN PROVISIONS (CONTINUED)

### Cost of Living Adjustment

Pensions are increased each July 1 by 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

### Death Benefits

Legislative death benefits depend on whether or not the death occurred in the line of duty.

*Death in the Line-of-Duty* – A survivor pension is paid to the eligible spouse and children if the member has not designated a different survivor beneficiary under the “Designated Survivor Pension Beneficiary” provision. The pension payable for life to an eligible beneficiary is 80% of the accrued normal retirement pension.

*Death NOT in the Line-of-Duty* – Requires five years of credited service for eligibility. A survivor pension is paid to the eligible spouse or children if the member has not designated a different survivor beneficiary under the “Designated Survivor Pension Beneficiary” provision. The pension payable for life to an eligible spouse is 80% of accrued normal retirement pension. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share, with each other child, of 50% of accrued normal retirement pension. An eligible child is an unmarried natural or adopted child who is under age 18 years. A child’s pension terminates upon death, marriage or reaching age 18. The pension of any remaining eligible children is recalculated whenever a child’s pension is terminated.

### Disability Retirement

Applicable to members and vested former members with five or more years of credited service. The five year credited service requirement is waived if the disability is incurred in the line of duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

### Contribution Rates

Members contribute \$100 for each year of credited service under State Legislator Member Coverage Plan 1, \$200 for each year of credited service under State Legislator Member Coverage Plan 1 Enhanced and \$500 for each year of credited service prior to 2012 and \$600 for each year of service beginning with the 2012 legislative session for the State Legislator Member Coverage Plan 2. An additional annual appropriation to the Legislative Retirement Fund is determined by the actuarial valuation.



Public Employees Retirement Association

# STATISTICAL SECTION



COMPREHENSIVE ANNUAL FINANCIAL  
REPORT FISCAL YEAR ENDED JUNE 30, 2020

## CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

PERA Fund	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Additions:</b>										
Contributions:										
Employers	\$ 283,377	\$ 274,906	\$ 285,561	\$ 296,409	\$ 314,764	\$ 322,352	\$ 332,473	\$ 319,499	\$ 339,676	\$ 367,525
Members	216,941	248,070	226,165	240,180	253,637	260,025	264,939	273,680	271,489	289,777
Appropriations / Legislative	—	—	—	—	—	—	—	—	—	55,900
Purchased service credits by members	15,526	10,150	9,133	8,214	7,682	7,904	7,890	9,167	7,617	7,376
Total contributions	515,844	533,126	520,859	544,803	576,083	590,281	605,302	602,346	618,782	720,578
Investment income:										
Interest	100,244	112,835	118,160	122,474	294,214	115,151	121,571	137,920	154,891	121,302
Dividends	135,203	135,833	175,225	174,628	191,912	170,644	162,384	161,066	151,500	119,568
Net change in fair value of investments	1,963,257	(341,657)	1,222,052	1,860,874	(205,270)	(249,588)	1,240,714	694,887	581,382	(457,795)
Securities lending income (loss)	5,990	3,392	(13,764)	(8,311)	(1,264)	2,551	3,965	68,554	3,351	3,072
Other investment income (loss)	4,925	(4,925)	—	—	—	30,586	29,145	3,462	108,877	55,079
	2,209,619	(94,522)	1,501,673	2,149,665	279,592	69,344	1,557,779	1,065,891	1,000,002	(158,774)
Less investment expenses										
Securities lending expenses	(185)	(350)	(357)	(335)	(368)	(353)	(633)	(530)	(497)	(455)
Brokerage fees and other investment expenses	(23,318)	(24,619)	(27,743)	(31,422)	(27,735)	(21,547)	(56,387)	(61,134)	(63,943)	(64,316)
Net investment income	2,186,116	(119,491)	1,473,573	2,117,908	251,489	47,444	1,500,759	1,004,227	935,561	(223,545)
Other income(loss) and special item	46,316	27,691	9,795	17,390	25,296	12,318	451	2,110	2,047	1,645
Total additions	2,748,276	441,326	2,004,227	2,680,101	852,868	650,043	2,106,512	1,608,683	1,556,390	498,678
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	648,398	708,187	760,632	905,329	966,236	1,024,399	1,084,818	1,133,418	1,193,944	1,255,018
Death Benefits/Survivors	56,292	59,531	67,102	—	—	—	—	—	—	—
Disability	11,990	12,427	14,977	—	—	—	—	—	—	—
Refunds to terminated employees	43,108	45,771	45,114	47,377	46,010	44,937	44,396	50,288	54,337	44,903
Administrative expenses	10,524	9,841	8,612	10,417	9,886	10,754	11,486	12,667	13,583	14,319
Total deductions	770,312	835,757	896,437	963,123	1,022,132	1,080,090	1,140,700	1,196,373	1,261,864	1,314,240
Net increase(decrease) in plan net position	1,977,964	(394,431)	1,107,790	1,716,978	(169,264)	(430,047)	965,812	412,310	297,063	\$ (815,562)
<b>Net position held in trust for pension benefits</b>										
Beginning of year	10,016,491	11,994,455	11,600,024	12,707,814	14,424,792	14,255,528	13,826,658	14,798,918	15,210,483	15,507,546
Prior Period Adjustment						1,177	6447	(745)	—	—
End of year	\$11,994,455	\$11,600,024	\$12,707,814	\$ 14,424,792	\$14,255,528	\$13,826,658	\$14,798,918	\$15,210,482	\$15,507,546	\$14,691,984

**CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS (CONTINUED)**

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

Judicial Fund	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Additions:</b>										
Contributions:										
Employers	\$ 3,824	\$ 3,266	\$ 3,527	\$ 3,741	\$ 4,196	\$ 4,237	\$ 4,524	\$ 4,723	\$ 4,731	\$ 4,683
Members	1,216	1,348	1,424	1,085	1,546	1,582	1,636	1,580	1,649	1,783
Purchased service credits by members	102	16	15	—	33	—	—	—	42	—
<b>Total contributions</b>	<b>5,142</b>	<b>4,630</b>	<b>4,966</b>	<b>4,826</b>	<b>5,775</b>	<b>5,819</b>	<b>6,160</b>	<b>6,355</b>	<b>6,422</b>	<b>6,466</b>
Investment income:										
Interest	687	954	752	757	1,825	705	738	841	949	723
Dividends	876	861	1,110	1,081	1,178	1,037	975	958	893	693
Net change in fair value of investments	12,730	(2,266)	7,723	11,605	(1,312)	(1,580)	7,450	4,159	3,400	(2,637)
Securities lending income (loss)	39	22	(82)	(51)	(7)	16	24	407	20	322
(loss)	—	—	—	—	—	186	175	21	642	18
	14,332	(429)	9,503	13,392	1,684	364	9,363	6,386	5,904	(881)
less investment expenses										
Securities lending expenses	(1)	(2)	(2)	(2)	(2)	(2)	(4)	(3)	(3)	(3)
Brokerage fees and other investment expenses	(153)	(160)	(177)	(193)	(170)	(130)	(347)	(363)	(373)	(368)
<b>Net investment income</b>	<b>14,178</b>	<b>(591)</b>	<b>9,324</b>	<b>13,197</b>	<b>1,512</b>	<b>232</b>	<b>9,012</b>	<b>6,020</b>	<b>5,528</b>	<b>(1,252)</b>
Other income and special item										
	300	184	171	486	33	72	—	—	10	—
<b>Total additions</b>	<b>19,620</b>	<b>4,223</b>	<b>14,461</b>	<b>18,509</b>	<b>7,320</b>	<b>6,123</b>	<b>15,172</b>	<b>12,375</b>	<b>11,960</b>	<b>5,214</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	6,003	6,401	6,787	8,770	9,373	9,813	10,096	10,585	11,352	12,013
Death Benefits/Survivors	1,109	1,225	1,407	—	—	—	11	—	—	—
Disability	29	30	31	—	—	—	—	—	—	—
Refunds to terminated employees	—	10	52	52	40	45	—	—	100	8
Administrative expenses	23	23	26	64	60	64	69	75	79	82
<b>Total deductions</b>	<b>7,164</b>	<b>7,689</b>	<b>8,303</b>	<b>8,886</b>	<b>9,473</b>	<b>9,922</b>	<b>10,176</b>	<b>10,660</b>	<b>11,532</b>	<b>12,103</b>
Net increase (decrease) in plan net position	12,456	(3,466)	6,158	9,623	(2,153)	(3,799)	4,996	1,714	429	(6,889)
<b>Net position held in trust for pension benefits</b>										
Beginning of year	66,370	78,826	75,360	81,518	91,141	88,988	84,932	89,616	91,331	91,759
Prior Period Adjustment	—	—	—	—	—	(257)	(312)	—	—	—
<b>End of year</b>	<b>\$ 78,826</b>	<b>\$ 75,360</b>	<b>\$ 81,518</b>	<b>\$ 91,141</b>	<b>\$ 88,988</b>	<b>\$ 84,932</b>	<b>\$ 89,616</b>	<b>\$ 91,331</b>	<b>\$ 91,759</b>	<b>\$ 84,870</b>

## CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

Magistrates Fund	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Additions:</b>										
Contributions:										
Employers	\$ 895	\$ 676	\$ 805	\$ 793	\$ 936	\$ 1280	\$ 1282	\$ 1,232	\$ 1,236	\$ 1,293
Members	363	350	353	266	490	587	603	580	640	650
Purchased service credits by members	—	—	—	—	—	—	—	—	—	—
<b>Total contributions</b>	<b>1,258</b>	<b>1,026</b>	<b>1,158</b>	<b>1,059</b>	<b>1,426</b>	<b>1,867</b>	<b>1,886</b>	<b>1,812</b>	<b>1,876</b>	<b>1,943</b>
Investment income:										
Interest	277	400	298	296	675	262	268	297	328	248
Dividends	357	360	441	423	443	386	356	342	314	241
Net change in fair value of investments	5,369	(920)	3,173	4,574	(471)	(605)	2,721	1,495	1,196	(916)
Securities lending income (loss)	17	9	(34)	(19)	(3)	6	9	146	7	112
Other investment income (loss)	—	—	—	—	—	69	64	7	226	6
	6,020	(151)	3,878	5,274	644	118	3,417	2,287	2,070	(309)
less investment expenses										
Securities lending expenses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Brokerage fees and other investment expenses	(62)	(65)	(67)	(74)	(64)	(48)	(126)	(130)	(130)	(127)
<b>Net investment income</b>	<b>5,957</b>	<b>(217)</b>	<b>3,810</b>	<b>5,199</b>	<b>579</b>	<b>69</b>	<b>3,290</b>	<b>2,156</b>	<b>1,938</b>	<b>(437)</b>
Other income (loss) and special item	130	75	67	217	(19)	27	3	14	—	—
<b>Total additions</b>	<b>7,345</b>	<b>884</b>	<b>5,035</b>	<b>6,475</b>	<b>1,986</b>	<b>1,963</b>	<b>5,178</b>	<b>3,982</b>	<b>3,814</b>	<b>1,506</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	2,652	2,753	2,886	3,690	3,956	3,976	3,966	3,951	4,026	4,204
Death Benefits/Survivors	226	386	413	—	—	—	—	—	—	—
Disability	77	79	81	—	—	—	—	—	—	—
Refunds to terminated employees	56	—	54	16	5	14	—	63	56	—
Administrative expenses	12	12	14	24	23	24	25	27	28	28
<b>Total deductions</b>	<b>3,023</b>	<b>3,230</b>	<b>3,448</b>	<b>3,730</b>	<b>3,984</b>	<b>4,014</b>	<b>3,991</b>	<b>4,041</b>	<b>4,109</b>	<b>4,232</b>
Net increase (decrease) in plan net position	4,322	(2,346)	1,587	2,745	(1,998)	(2,051)	1,187	(59)	(295)	(2,726)
<b>Net position held in trust for pension benefits</b>										
Beginning of year	28,876	33,198	30,852	32,439	35,184	33,186	31,038	32,225	32,092	31,797
Prior Period Adjustment	—	—	—	—	—	(97)	—	(73)	—	—
<b>End of year</b>	<b>\$ 33,198</b>	<b>\$ 30,852</b>	<b>\$ 32,439</b>	<b>\$ 35,184</b>	<b>\$ 33,186</b>	<b>\$ 31,038</b>	<b>\$ 32,225</b>	<b>\$ 32,092</b>	<b>\$ 31,797</b>	<b>\$ 29,071</b>



**CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS (CONTINUED)**

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

<b>Volunteer Firefighter Fund</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Additions:</b>										
Contributions:										
Employers	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Members	—	—	—	—	—	—	—	—	—	—
Appr from the State of NM	750	750	750	750	750	750	750	750	750	750
Purchased service credits	—	—	—	—	—	—	—	—	—	—
<b>Total contributions</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>
Investment income:										
Interest	392	603	494	519	1278	507	544	628	720	573
Dividends	538	547	730	738	831	750	724	727	694	558
Net change in fair value of investments	7,692	(1,343)	5,024	7,834	(888)	(1,099)	5,528	3,111	2,687	(2,154)
Securities lending income (loss)	24	14	(62)	(36)	(5)	11	18	310	15	14
Other investment income (loss)	—	—	—	—	—	134	130	16	499	256
	8,646	(179)	6,186	9,055	1,216	303	6,943	4,790	4,616	(753)
less investment expenses										
Securities lending expenses	—	(1)	(2)	(1)	(2)	(1)	(3)	(2)	(2)	(2)
Brokerage fees and other investment expenses	(93)	(100)	(118)	(135)	(120)	(95)	(258)	(276)	(296)	(302)
<b>Net investment income</b>	<b>8,553</b>	<b>(280)</b>	<b>6,066</b>	<b>8,919</b>	<b>1,094</b>	<b>207</b>	<b>6,682</b>	<b>4,512</b>	<b>4,318</b>	<b>(1,057)</b>
Other income (loss) and special item	181	109	102	405	12	51	1	1	1	—
<b>Total additions</b>	<b>9,484</b>	<b>579</b>	<b>6,918</b>	<b>10,074</b>	<b>1,856</b>	<b>1,008</b>	<b>7,434</b>	<b>5,263</b>	<b>5,069</b>	<b>(307)</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	760	829	935	1,419	1,633	1,835	2,031	2,319	2,457	2,626
Death Benefits/Survivors	22	28	34	0	0	0	—	—	—	—
Disability	—	—	—	—	—	—	—	—	—	—
Administrative expenses	—	—	—	44	43	47	52	58	63	67
<b>Total deductions</b>	<b>782</b>	<b>857</b>	<b>969</b>	<b>1,463</b>	<b>1,676</b>	<b>1,882</b>	<b>2,083</b>	<b>2,377</b>	<b>2,520</b>	<b>2,693</b>
Net increase (decrease) in plan net position	8,702	(278)	5,949	8,611	180	(874)	5,351	2,886	2,549	(3,000)
<b>Net position held in trust for pension benefits</b>										
Beginning of year	38,939	47,641	47,363	53,312	61,923	62,103	61,050	66,401	69,287	71,836
<b>End of year</b>	<b>\$ 47,641</b>	<b>\$ 47,363</b>	<b>\$ 53,312</b>	<b>\$ 61,923</b>	<b>\$ 62,103</b>	<b>\$ 61,050</b>	<b>\$ 66,401</b>	<b>\$ 69,287</b>	<b>\$ 71,836</b>	<b>\$ 68,836</b>



## CHANGES IN PLAN NET POSITION - LAST TEN FISCAL YEARS (CONTINUED)

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

Deferred Comp Fund	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Additions:</b>										
Contributions:										
Employers	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Members	35,818	33,869	35,921	35,911	34,628	35,261	47,753	40,032	43,135	41,705
Purchased service credits by members	—	—	—	—	—	—	—	—	—	—
<b>Total contributions</b>	<b>35,818</b>	<b>33,869</b>	<b>35,921</b>	<b>35,911</b>	<b>34,628</b>	<b>35,261</b>	<b>47,753</b>	<b>40,032</b>	<b>43,135</b>	<b>41,705</b>
Investment income:										
Interest	2,735	2,497	2,597	427	450	502	58,957	3,055	3,077	8,946
Dividends	—	—	—	—	—	—	—	—	—	—
Net change in fair value of investments	50,273	(11)	37,604	59,543	18,933	994	—	44,426	34,479	14,657
Securities lending income (loss)	—	—	—	—	—	—	—	—	—	—
Other investment income (loss)	—	(1,040)	(11)	—	—	—	—	—	—	708
	53,008	1,446	40,190	59,970	19,383	1,496	58,957	47,481	37,556	24,311
less investment expenses										
Securities lending expenses	—	—	—	—	—	—	—	—	—	—
Brokerage fees and other investment expenses	—	—	—	—	—	—	—	—	—	—
<b>Net investment income</b>	<b>53,008</b>	<b>1,446</b>	<b>40,190</b>	<b>59,970</b>	<b>19,383</b>	<b>1,496</b>	<b>58,957</b>	<b>47,481</b>	<b>37,556</b>	<b>24,311</b>
Other income	—	—	—	—	—	—	—	82	107	108
<b>Total additions</b>	<b>88,826</b>	<b>35,315</b>	<b>76,111</b>	<b>95,881</b>	<b>54,011</b>	<b>36,757</b>	<b>106,710</b>	<b>87,595</b>	<b>80,798</b>	<b>66,124</b>
<b>Deductions:</b>										
Benefits Paid										
Retirement Benefits	28,583	29,960	36,194	37,303	38,954	34,153	39,511	48,221	41,198	47,481
Life insurance premiums	123	112	92	76	62	55	42	34	25	18
Administrative expenses	987	956	918	930	996	1,055	1,165	1,317	1,458	1,558
<b>Total deductions</b>	<b>29,693</b>	<b>31,028</b>	<b>37,204</b>	<b>38,309</b>	<b>40,012</b>	<b>35,263</b>	<b>40,718</b>	<b>49,572</b>	<b>42,681</b>	<b>49,057</b>
Net increase (decrease) in plan net position	59,133	4,287	38,907	57,572	13,999	1,494	65,993	38,023	38,117	17,067
<b>Net position held in trust for pension benefits</b>										
Beginning of year	329,401	388,534	392,821	429,775	487,347	501,346	502,840	568,833	606,898	645,015
Prior Period Adjustment	—	—	—	—	—	—	—	—	44,603	—
<b>End of year</b>	<b>\$ 388,534</b>	<b>\$ 392,821</b>	<b>\$ 431,728</b>	<b>\$ 487,347</b>	<b>\$ 501,346</b>	<b>\$ 502,840</b>	<b>\$ 568,833</b>	<b>\$ 606,898</b>	<b>\$ 645,015</b>	<b>\$ 662,082</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

PERA Fund Benefit Option	2016			2017		
	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
death	13,881	\$ 403,515,797	\$ 28,953	14,404	\$ 426,262,930	\$ 29,593
Two Life 100% survivor pension						
Retired member recipient	12,634	382,969,455	30,313	12,742	393,244,230	30,862
Survivor member recipient	2,257	49,696,593	22,019	2,293	52,370,761	22,839
Two life 50% survivor pension						
Retired member recipient	4,711	149,963,318	31,833	4,751	154,216,776	32,460
Survivor member recipient	879	11,220,862	12,765	905	11,973,711	13,231
Single Life with temporary child survivor pension						
Retired member recipient	229	8,771,533	38,304	215	8,498,507	39,528
Child recipient	3	88,412	29,471	6	147,907	24,651
<b>Total Normal Retirement Pensions</b>	<b>34,594</b>	<b>\$ 1,006,225,970</b>	<b>\$ 29,087</b>	<b>35,316</b>	<b>\$ 1,046,714,822</b>	<b>\$ 29,639</b>
<b>DISABILITY RETIREMENT PENSIONS:</b>						
death	379	\$ 6,324,090	\$ 16,686	407	\$ 7,081,485	\$ 17,399
Two Life 100% survivor pension						
Retired member recipient	720	11,926,212	16,564	751	12,681,154	16,886
Survivor member recipient	190	2,890,866	15,215	195	3,016,340	15,468
Two life 50% survivor pension						
Retired member recipient	147	2,714,216	18,464	162	3,077,199	18,995
Survivor member recipient	22	190,295	8,650	23	200,451	8,715
Single Life with temporary child survivor pension						
Retired member recipient	8	119,679	14,960	8	115,407	14,426
Child recipient	1	6,238	6,238	1	6,363	6,363
<b>Total Disability Retirement Pensions</b>	<b>1,467</b>	<b>\$ 24,171,596</b>	<b>\$ 16,477</b>	<b>1,547</b>	<b>\$ 26,178,399</b>	<b>\$ 16,922</b>
<b>PRE-RETIREMENT SURVIVOR PENSIONS:</b>						
Pre-retirement survivor pension						
Spouse recipient	1,096	18,259,199	\$16,660	1,103	\$18,806,996	\$17,051
Child recipient	49	486,943	9,938	45	453,801	10,084
<b>Total Pre-Retirement Survivor Pensions</b>	<b>1,145</b>	<b>\$ 18,746,142</b>	<b>\$16,372</b>	<b>1,148</b>	<b>\$ 19,260,797</b>	<b>\$16,778</b>
<b>LEGISLATIVE RETIREMENT PENSIONS:</b>						
Legislative retirement						
Retired member recipient	152	\$1,483,015	\$9,757	156	\$ 1,615,853	\$10,358
Survivor member recipient	30	\$266,535	8,885	30	\$ 269,013	8,967
<b>Pensions</b>	<b>182</b>	<b>\$ 1,749,550</b>	<b>\$9,613</b>	<b>186</b>	<b>\$ 1,884,866</b>	<b>10,134</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>37,388</b>	<b>\$1,050,893,258</b>	<b>\$28,108</b>	<b>38,197</b>	<b>\$ 1,094,038,884</b>	<b>\$28,642</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2018			2019			2020		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
15,042	\$ 451,190,431	\$ 29,995	15,571	\$ 475,991,087	30,569	16,107	\$ 502,570,678	\$ 31,202
13,214	415,937,183	31,477	13,562	434,725,915	\$32055	13,802	450,128,365	32,613
2,409	56,816,564	23,585	2,476	60,647,476	\$24494	2,586	65,204,638	25,214
4,771	157,631,492	33,040	4,930	166,585,035	33,790	5,092	174,975,685	34,363
932	12,664,539	13,589	951	13,150,784	13,828	990	14,074,515	14,217
193	7,919,309	41,033	189	7,870,229	\$41641	177	7,464,072	42,170
7	157,186	22,455	6	152,792	\$25,465	6	155,847	25,975
<b>36,568</b>	<b>\$ 1,102,316,704</b>	<b>\$ 30,144</b>	<b>37,685</b>	<b>\$ 1,159,123,318</b>	<b>\$ 30,758</b>	<b>38,760</b>	<b>\$ 1,214,573,800</b>	<b>\$ 31,336</b>
464	\$ 8,258,856	\$ 17,799	487	\$ 8,882,199	\$ 18,239	503	\$ 9,326,815	\$ 18,542
771	13,408,112	17,391	774	13,787,766	17,814	788	14,357,427	18,220
202	3,168,006	15,683	205	3,295,869	16,077	220	3,533,326	16,061
170	3,280,877	19,299	186	3,719,808	19,999	187	3,836,939	20,518
25	212,726	8,509	27	226,014	8,371	28	238,262	8,509
8	123,712	15,464	9	143,358	\$ 15,929	10	161,954	\$ 16,195
1	\$6,490	6,490	—	—	N/A	—	—	N/A
<b>1,641</b>	<b>\$ 28,458,779</b>	<b>\$ 17,342</b>	<b>1,688</b>	<b>\$ 30,055,014</b>	<b>\$ 17,805</b>	<b>1,736</b>	<b>\$ 31,454,723</b>	<b>\$ 18,119</b>
1,122	19,496,306	\$ 17,376	1,137	\$20,173,213	\$17,742	1,163	\$2,103,261	\$ 18,085
43	441,090	10,258	40	418,020	10,451	37	390,394	10,551
<b>1,165</b>	<b>\$ 19,937,396</b>	<b>\$ 17,114</b>	<b>1,177</b>	<b>\$ 20,591,233</b>	<b>\$ 17,495</b>	<b>1,200</b>	<b>\$ 21,423,655</b>	<b>\$ 17,853</b>
150	\$1,559,216	\$30,083	185	\$1,966,525	\$10,630	157	\$1,713,418	\$ 11,622
33	\$309,110	25,511	9	\$108,819	\$12,091	38	\$404,233	\$9,702
<b>183</b>	<b>\$ 1,868,326</b>	<b>\$ 10,209</b>	<b>194</b>	<b>\$ 2,075,344</b>	<b>\$ 10,698</b>	<b>195</b>	<b>\$ 2,117,651</b>	<b>\$ 10,860</b>
<b>39,557</b>	<b>\$ 1,152,581,205</b>	<b>\$ 29,137</b>	<b>40,744</b>	<b>\$ 1,211,844,909</b>	<b>\$ 29,743</b>	<b>41,891</b>	<b>\$ 1,269,569,829</b>	<b>\$ 30,307</b>

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)**

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

Judicial Fund Benefit Option	2016			2017		
	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
Regular Benefit - 75% joint and survivor	116	\$ 7,972,538	\$ 68,729	119	\$ 8,220,174	\$ 69,077
Survivor/co-payee beneficiary recipient	36	\$1,548,257	43,007	36	\$1,562,387	43,400
<b>Total Normal Retirement Pensions</b>	<b>152</b>	<b>\$ 9,520,795</b>	<b>\$ 62,637</b>	<b>155</b>	<b>\$ 9,782,561</b>	<b>\$ 63,113</b>
<b>DISABILITY RETIREMENT PENSIONS:</b>						
Duty Disability	1	\$ 31,797	\$ 31,797	1	\$ 31,797	\$ 31,797
Survivor/co-payee Recipient		—	n/a		—	n/a
Non-Duty Disability	1	41,398	41,398	1	41,398	41,398
<b>Total Disability Retirement Pensions</b>	<b>2</b>	<b>\$ 73,195</b>	<b>\$36,598</b>	<b>2</b>	<b>\$ 73,195</b>	<b>\$ 36,598</b>
<b>PRE-RETIREMENT SURVIVOR PENSIONS:</b>						
Pre-retirement survivor pension						
Spouse recipient	6	\$286,224	\$ 47,704	6	\$286,224	\$47,704
Child recipient	-	—	n/a	—	—	n/a
<b>Total Pre-Retirement Survivor Pensions</b>	<b>6</b>	<b>\$ 286,224</b>	<b>\$ 47,704</b>	<b>6</b>	<b>\$ 286,224</b>	<b>\$ 47,704</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>160</b>	<b>\$ 9,880,214</b>	<b>\$ 61,751</b>	<b>163</b>	<b>\$ 10,141,980</b>	<b>\$ 62,221</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2018			2019			2020		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
125	\$ 8,604,718	\$ 68,838	133	\$ 9,402,971	\$ 70,699	136	\$ 9,642,817	\$ 70,903
41	\$1,807,145	44,077	45	\$1,945,874	43,242	49	\$2,119,238	35,984
<b>166</b>	<b>\$ 10,411,863</b>	<b>\$ 62,722</b>	<b>178</b>	<b>\$ 11,348,845</b>	<b>\$ 63,758</b>	<b>185</b>	<b>\$ 11,762,055</b>	<b>\$ 63,578</b>
1	\$ 31,797	\$ 31,797	1	\$ 32,433	\$ 32,433	2	\$ 74,659	\$ 37,330
	-	n/a	0	—	n/a	—	—	n/a
1	41,398	\$ 41,398	1	42,226	\$ 42,226	1	\$42,226	\$ 42,226
<b>2</b>	<b>\$ 73,195</b>	<b>\$ 36,598</b>	<b>2</b>	<b>\$ 74,659</b>	<b>\$ 37,330</b>	<b>2</b>	<b>\$ 74,659</b>	<b>\$ 37,330</b>
6	286,224	47,704	6	291,949	\$ 48,658	6	291,949	\$ 48,658
-	-	n/a	0	—	n/a	—	—	n/a
<b>6</b>	<b>\$ 286,224</b>	<b>\$ 47,704</b>	<b>6</b>	<b>\$ 291,949</b>	<b>\$ 48,658</b>	<b>6</b>	<b>\$ 291,949</b>	<b>\$ 48,658</b>
<b>174</b>	<b>\$ 10,771,282</b>	<b>\$ 61,904</b>	<b>186</b>	<b>\$ 11,715,453</b>	<b>\$62,986</b>	<b>193</b>	<b>\$ 12,128,663</b>	<b>\$ 62,843</b>

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)**

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

<b>Magistrate Fund</b> Benefit Option	<b>2016</b>			<b>2017</b>		
	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
Regular Benefit - 75% joint and survivor	80	\$ 3,224,107	\$ 40,301	78	\$ 3,104,997	\$ 39,808
Survivor/co-payee beneficiary recipient	16	\$481,681	30,105	20	\$597,580	29,879
<b>Total Normal Retirement Pensions</b>	<b>96</b>	<b>\$ 3,705,788</b>	<b>\$ 38,602</b>	<b>98</b>	<b>\$ 3,702,577</b>	<b>\$ 37,781</b>
<b>DISABILITY RETIREMENT PENSIONS:</b>						
Duty Disability	1	\$ 46,177	\$ 46,177	1	\$ 46,177	\$ 46,177
Survivor/co-payee Recipient	—	—	n/a	—	—	n/a
Non-Duty Disability	2	95,362	47,681	2	95,362	47,681
<b>Total Disability Retirement Pensions</b>	<b>3</b>	<b>\$ 141,539</b>	<b>\$ 47,180</b>	<b>3</b>	<b>\$ 141,539</b>	<b>\$ 47,180</b>
<b>PRE-RETIREMENT SURVIVOR PENSIONS:</b>						
Pre-retirement survivor pension						
Spouse recipient	1	\$ 46,337	\$ 46,337	1	\$ 46,337	\$ 46,337
Child recipient	—	—	n/a	—	—	n/a
<b>Total Pre-Retirement Survivor Pensions</b>	<b>1</b>	<b>\$ 46,337</b>	<b>\$ 46,337</b>	<b>1</b>	<b>\$ 46,337</b>	<b>\$ 46,337</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>100</b>	<b>\$ 3,893,664</b>	<b>\$ 38,937</b>	<b>102</b>	<b>\$ 3,890,453</b>	<b>\$ 38,142</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2018			2019			2020		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
78	\$ 3,032,173	\$ 38,874	77	\$ 3,067,438	\$ 39,837	81	\$ 3,348,233	\$ 41,336
22	\$680,059	49,238	24	\$750,262	49,685	24	\$694,608	28,942
<b>100</b>	<b>\$ 3,712,232</b>	<b>\$ 37,122</b>	<b>101</b>	<b>\$ 3,817,700</b>	<b>\$ 37,799</b>	<b>105</b>	<b>\$ 4,042,841</b>	<b>\$ 38,503</b>
1	\$ 46,177	\$ 46,177	1	\$ 47,100	\$ 47,100	—	—	n/a
-	-	n/a	—	—	n/a	—	—	n/a
2	95,362	\$ 47,681	2	97,270	48,635	2	\$97,270	48,635
<b>3</b>	<b>\$ 141,539</b>	<b>\$ 47,180</b>	<b>3</b>	<b>\$ 144,370</b>	<b>\$ 48,123</b>	<b>2</b>	<b>\$ 97,270</b>	<b>\$ 48,635</b>
1	\$ 46,337	\$ 46,337	1	\$ 47,264	\$ 47,264	1	\$ 47,264	\$ 47,264
-	-	n/a	—	—	n/a	—	—	n/a
<b>1</b>	<b>\$ 46,337</b>	<b>\$ 46,337</b>	<b>1</b>	<b>\$ 47,264</b>	<b>\$ 47,264</b>	<b>1</b>	<b>\$ 47,264</b>	<b>\$ 47,264</b>
<b>104</b>	<b>\$ 3,900,108</b>	<b>\$ 37,501</b>	<b>105</b>	<b>\$ 4,009,334</b>	<b>\$ 38,184</b>	<b>108</b>	<b>\$ 4,187,375</b>	<b>\$ 38,772</b>



**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)**

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

<b>Volunteer Firefighters Fund</b>	<b>2016</b>			<b>2017</b>		
Benefit Option	Number	Pension	Average	Number	Pension	Average
<b>NORMAL RETIREMENT PENSIONS:</b>						
Regular Benefit - 66 2/3% joint and survivor	1,053	\$ 1,887,750	\$ 1,793	1,139	\$ 2,063,250	1,811
Survivor/co-payee Recipient	60	\$51,951	866	72	\$67,150	933
Total Normal Retirement Pensions	<b>1,113</b>	<b>\$ 1,939,701</b>	<b>\$ 1,743</b>	<b>1,211</b>	<b>\$ 2,130,400</b>	<b>1,759</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>1,113</b>	<b>\$ 1,939,701</b>	<b>\$ 1,743</b>	<b>1,211</b>	<b>\$ 2,130,400</b>	<b>1,759</b>

## SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT OPTION (CONTINUED)

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

2018			2019			2020		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
1,274	\$ 2,310,750	\$ 1,814	1,330	\$ 2,411,250	\$ 1,813	1,423	\$ 2,583,750	\$ 1,816
80	\$76,550	957	99	\$97,749	987	80	76,550	957
<b>1,354</b>	<b>\$ 2,387,300</b>	<b>\$ 1,763</b>	<b>1,429</b>	<b>\$ 2,508,999</b>	<b>\$ 1,756</b>	<b>1,537</b>	<b>\$ 2,697,499</b>	<b>\$ 1,755</b>
<b>1,354</b>	<b>\$ 2,387,300</b>	<b>\$ 1,763</b>	<b>1,429</b>	<b>\$ 2,508,999</b>	<b>\$ 1,756</b>	<b>1,537</b>	<b>\$ 2,697,499</b>	<b>\$ 1,755</b>

**SCHEDULE OF AVERAGE BENEFIT PAYMENT****FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>State General</b>									
2011	Average Monthly Benefit	\$ 1,338	\$ 774	\$ 1,144	\$ 1,644	\$ 2,287	\$ 2,773	\$ 2,518	\$ 2,097
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	147	1,338	1,615	1,671	2,079	5,018	936	12,804
2012	Average Monthly Benefit	\$ 1,475	\$ 802	\$ 1,189	\$ 1,706	\$ 2,361	\$ 2,862	\$ 2,608	\$ 2,161
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (cb)	176	1,453	1,700	1,759	2,179	5,283	918	13,468
2013	Average Monthly Benefit	\$ 1,622	\$ 822	\$ 1,242	\$ 1,784	\$ 2,471	\$ 2,954	\$ 2,692	\$ 2,231
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	187	1,617	1,826	1,863	2,321	5,611	903	14,328
2014	Average Monthly Benefit	\$ 1,730	\$ 848	\$ 1,280	\$ 1,822	\$ 2,534	\$ 3,021	\$ 2,784	\$ 2,277
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	233	1,774	1,989	1,953	2,482	5,962	904	15,297
2015	Average Monthly Benefit	\$ 605	\$ 899	\$ 1,420	\$ 2,012	\$ 2,738	\$ 3,194	\$ 3,132	\$ 2,431
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	520	1,484	1,605	1,593	2,147	5,734	677	13,760
2016	Average Monthly Benefit	\$ 475	\$ 831	\$ 1,390	\$ 2,005	\$ 2,776	\$ 3,261	\$ 3,203	\$ 2,449
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	539	1,577	1,686	1,658	2,222	6,057	660	14,399
2017	Average Monthly Benefit	\$ 443	\$ 842	\$ 1,431	\$ 2,075	\$ 2,824	\$ 3,326	\$ 3,282	\$ 2,483
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	597	1,680	1,755	1,718	2,212	6,235	644	14,841
2018	Average Monthly Benefit	\$ 495	\$ 858	\$ 1,455	\$ 2,114	\$ 2,880	\$ 3,392	\$ 3,364	\$ 2,529
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	628	1,760	1,853	1,767	2,301	6,499	619	15,427
2019	Average Monthly Benefit	\$ 843	\$ 885	\$ 1,492	\$ 2,163	\$ 2,943	\$ 3,465	\$ 3,514	\$ 2,583
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	748	1,825	1,922	1,818	2,294	6,661	595	15,863
2020	Average Monthly Benefit	\$ 967	\$ 906	\$ 1,521	\$ 2,212	\$ 2,996	\$ 3,530	\$ 3,608	\$ 2,637
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	797	1,867	1,962	1,883	2,370	6,872	583	16,334

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

- (a) Excludes 835 members who did not have service reported
- (b) Excludes 923 members who did not have service reported
- (c) Excludes 990 members who did not have service reported
- (d) Excludes 792 members who did not have service reported
- (e) Excludes 488 members who did not have service reported

- (f) Excludes 403 members who did not have service reported
- (g) Excludes 278 members who did not have service reported
- (h) Excludes 113 members who did not have service reported
- (i) Excludes 93 members who did not have service reported
- (j) Excludes 184 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2020

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>State Police</b>									
2011	Average Monthly Benefit	\$ 1,428	\$ 1,433	\$ 1,435	\$ 1,941	\$ 2,670	\$ 3,113	\$ 3,374	\$ 2,434
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	52	93	105	110	214	279	69	922
2012	Average Monthly Benefit	\$ 1,422	\$ 1,435	\$ 1,439	\$ 1,990	\$ 2,701	\$ 3,148	\$ 3,443	\$ 2,495
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	48	96	108	115	212	327	72	978
2013	Average Monthly Benefit	\$ 1,454	\$ 1,430	\$ 1,475	\$ 2,034	\$ 2,704	\$ 3,171	\$ 3,502	\$ 2,542
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	45	98	108	121	242	357	74	1,045
2014	Average Monthly Benefit	\$ 1,482	\$ 1,404	\$ 1,411	\$ 2,038	\$ 2,771	\$ 3,217	\$ 3,559	\$ 2,601
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	44	104	110	124	258	413	79	1,132
2015	Average Monthly Benefit	\$ 1,205	\$ 1,717	\$ 1,579	\$ 2,251	\$ 2,845	\$ 3,305	\$ 3,822	\$ 2,855
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	33	59	64	83	226	434	62	961
2016	Average Monthly Benefit	\$ 1,339	\$ 1,701	\$ 1,556	\$ 2,255	\$ 2,857	\$ 3,315	\$ 3,816	\$ 2,885
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	35	54	66	86	252	476	67	1,036
2017	Average Monthly Benefit	\$ 1,433	\$ 1,720	\$ 1,606	\$ 2,281	\$ 2,912	\$ 3,352	\$ 3,925	\$ 2,952
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	31	55	63	84	237	500	67	1,037
2018	Average Monthly Benefit	\$ 1,465	\$ 1,610	\$ 1,626	\$ 2,276	\$ 2,858	\$ 3,406	\$ 3,913	\$ 2,954
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	31	59	63	85	348	528	64	1,178
2019	Average Monthly Benefit	\$ 1,774	\$ 1,606	\$ 1,738	\$ 2,352	\$ 2,891	\$ 3,459	\$ 4,002	\$ 3,023
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	36	58	61	81	348	557	64	1,205
2020	Average Monthly Benefit	\$ 1,841	\$ 1,667	\$ 1,766	\$ 2,344	\$ 2,921	\$ 3,512	\$ 4,029	\$ 3,077
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	38	58	57	79	347	583	65	1,227

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

- (a) Excludes 305 members who did not have service reported
- (b) Excludes 311 members who did not have service reported
- (c) Excludes 281 members who did not have service reported
- (d) Excludes 270 members who did not have service reported
- (e) Excludes 202 members who did not have service reported

- (f) Excludes 160 members who did not have service reported
- (g) Excludes 158 members who did not have service reported
- (h) Excludes 34 members who did not have service reported
- (i) Excludes 13 members who did not have service reported
- (j) Excludes 7 members who did not have service reported.

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Municipal General</b>									
2011	Average Monthly Benefit	\$ 1,289	\$ 646	\$ 1,014	\$ 1,575	\$ 2,264	\$ 2,686	\$ 2,525	\$ 1,909
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	188	1,153	1,277	1,286	1,440	3,087	384	8,815
2012	Average Monthly Benefit	\$ 1,398	\$ 664	\$ 1,053	\$ 1,624	\$ 2,302	\$ 2,771	\$ 2,582	\$ 1,970
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	198	1,217	1,332	1,330	1,496	3,305	393	9,271
2013	Average Monthly Benefit	\$ 1,538	\$ 680	\$ 1,086	\$ 1,698	\$ 2,382	\$ 2,864	\$ 2,677	\$ 2,040
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	207	1,323	1,415	1,431	1,607	3,557	415	9,955
2014	Average Monthly Benefit	\$ 1,466	\$ 687	\$ 1,104	\$ 1,720	\$ 2,429	\$ 2,924	\$ 2,815	\$ 2,078
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	226	1,429	1,531	1,508	1,736	3,823	430	10,683
2015	Average Monthly Benefit	\$ 854	\$ 736	\$ 1,189	\$ 1,839	\$ 2,619	\$ 3,078	\$ 3,145	\$ 2,270
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	278	1,078	1,189	1,195	1,485	3,724	363	9,312
2016	Average Monthly Benefit	\$ 714	\$ 723	\$ 1,171	\$ 1,837	\$ 2,630	\$ 3,147	\$ 3,261	\$ 2,289
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	296	1,148	1,282	1,253	1,514	3,945	377	9,815
2017	Average Monthly Benefit	\$ 654	\$ 725	\$ 1,202	\$ 1,878	\$ 2,672	\$ 3,204	\$ 3,365	\$ 2,322
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	332	1,191	1,322	1,282	1,523	4,052	388	10,090
2018	Average Monthly Benefit	\$ 710	\$ 727	\$ 1,230	\$ 1,898	\$ 2,725	\$ 3,259	\$ 3,447	\$ 2,360
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	355	1,267	1,404	1,340	1,619	4,256	410	10,651
2019	Average Monthly Benefit	\$ 1,192	\$ 751	\$ 1,258	\$ 1,957	\$ 2,767	\$ 3,306	\$ 3,528	\$ 2,400
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	462	1,329	1,473	1,396	1,643	4,380	428	11,111
2020	Average Monthly Benefit	\$ 1,236	\$ 769	\$ 1,278	\$ 2,003	\$ 2,832	\$ 3,372	\$ 3,637	\$ 2,450
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	505	1,368	1,513	1,429	1,661	4,499	457	11,432

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

- (a) Excludes 723 members who did not have service reported
- (b) Excludes 788 members who did not have service reported
- (c) Excludes 756 members who did not have service reported
- (d) Excludes 609 members who did not have service reported
- (e) Excludes 319 members who did not have service reported

- (f) Excludes 269 members who did not have service reported
- (g) Excludes 226 members who did not have service reported
- (h) Excludes 134 members who did not have service reported
- (i) Excludes 106 members who did not have service reported
- (j) Excludes 31 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2020

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Municipal Police</b>									
2011	Average Monthly Benefit	\$ 1,696	\$ 1,434	\$ 1,641	\$ 2,706	\$ 3,151	\$ 3,045	\$ 3,224	\$ 2,875
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	52	77	126	515	1,366	136	39	2,311
2012	Average Monthly Benefit	\$ 1,716	\$ 1,425	\$ 1,719	\$ 2,774	\$ 3,227	\$ 3,199	\$ 3,391	\$ 2,964
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	51	80	126	514	1,483	142	41	2,437
2013	Average Monthly Benefit	\$ 1,869	\$ 1,470	\$ 1,747	\$ 2,822	\$ 3,310	\$ 3,293	\$ 3,375	\$ 3,043
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	60	78	130	525	1,596	147	43	2,579
2014	Average Monthly Benefit	\$ 1,918	\$ 1,481	\$ 1,789	\$ 2,878	\$ 3,370	\$ 3,511	\$ 3,456	\$ 3,119
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	58	82	139	547	1,771	155	44	2,796
2015	Average Monthly Benefit	\$ 2,054	\$ 1,589	\$ 2,080	\$ 3,167	\$ 3,584	\$ 3,925	\$ 3,657	\$ 3,413
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	42	49	81	467	1,702	133	35	2,509
2016	Average Monthly Benefit	\$ 2,020	\$ 1,573	\$ 2,125	\$ 3,190	\$ 3,635	\$ 4,081	\$ 3,781	\$ 3,475
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	42	50	81	462	1,869	143	36	2,683
2017	Average Monthly Benefit	\$ 1,851	\$ 1,404	\$ 2,136	\$ 3,253	\$ 3,680	\$ 4,157	\$ 3,848	\$ 3,531
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	36	47	81	443	1,968	148	38	2,761
2018	Average Monthly Benefit	\$ 2,090	\$ 1,433	\$ 2,167	\$ 3,277	\$ 3,731	\$ 4,344	\$ 4,181	\$ 3,595
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	36	49	83	450	2,063	155	41	2,877
2019	Average Monthly Benefit	\$ 2,610	\$ 1,597	\$ 2,148	\$ 3,313	\$ 3,796	\$ 4,457	\$ 4,364	\$ 3,647
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	62	59	88	457	2,137	153	40	2,996
2020	Average Monthly Benefit	\$ 2,768	\$ 1,649	\$ 2,158	\$ 3,355	\$ 3,858	\$ 4,484	\$ 4,584	\$ 3,708
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	78	59	84	440	2,176	155	41	3,033

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

- (a) Excludes 287 members who did not have service reported
- (b) Excludes 276 members who did not have service reported
- (c) Excludes 247 members who did not have service reported
- (d) Excludes 136 members who did not have service reported
- (e) Excludes 136 members who did not have service reported

- (f) Excludes 88 members who did not have service reported
- (g) Excludes 87 members who did not have service reported
- (h) Excludes 53 members who did not have service reported
- (i) Excludes 36 members who did not have service reported
- (j) Excludes 12 members who did not have service reported

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Municipal Fire</b>									
2011	Average Monthly Benefit	\$ 1,893	\$ 1,723	\$ 2,086	\$ 2,749	\$ 3,168	\$ 2,716	\$ 2,531	\$ 2,939
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	10	30	85	288	913	71	47	1,444
2012	Average Monthly Benefit	\$ 1,950	\$ 1,683	\$ 2,187	\$ 2,843	\$ 3,269	\$ 2,886	\$ 2,594	\$ 3,045
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	10	32	85	279	963	73	45	1,487
2013	Average Monthly Benefit	\$ 1,760	\$ 1,746	\$ 2,278	\$ 2,915	\$ 3,366	\$ 3,031	\$ 2,705	\$ 3,143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	11	34	84	281	1,014	71	44	1,539
2014	Average Monthly Benefit	\$ 1,883	\$ 1,776	\$ 2,358	\$ 2,976	\$ 3,441	\$ 3,315	\$ 2,835	\$ 3,232
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	12	34	84	292	1,083	74	46	1,625
2015	Average Monthly Benefit	\$ 2,229	\$ 2,032	\$ 2,767	\$ 3,247	\$ 3,692	\$ 3,694	\$ 3,400	\$ 3,547
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	10	23	48	220	1,027	57	35	1,420
2016	Average Monthly Benefit	\$ 2,308	\$ 2,116	\$ 2,760	\$ 3,341	\$ 3,756	\$ 3,981	\$ 3,419	\$ 3,625
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	11	24	50	225	1,089	62	36	1,497
2017	Average Monthly Benefit	\$ 2,346	\$ 2,170	\$ 2,750	\$ 3,380	\$ 3,821	\$ 4,070	\$ 3,440	\$ 3,689
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	11	25	50	205	1,127	62	36	1,516
2018	Average Monthly Benefit	\$ 2,381	\$ 2,206	\$ 2,822	\$ 3,427	\$ 3,892	\$ 4,317	\$ 3,580	\$ 3,765
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	10	25	54	212	1,169	60	38	1,568
2019	Average Monthly Benefit	\$ 3,473	\$ 2,411	\$ 2,883	\$ 3,526	\$ 3,962	\$ 4,721	\$ 3,724	\$ 3,865
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	26	27	53	200	1,206	67	38	1,617
2020	Average Monthly Benefit	\$ 3,612	\$ 2,364	\$ 2,846	\$ 3,543	\$ 4,028	\$ 4,846	\$ 3,724	\$ 3,925
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	29	29	53	187	1,233	70	36	1,637

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

- (a) Excludes 104 members who did not have service reported
- (b) Excludes 116 members who did not have service reported
- (c) Excludes 114 members who did not have service reported
- (d) Excludes 111 members who did not have service reported
- (e) Excludes 54 members who did not have service reported

- (f) Excludes 44 members who did not have service reported
- (g) Excludes 32 members who did not have service reported
- (h) Excludes 18 members who did not have service reported
- (i) Excludes 13 members who did not have service reported
- (j) Excludes 7 members who did not have service reported



## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2020

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Legislative</b>									
2011	Average Monthly Benefit	\$ 534	\$ 396	\$ 591	\$ 653	\$ 470	\$ 463	\$ 1,098	\$ 626
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	3	27	24	23	16	7	22	122
2012	Average Monthly Benefit	\$ 445	\$ 415	\$ 600	\$ 687	\$ 493	\$ 449	\$ 1,110	\$ 635
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	4	29	24	24	15	6	21	123
2013	Average Monthly Benefit	\$ 763	\$ 410	\$ 771	\$ 820	\$ 748	\$ 462	\$ 1,254	\$ 762
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	4	30	40	26	22	6	22	150
2014	Average Monthly Benefit	\$ 772	\$ 422	\$ 760	\$ 800	\$ 759	\$ 471	\$ 1,231	\$ 750
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	4	30	41	24	22	6	20	147
2015	Average Monthly Benefit	\$ 332	\$ 422	\$ 770	\$ 896	\$ 1,092	\$ 582	\$ 1,538	\$ 800
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	8	38	42	24	18	4	16	150
2016	Average Monthly Benefit	\$ 337	\$ 420	\$ 782	\$ 904	\$ 1,195	\$ 610	\$ 1,614	\$ 819
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	8	36	42	25	18	5	15	149
2017	Average Monthly Benefit	\$ 185	\$ 441	\$ 797	\$ 1,023	\$ 1,250	\$ 622	\$ 1,701	\$ 876
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	6	35	41	28	20	5	15	150
2018	Average Monthly Benefit	\$ 188	\$ 449	\$ 802	\$ 1,024	\$ 1,271	\$ 635	\$ 1,659	\$ 866
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	6	34	43	26	19	5	13	146
2019	Average Monthly Benefit	\$ 256	\$ 462	\$ 816	\$ 1,052	\$ 1,345	\$ 886	\$ 1,747	\$ 903
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	7	36	44	28	19	6	14	154
2020	Average Monthly Benefit	\$ 536	\$ 452	\$ 823	\$ 1,080	\$ 1,338	\$ 897	\$ 1,805	\$ 921
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	9	32	45	25	18	6	13	148

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

- (a) Excludes 43 members who did not have service reported
- (b) Excludes 40 members who did not have service reported
- (c) Excludes 29 members who did not have service reported
- (d) Excludes 31 members who did not have service reported
- (e) Excludes 4 members who did not have service reported

- (f) Excludes 2 members who did not have service reported
- (g) Excludes 3 members who did not have service reported
- (h) Excludes 3 members who did not have service reported
- (i) Excludes 3 members who did not have service reported
- (j) Excludes 5 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

### FISCAL YEAR ENDED JUNE 30, 2020

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Judicial</b>									
2011	Average Monthly Benefit	\$ 5,681	\$ 3,237	\$ 4,671	\$ 6,060	\$ 4,379	\$ 3,231	\$ 5,406	\$ 5,143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	1	9	16	29	4	2	17	78
2012	Average Monthly Benefit	\$ 5,851	\$ 2,987	\$ 4,464	\$ 6,333	\$ 5,293	\$ 5,091	\$ 5,587	\$ 5,152
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	1	17	20	35	8	7	18	106
2013	Average Monthly Benefit	\$ 6,026	\$ 3,075	\$ 4,537	\$ 6,375	\$ 5,204	\$ 5,686	\$ 5,898	\$ 5,280
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	1	19	20	39	11	9	17	116
2014	Average Monthly Benefit	\$ 6,147	\$ 3,127	\$ 4,834	\$ 6,615	\$ 5,528	\$ 5,225	\$ 6,016	\$ 5,406
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	1	19	25	39	10	10	17	121
2015	Average Monthly Benefit	\$ 5,945	\$ 3,287	\$ 5,185	\$ 6,847	\$ 5,528	\$ 5,320	\$ 6,988	\$ 5,823
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	1	12	24	37	8	10	13	105
2016	Average Monthly Benefit	\$ 3,285	\$ 3,148	\$ 5,140	\$ 6,745	\$ 5,897	\$ 5,556	\$ 6,988	\$ 5,733
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	2	14	24	39	9	11	13	112
2017	Average Monthly Benefit	\$ 3,285	\$ 3,157	\$ 5,213	\$ 6,793	\$ 6,187	\$ 5,519	\$ 6,988	\$ 5,769
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	2	15	25	40	10	12	13	117
2018	Average Monthly Benefit	\$ 3,285	\$ 3,206	\$ 5,329	\$ 6,828	\$ 6,573	\$ 5,519	\$ 6,975	\$ 5,803
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	2	17	27	41	12	12	12	123
2019	Average Monthly Benefit	\$ 2,566	\$ 3,299	\$ 5,594	\$ 6,977	\$ 7,085	\$ 5,965	\$ 7,267	\$ 5,929
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	6	18	29	44	15	10	10	132
2020	Average Monthly Benefit	\$ 2,342	\$ 3,492	\$ 5,462	\$ 6,924	\$ 6,739	\$ 6,223	\$ 7,267	\$ 5,909
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	7	16	30	46	16	11	10	136

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

- (a) Excludes 40 members who did not have service reported
- (b) Excludes 21 members who did not have service reported
- (c) Excludes 17 members who did not have service reported
- (d) Excludes 20 members who did not have service reported
- (e) Excludes 6 members who did not have service reported

- (f) Excludes 4 members who did not have service reported
- (g) Excludes 2 members who did not have service reported
- (h) Excludes 2 members who did not have service reported
- (i) Excludes 1 members who did not have service reported
- (j) Excludes 0 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2020

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Magistrate</b>									
2011	Average Monthly Benefit	\$ 3,215	\$ 3,210	\$ 3,897	\$ 2,968	\$ 3,978	\$ 3,527	\$ 4,777	\$ 3,470
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	8	22	16	6	5	2	1	60
2012	Average Monthly Benefit	\$ 3,019	\$ 2,976	\$ 3,607	\$ 3,434	\$ 3,031	\$ 3,275	\$ 4,604	\$ 3,255
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	8	28	18	13	8	5	2	82
2013	Average Monthly Benefit	\$ 3,288	\$ 3,056	\$ 3,616	\$ 3,600	\$ 3,121	\$ 3,205	\$ 4,320	\$ 3,359
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	7	28	18	14	8	6	4	85
2014	Average Monthly Benefit	\$ 3,354	\$ 3,117	\$ 3,769	\$ 3,872	\$ 3,183	\$ 3,352	\$ 4,321	\$ 3,504
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	7	28	20	19	8	7	4	93
2015	Average Monthly Benefit	\$ 3,359	\$ 2,936	\$ 4,011	\$ 4,046	\$ 3,665	\$ 3,016	\$ 2,898	\$ 3,477
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	5	24	15	18	6	7	5	80
2016	Average Monthly Benefit	\$ 3,165	\$ 2,954	\$ 3,868	\$ 3,849	\$ 3,665	\$ 3,016	\$ 2,898	\$ 3,398
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	4	24	14	19	6	7	5	79
2017	Average Monthly Benefit	\$ 1,768	\$ 3,313	\$ 4,175	\$ 3,478	\$ 3,182	\$ 3,904	\$ 2,898	\$ 3,331
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	8	20	13	19	7	4	5	76
2018	Average Monthly Benefit	\$ 1,680	\$ 3,283	\$ 4,087	\$ 3,857	\$ 2,825	\$ 3,463	\$ 2,228	\$ 3,255
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	12	21	16	17	6	2	3	77
2019	Average Monthly Benefit	\$ 1,187	\$ 3,335	\$ 4,189	\$ 3,977	\$ 2,882	\$ 4,072	\$ 2,272	\$ 3,358
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	9	22	17	16	6	3	3	76
2020	Average Monthly Benefit	\$ 1,539	\$ 3,232	\$ 4,235	\$ 4,023	\$ 2,964	\$ 4,598	\$ 2,421	\$ 3,429
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	10	20	18	17	7	3	2	77

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

- (a) Excludes 14 members who did not have service reported
- (b) Excludes 1 member who did not have service reported
- (c) Excludes 1 member who did not have service reported
- (d) Excludes 1 member who did not have service reported
- (e) Excludes 1 member who did not have service reported

- (f) Excludes 1 member who did not have service reported
- (g) Excludes 1 member who did not have service reported
- (h) Excludes 1 member who did not have service reported
- (i) Excludes 1 member who did not have service reported
- (j) Excludes 4 member who did not have service reported

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service							Total
		Under 5	5-9	10-14	15-19	20-24	25-29	30+	
<b>Volunteer Firefighter</b>									
2011	Average Monthly Benefit	\$ 100	\$ 106	\$ 100	\$ 98	\$ 130	\$ 172	\$ 100	\$ 110
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	6	33	159	103	46	35	10	392
2012	Average Monthly Benefit	\$ 110	\$ 100	\$ 99	\$ 98	\$ 106	\$ 188	\$ 120	\$ 111
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	10	31	226	124	40	66	10	507
2013	Average Monthly Benefit	\$ 167	\$ 125	\$ 122	\$ 122	\$ 129	\$ 238	\$ 185	\$ 141
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	3	16	348	157	49	95	17	685
2014	Average Monthly Benefit	\$ 125	\$ 125	\$ 123	\$ 122	\$ 118	\$ 247	\$ 215	\$ 143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	1	8	450	210	57	125	31	882
2015	Average Monthly Benefit	\$ 188	\$ 125	\$ 125	\$ 125	\$ 128	\$ 242	\$ 250	\$ 148
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	6	2	505	201	56	147	29	946
2016	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 124	\$ 250	\$ 250	\$ 150
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	1	3	566	208	63	167	39	1,047
2017	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 151
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	2	6	605	217	64	194	43	1,131
2018	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 151
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (h)	2	7	682	238	67	222	46	1,264
2019	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 151
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (i)	3	11	716	240	71	233	46	1,320
2020	Average Monthly Benefit	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 250	\$ 250	\$ 152
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (j)	10	22	716	244	70	254	47	1,409

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

- (a) Excludes 217 members who did not have service reported
- (b) Excludes 160 members who did not have service reported
- (c) Excludes 77 members who did not have service reported
- (d) Excludes 11 members who did not have service reported
- (e) Excludes 6 members who did not have service reported

- (f) Excludes 6 members who did not have service reported
- (g) Excludes 6 members who did not have service reported
- (h) Excludes 10 members who did not have service reported
- (i) Excludes 10 members who did not have service reported
- (j) Excludes 14 members who did not have service reported

## SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2020

As of June 30 - Nine Year Comparison of the Number of Retired Member, Disabled Benefit and Survivor Benefit receiving pensions and the total Annual Pension (including COLA) for the fiscal year.

		Retired Members		Disabled Benefit		Survivor Pension Benefit		Total		Annual Pension
		Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Percentage Change
2020	PERA	35,193	\$1,135,235,631	1,473	\$ 27,586,302	5,030	\$ 104,630,245	41,696	\$ 1,267,452,178	4.55 %
	Legislative	157	1,713,418	—	—	38	404,233	195	2,117,651	2.00 %
	Judicial	146	9,879,887	2	74,659	45	2,174,117	193	12,128,663	3.41 %
	Magistrate	85	3,396,167	2	97,270	21	693,938	108	4,187,375	4.25 %
	VFF	1,423	2,583,750	—	—	114	113,749	1,537	2,697,499	6.99 %
2019	PERA	34,267	1,085,266,649	1,441	26,438,746	4,842	98,064,170	40,550	1,209,769,565	4.88 %
	Legislative	159	1,718,266	—	—	35	357,078	194	2,075,344	9.98 %
	Judicial	143	9,640,040	2	74,659	41	2,000,754	186	11,715,453	8.06 %
	Magistrate	80	3,116,294	3	144,370	22	748,670	105	4,009,334	2.72 %
	VFF	1,331	2,412,000	—	—	98	96,999	1,429	2,508,999	4.85 %
2018	PERA	33,237	1,032,780,770	1,396	24,969,203	4,741	92,962,906	39,374	1,150,712,879	5.09 %
	Legislative	150	1,559,216	—	—	33	309,110	183	1,868,326	-0.89 %
	Judicial	135	8,838,825	2	73,195	37	1,859,262	174	10,771,282	5.84 %
	Magistrate	81	3,080,071	3	141,539	20	678,498	104	3,900,108	0.25 %
	VFF	1,274	2,310,750	—	—	80	76,550	1,354	2,387,300	10.76 %
2017	PERA	32,123	982,322,863	1,310	22,854,825	4,571	86,976,330	38,004	1,092,154,018	3.94 %
	Legislative	156	1,615,854	—	—	30	269,012	186	1,884,866	7.18 %
	Judicial	127	8,405,673	2	73,195	34	1,663,112	163	10,141,980	2.58 %
	Magistrate	81	3,132,996	3	141,539	18	615,918	102	3,890,453	(0.08)%
	VFF	1,139	2,063,250	—	—	72	67,150	1,211	2,130,400	8.95 %
2016	PERA	31,473	945,331,280	1,236	20,973,020	4,497	82,839,408	37,206	1,049,143,708	5.19 %
	Legislative	174	1,663,539	—	—	8	86,011	182	1,749,550	0.82 %
	Judicial	152	9,520,795	2	73,195	6	286,224	160	9,880,214	3.83 %
	Magistrate	96	3,705,788	3	141,539	1	46,337	100	3,893,664	-3.04 %
	VFF	1,053	1,887,750	—	—	60	51,951	1,113	1,939,701	10.94 %
2015	PERA	30,183	897,846,722	1,142	18,962,651	4,347	77,921,850	35,672	994,731,223	5.62 %
	Legislative	178	1,650,952	—	—	8	84,325	186	1,735,277	10.82 %
	Judicial	144	9,142,080	2	73,195	6	286,224	152	9,501,499	6.56 %
	Magistrate	98	3,824,111	3	141,539	1	46,337	102	4,011,987	2.44 %
	VFF	953	1,684,500	—	—	51	43,001	1,004	1,727,501	11.47 %
2014	PERA	28,390	849,916,611	1,072	17,208,549	4,100	71,697,600	33,562	938,822,760	7.07 %
	Legislative	146	1,300,073	—	—	32	247,480	178	1,547,553	-1.95 %
	Judicial	112	7,445,795	1	31,797	28	1,400,841	141	8,878,433	6.53 %
	Magistrate	78	3,293,401	3	141,539	13	478,978	94	3,913,918	12.38 %
	VFF	846	1,489,500	—	—	47	39,801	893	1,529,301	16.40 %

**SCHEDULE OF AVERAGE BENEFIT PAYMENTS (CONTINUED)****FISCAL YEAR ENDED JUNE 30, 2017**

As of June 30 - Nine Year Comparison of the Number of Retired Member, Disabled Benefit and Survivor Benefit receiving pensions and the total Annual Pension (including COLA) for the fiscal year.

		Retired Members		Disabled Benefit		Survivor Pension Benefit		Total		Annual Pension
		Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Percentage Change
2013	PERA	26,949	\$ 790,582,225	958	\$ 14,976,974	3,956	\$ 66,874,161	31,863	\$ 872,433,360	8.47 %
	Legislative	149	1,350,169	—	—	30	227,569	179	1,577,738	16.98 %
	Judicial	104	6,860,436	1	31,173	28	1,407,076	133	8,298,685	6.50 %
	Magistrate	72	2,935,827	2	81,193	12	412,432	86	3,429,452	4.40 %
	VFF	721	1,245,000	—	—	41	33,553	762	1,278,553	29.86 %
2012	PERA	25,433	724,950,245	856	12,741,219	3,777	60,851,558	30,066	798,543,022	7.94 %
	Legislative	136	1,126,978	—	—	27	182,896	163	1,309,874	1.79 %
	Judicial	101	6,515,919	1	30,265	25	1,213,105	127	7,759,289	6.96 %
	Magistrate	71	2,797,478	2	78,828	12	402,372	85	3,278,678	6.83 %
	VFF	633	868,800	—	—	34	27,953	667	896,753	8.34 %
2011	PERA	24,046	666,870,346	820	11,989,648	3,660	56,291,606	28,526	735,151,600	8.64 %
	Legislative	136	1,110,816	—	—	29	175,620	165	1,286,436	-9.33 %
	Judicial	94	6,081,239	1	29,384	23	1,108,851	118	7,219,474	8.31 %
	Magistrate	68	2,752,653	2	76,532	8	225,585	78	3,054,770	3.25 %
	VFF	583	800,400	—	—	26	21,545	609	821,945	11.24 %

## DISTRIBUTION OF RECENT RETIREE AGES AT RETIREMENT

### FISCAL YEAR ENDED JUNE 30, 2020

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

	2016			2017			2018		
	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement
State General	856	\$ 2,379	59.77	690	\$ 2,179	61.20	747	\$ 2,406	60.74
State Police/ Corrections	46	2,638	51.62	28	3,063	51.44	44	2,776	54.01
Municipal General	681	2,116	60.69	504	1,920	61.95	673	2,172	60.69
Municipal Police	163	3,676	48.97	115	3,459	49.09	122	3,890	50.45
Municipal Fire	90	3,913	49.13	18	3,570	51.16	61	4,137	49.27
Legislative	1	1,430	60.67	11	1,117	67.70	3	1,435	68.33
Judicial	7	6,175	65.58	4	8,285	65.65	9	7,254	65.87
Magistrate	2	1,115	63.08	2	5,029	60.04	1	1,859	54.50
Volunteer Firefighter	122	159	62.35	115	162	62.44	148	160	62.01

## DISTRIBUTION OF RECENT RETIREE AGES AT RETIREMENT

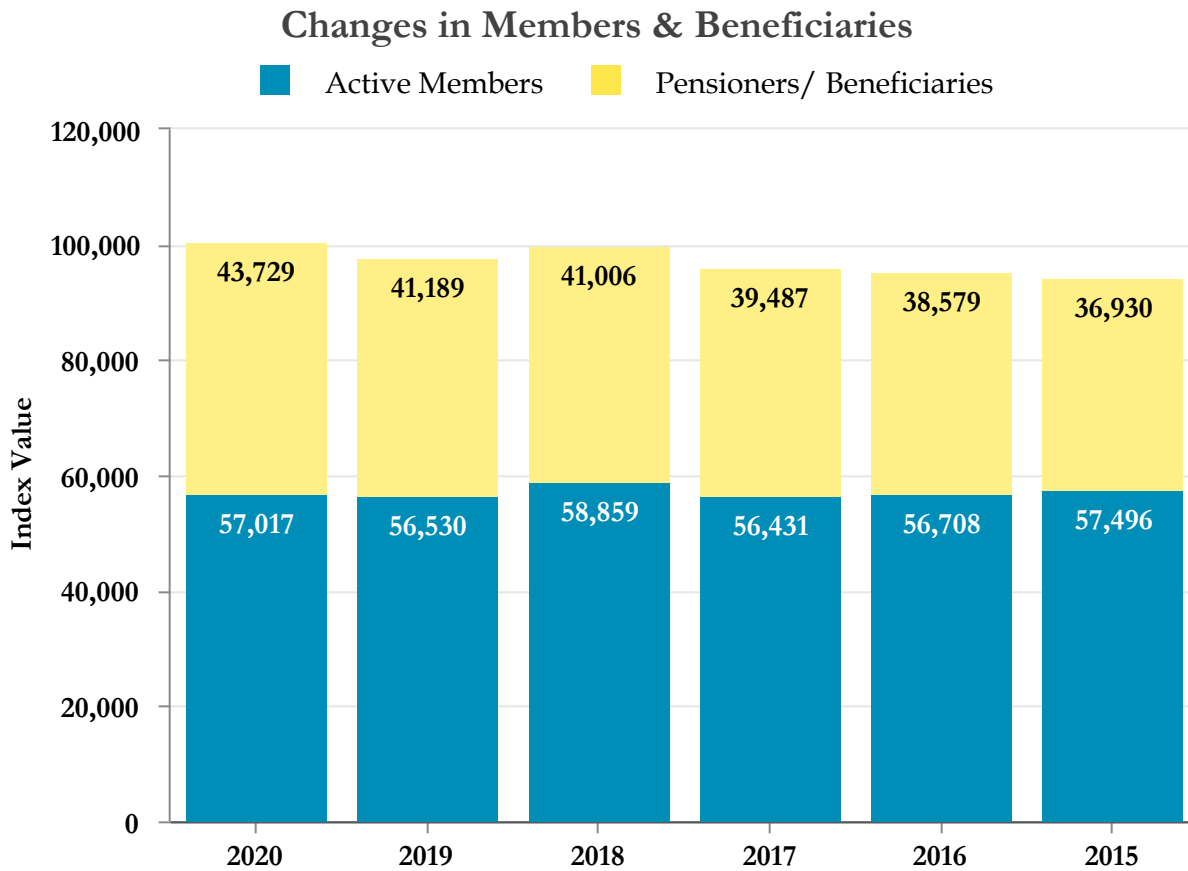
### FISCAL YEAR ENDED JUNE 30, 2020

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

	2019			2020			All Current Retirees & Beneficiaries		
	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Total Retirees	Average Monthly Benefit	Average Age At Retirement
State General	807	\$ 2,566	60.56	698	\$ 2,519	59.97	16,518	\$ 2,118	57.68
State Police/ Corrections	37	3,489	51.47	54	3,130	53.21	1,234	2,467	51.15
Municipal General	720	2,159	61.42	670	2,358	60.76	11,463	2,013	58.23
Municipal Police	136	3,705	49.57	107	3,746	50.10	3,045	2,994	47.76
Municipal Fire	73	4,438	49.99	62	3,913	50.59	1,644	3,089	47.94
Legislative	13	1,698	66.81	1	5,293	56.42	153	1,027	64.41
Judicial	17	6,137	65.62	6	5,027	65.14	136	5,808	62.65
Magistrate	3	3,677	63.64	5	5,461	62.60	81	3,183	60.78
Volunteer Firefighter	79	215	62.83	115	151	65.13	1,423	142	61.39



## COMBINED SYSTEM PARTICIPANTS FOR THE LAST FIVE YEARS



Five Year Comparison of change in members and pensioners as of June 30th.

Fiscal Year	Active Members (1)	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
2020	57,017	0.86 %	43,729	6.17 %	100,746	3.10 %
2019	56,530	(4.12)%	41,189	3.43 %	97,719	1.14 %
2018	58,859	4.13 %	41,006	3.70 %	97,865	1.99 %
2017	56,431	(0.49)%	39,487	2.30 %	95,918	0.66 %
2016	56,708	(1.39)%	38,579	4.27 %	95,287	0.90 %
2015	57,496	0.73 %	36,930	5.58 %	94,426	2.63 %

(1) Excludes Inactive Members

**MEMBERSHIP BY AGE AND YEARS OF SERVICE PER DIVISION**

Comparison at June 30, 2020 of Age Breakdown in 5 year increments to the Years of Service

Nearest Age	PERA							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 20	252	—	—	—	—	—	—	252
20 to 24	2,276	27	—	—	—	—	—	2303
25 to 29	4,001	904	30	1	—	—	—	4936
30 to 34	3,273	2,006	796	52	—	—	—	6127
35 to 39	2,415	1,676	1,616	705	55	1	—	6468
40 to 44	1,888	1,294	1,329	1,260	534	19	—	6324
45 to 49	1,555	1,139	1,058	1,159	967	169	1	6048
50 to 54	1,377	1,061	933	1,017	857	264	21	5530
55 to 59	1,214	972	913	932	739	249	59	5078
60 & Over	1,351	1,195	1,148	918	630	275	117	5,634
Total	19,602	10,274	7,823	6,044	3,782	977	198	48,700

Nearest Age	Legislative							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 30	1	—	—	—	—	—	—	1
30 to 34	1	2	—	—	—	—	—	3
35 to 39	5	—	—	—	—	—	—	5
40 to 44	4	2	1	—	—	—	—	7
45 to 49	4	3	2	—	—	—	—	9
50 to 54	6	3	5	—	—	—	—	14
55 to 59	6	2	1	2	—	—	—	11
60 & Over	23	14	8	10	4	7	2	68
Total	50	26	17	12	4	7	2	118

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

Comparison at June 30, 2020 of Age Breakdown in 5 year increments to the Years of Service

Nearest Age	Judicial							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 20	—	—	—	—	—	—	—	—
20 to 24	—	—	—	—	—	—	—	—
25 to 29	—	—	—	—	—	—	—	—
30 to 34	—	1	—	—	—	—	—	1
35 to 39	3	2	—	—	—	—	—	5
40 to 44	8	2	3	—	—	—	—	13
45 to 49	10	5	5	0	0	—	—	20
50 to 54	4	7	4	3	2	1	—	21
55 to 59	2	5	7	4	1	2	—	21
60 & Over	7	9	15	6	4	1	—	42
Total	34	31	34	13	7	4	—	123

Nearest Age	Magistrate							Total
	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 20	—	—	—	—	—	—	—	—
20 to 24	—	—	—	—	—	—	—	—
25 to 29	—	—	—	—	—	—	—	—
30 to 34	1	—	—	—	—	—	—	1
35 to 39	4	—	1	—	—	—	—	5
40 to 44	1	1	—	—	1	—	—	3
45 to 49	4	2	2	2	1	1	—	12
50 to 54	3	1	—	—	—	2	—	6
55 to 59	4	2	—	2	2	2	—	12
60 & Over	12	6	1	2	2	—	—	23
Total	29	12	4	6	6	5	—	62

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

Comparison at June 30, 2020 of Age Breakdown in 5 year increments to the Years of Service

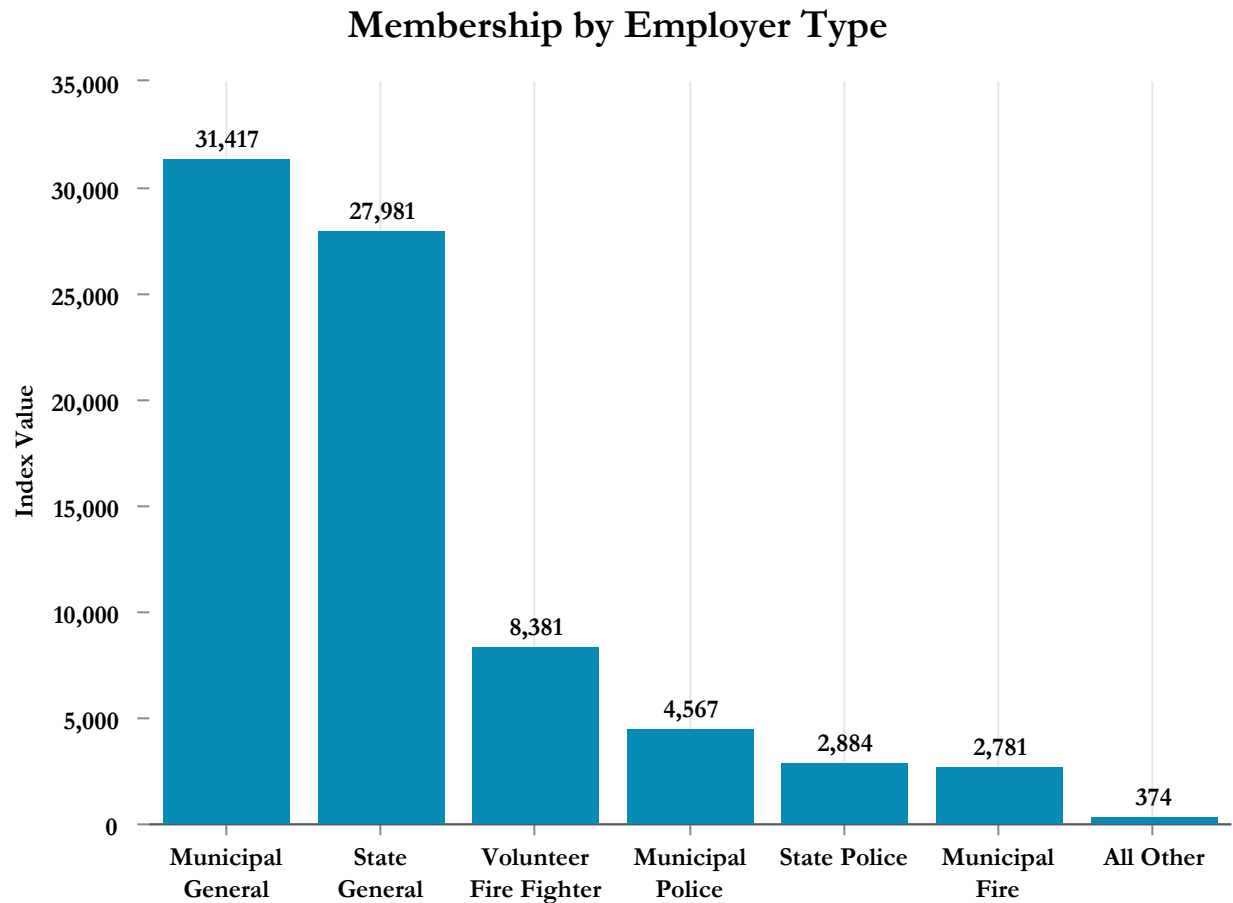
Nearest Age	Volunteer Firefighter Completed Years of Service							Total
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	
Under 30	2,075	144	10	—	—	—	—	2,229
30 to 34	859	208	42	3	—	—	—	1,112
35 to 39	696	169	66	25	—	—	—	956
40 to 44	427	166	79	33	10	3	—	718
45 to 49	357	109	51	28	20	10	—	575
50 to 54	315	143	85	38	17	19	7	624
55 to 59	258	122	64	37	22	5	3	511
60 & Over	735	363	108	41	27	13	2	1,289
Total	5,722	1,424	505	205	96	50	12	8,014

## MEMBERSHIP BY STATUS PER DIVISION

Six Year Comparison of active and inactive members per division.

<b>Division</b>		<b>Active</b>	<b>Inactive</b>	<b>Total</b>
<b>PERA</b>	2020	48,700	20,930	69,630
	2019	48,060	19,623	67,683
	2018	48,610	17,941	66,551
	2017	48,751	16,368	65,119
	2016	48,693	15,075	63,768
	2015	49,288	11,634	60,922
	<b>Legislative</b>	2020	118	25
2019		99	29	128
2018		120	12	132
2017		111	16	127
2016		122	16	138
2015		121	11	132
<b>Judicial</b>		2020	123	27
	2019	124	26	150
	2018	125	22	147
	2017	124	22	146
	2016	127	20	147
	2015	127	23	150
	<b>Magistrate</b>	2020	62	19
2019		65	21	86
2018		65	14	79
2017		65	13	78
2016		65	14	79
2015		60	16	76
<b>VFF</b>		2020	8,014	367
	2019	8,182	360	8,542
	2018	7,939	374	8,313
	2017	7,491	430	7,921
	2016	7,823	482	8,305
	2015	8,136	657	8,793

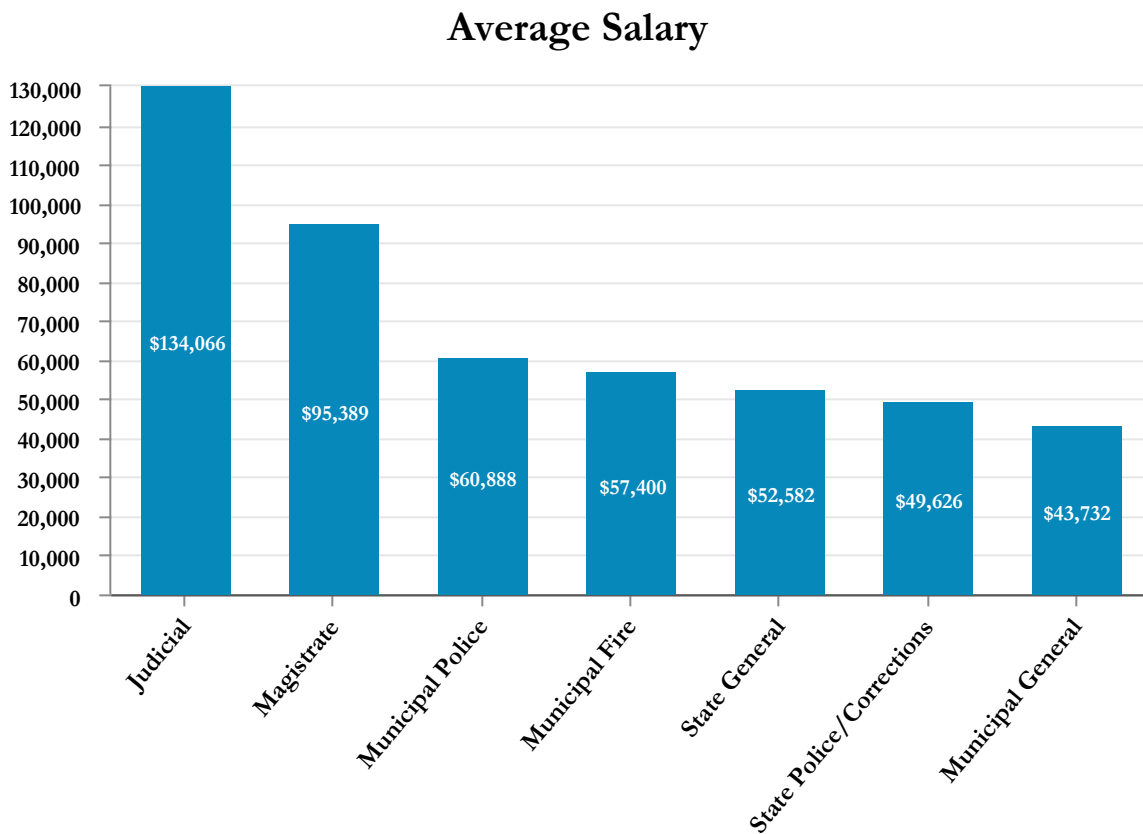
## MEMBERSHIP BY EMPLOYER TYPE AS OF JUNE 30, 2020



A summarized listing of members by employer type as of June 30, 2020

	<b>Total</b>	<b>Active</b>	<b>Inactive</b>
State General	27,981	19,065	8,916
State Police	2,884	2,294	590
Municipal General	31,417	21,137	10,280
Municipal Police	4,567	3,773	794
Municipal Fire	2,781	2,431	350
Judicial	150	123	27
Magistrate	81	62	19
Volunteer Fire Fighter	8,381	8,014	367
Legislative	143	118	25

## AVERAGE SALARY BY EMPLOYER TYPE AS OF JUNE 30, 2020



Average salary by employer type as of June 30, 2020.

	Average Salary	Members *	Total Salaries
State General	\$52,582	19,065	\$1,002,475,715
State Police/Corrections	49,626	2,294	113,842,830
Municipal General	43,732	21,137	924,361,625
Municipal Police	60,888	3,773	229,730,475
Municipal Fire	57,400	2,431	139,540,121
Judicial	134,066	123	16,490,136
Magistrate	95,389	62	5,914,106
Volunteer Fire Fighter	N/A **	7,939	N/A **
Legislative	N/A **	120	N/A **

## PARTICIPATING EMPLOYERS

### CURRENT YEAR AND TEN YEARS AGO

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

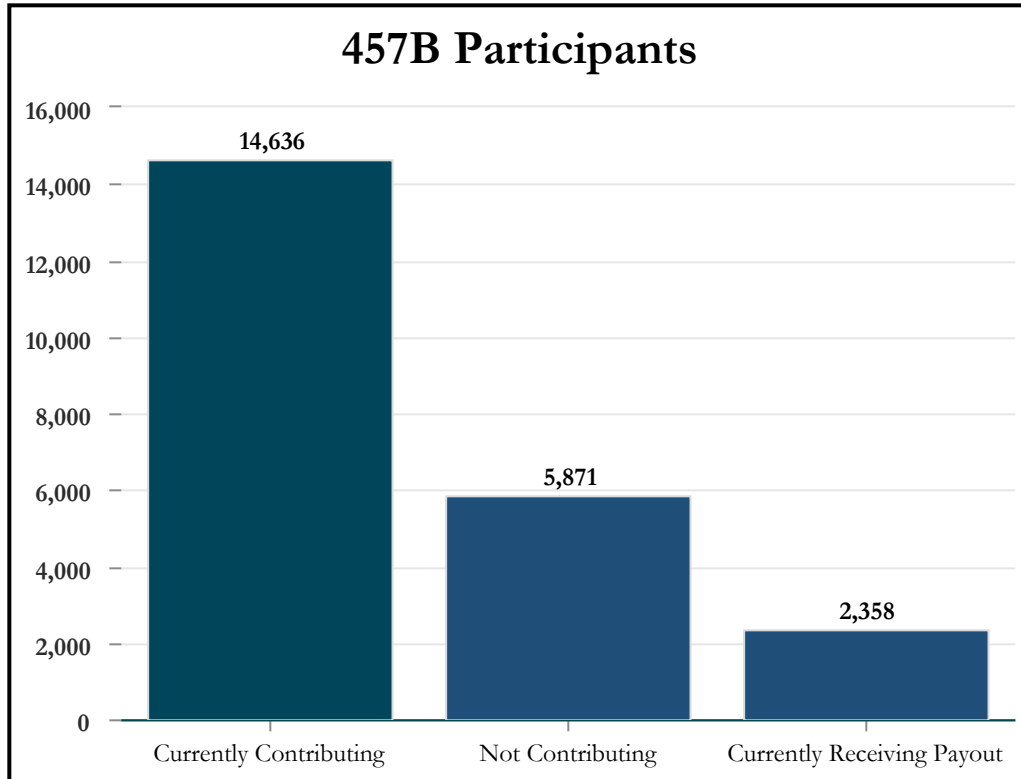
	2020			2011		
	Employers	Active Employees	Percentage of Employees	Employers	Active Employees	Percentage of Employees
<b>Public Employees Retirement Fund:</b>						
State Agencies	121			126		
Subtotal State Division	121	21,359	37.45%	126	21,601	39.85%
Municipalities	93			88		
Counties	33			33		
Other local public bodies	54			47		
Housing Authorities	16			16		
Subtotal Municipal Division	196	27,341	47.94%	184	26,562	49.02%
<b>Judicial Retirement Fund</b>	15	125	0.22%	16	114	0.21%
<b>Magistrate Retirement Fund</b>	12	65	0.11%	9	45	0.08%
<b>Volunteer Firefighters Fund</b>	366	8,136	14.27%	363	5,867	10.83%
<b>TOTAL</b>	710	57,026	100.00%	698	54,189	100.00%

#### Principal employers:

State of New Mexico  
City of Albuquerque, NM  
County of Bernalillo in NM



## NEW MEXICO PERA SMART SAVE DEFERRED COMPENSATION PLAN



### Participants at June 30, 2020

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Total Plan Participants	23,265
Currently Contributing	17,465
Not Contributing	5,800
Currently Receiving Payout	4,444

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## NEW MEXICO PERA SMART SAVE DEFERRED COMPENSATION PLAN

### Asset Allocation by Asset Class for June 30 ,2020

	Assets as of June 30, 2020	% of Total Assets
Domestic Equity Funds:		
Large Cap Funds	\$ 175,530,102	26.51 %
Mid Cap Funds	45,815,107	6.92 %
Small Cap Funds	16,647,217	2.51 %
International Equity Funds	28,489,353	4.30 %
Global Real Estate Funds	1,931,160	0.29 %
Balanced Funds	16,887,401	2.55 %
Fixed Income Funds	39,299,056	5.94 %
Asset Allocation	181,344,323	27.39 %
Stable Value	137,335,299	20.74 %
Self-Directed Option	6,414,446	0.97 %
Contributions Receivable	7,713	0.00 %
Loans Receivable	12,327,404	1.88 %
<b>TOTAL</b>	<b>\$ 662,028,581</b>	<b>100.00 %</b>

## DEFERRED COMPENSATION PROGRAM COMPARATIVE INVESTMENT RESULTS

FISCAL YEAR ENDED JUNE 30, 2020

Manager	1-Year 2020	3-Year 2017-2020	5-year 2015-2020
<b>Large Cap Funds</b>			
Dodge & Cox Stock Fund	(6.20)%	3.00 %	5.90 %
Vanguard Institutional Index	7.50 %	10.70 %	10.70 %
Fidelity Contrafund	18.70 %	16.50 %	14.20 %
<b>Mid Cap Funds</b>			
Principal MidCap Blend Fund	4.20 %	12.10 %	11.10 %
Fidelity Low-Priced Stock Fund	(3.60)%	2.60 %	4.20 %
T. Rowe Price Mid Cap Growth	3.60 %	11.60 %	11.10 %
<b>Small Cap Funds</b>			
DFA US Small Cap Portfolio	(11.70)%	(1.30)%	2.30 %
<b>International Funds</b>			
Fidelity Diversified Int'l	8.10 %	5.60 %	4.60 %
American EuroPacific Growth Fund	3.20 %	4.80 %	4.90 %
Aberdeen Emerging Markets	(4.70)%	0.70 %	3.00 %
Vanguard Total International Stock Index	(4.10)%	1.00 %	2.40 %
<b>Fixed Income Funds</b>			
Vanguard Inflation Protected Securities Fund	8.10 %	4.90 %	3.70 %
Vanguard Total Bond Market Index Fund	9.00 %	5.40 %	4.30 %
Templeton Global Bond Fund	(6.00)%	(0.80)%	0.70 %
<b>Real Estate</b>			
Principal Diversified Real Asset Fund	(6.70)%	0.10 %	(0.40)%
INVESCO Global Real Estate Fund	(15.70)%	(0.80)%	1.30 %
<b>Balanced Funds</b>			
Oakmark Equity & Income Fund	(5.20)%	1.80 %	3.20 %
<b>Stable Value Fund</b>			
New Mexico Stable Value Fund	2.50 %	2.30 %	2.00 %
<b>Asset Allocation</b>			
Conservative Portfolio	3.90 %	4.40 %	4.10 %
LifeCycle 2020 Portfolio	3.30 %	4.80 %	n/a
LifeCycle 2025 Portfolio	3.80 %	5.30 %	5.30 %
LifeCycle 2030 Portfolio	3.20 %	5.50 %	n/a
LifeCycle 2035 Portfolio	2.40 %	5.50 %	5.70 %
LifeCycle 2040 Portfolio	1.70 %	5.40 %	n/a
LifeCycle 2045 Portfolio	1.50 %	5.40 %	5.70 %
LifeCycle 2050 Portfolio	1.30 %	5.40 %	n/a
LifeCycle 2055 Portfolio	1.20 %	5.40 %	5.80 %

## SYSTEM AND PLANS STATISTICAL HIGHLIGHTS

### FISCAL YEAR ENDED JUNE 30, 2020

Provides summarized information regarding the pension plans in regards to membership, financial, and actuarial

	PERA Fund	Legislative Fund	Judicial Fund	Magistrate Fund	Volunteer Firefighter Fund
<b>Membership Information</b>					
Total Membership	111,326	338	343	189	9,918
Active	48,700	118	123	62	8,014
Inactive	20,930	25	27	19	367
Retired	41,696	195	193	108	1,537
<b>Active Members</b>					
Average Age	45.10	59.66	55.10	54.95	41.85
Average Years of Service	9.01	8.71	10.10	9.46	3.70
Average Annual Salary	\$ 49,486	N/A (1)	\$ 134,066	\$ 95,389	N/A (1)
<b>Retirees</b>					
Average Age	68.13	59.66	72.79	60.78	41.85
Average Annual Benefit	\$ 30,397	\$ 10,860	\$ 62,843	\$ 38,503	\$ 1,755
<b>Financial Information</b>					
Change in Net Position	\$ (815,561,339)	(2)	\$ (6,888,847)	\$ (2,726,721)	\$ (2,999,650)
Net Assets at Fair Value	16,351,946,495	(2)	94,323,828	32,361,740	76,590,607
Liabilities	1,659,962,289	(2)	9,453,325	3,291,071	7,753,627
<b>Totals for:</b>					
Contributions	665,577,359	(2)	6,466,425	1,943,040	750,000
Investment Income	(221,899,001)	(2)	(1,252,476)	(437,321)	(1,057,611)
Pension Benefits	1,255,018,086	(2)	12,013,294	4,204,111	2,625,832
Refunds	44,903,263	(2)	7,599	—	—
Administrative Expenses	14,318,348	(2)	81,903	28,329	67,207

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

(2) Legislative Statutory Contribution is \$1 Million and is included in the PERA fund.

## SYSTEM AND PLANS STATISTICAL HIGHLIGHTS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2020

### DEFERRED CONTRIBUTION FUND

#### Membership Information

Total Membership	23,265
Currently Contributing	17,465
Not Contributing	5,800
Currently Receiving Payout	4,444

#### Financial Information

Change in Net Position	\$	17,066,506
Net Assets at Fair Value		662,081,952
Totals for:		
Contributions		41,704,672
Investment Income		24,310,886
Other Income		108,136
Pension Benefits		47,481,217
Life Insurance Benefits		17,740
Administrative Expenses		1,558,231

**Schedule of Asset Management Costs-Unaudited FY 2020**  
**Name of Agency: Public Employees Retirement Association of New Mexico**

**2.2.2.12(G)(1)**

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

Consultant	Location	Description of Investments Subject to the Agreement	Fees
Wilshire	Santa Monica, CA	General Consultant (Fixed Fee)	\$ 749,815

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

Name of Investment	Asset Class	Value of the Investment at 6/30/20	Management Fees	Performance Fees
STO	Cash	22,124,628	—	—
Cash and Suspense Account	Cash	32,264,284	—	—
DFA Small Cap	Domestic Equity	54,334	—	—
Kayne Anderson SCC	Domestic Equity	264,798,381	849,044	1,964,523
TimesSquare	Domestic Equity	174,175,231	311,799	11,099
Aberdeen	Global & International Equity	—	—	—
Acadian Intl Equity	Global & International Equity	274,288,860	481,238	188,476
Axiom Investors	Global & International Equity	256,653,566	858,114	2,076,846
Blackrock Equity Transition	Global & International Equity	89,593	—	—
Blackrock Low Vol Intl Equity	Global & International Equity	1,033,820,917	687,528	—
Equity Cash Overlay	Global & International Equity	45,431,428	77,061	—
KBI	Global & International Equity	1,279,950	—	—
LGIMA Global Equity Overlay	Global & International Equity	(7,009,822)	253,910	—
MFS	Global & International Equity	202,113,374	238,400	904,745
MSCI ACWI X US Index Fund	Global & International Equity	2,986,387	—	—
NTGI ACWI X US	Global & International Equity	—	—	—
Parametric EM	Global & International Equity	—	—	—
Principal	Global & International Equity	150,762,874	259,442	147,066
Russell Transition	Global & International Equity	1,714,761	—	—
Schroder	Global & International Equity	742,618	194,515	—
SSGA ACWI IMI	Global & International Equity	1,939,689,313	336,847	—
Black Rock Core	Risk Reduction & Mitigation	865,523,451	879,742	—
MACKAY SHIELDS	Risk Reduction & Mitigation	205,689,098	303,665	—
Prudential	Risk Reduction & Mitigation	651,255,641	380,757	—
Blackrock Glb Fixed Income	Risk Reduction & Mitigation	418,206,816	245,295	—
Manulife	Risk Reduction & Mitigation	49,135	—	—

Name of Investment	Asset Class	Value of the Investment at 6/30/20	Management Fees	Performance Fees
LGIMA Overlay	Risk Reduction & Mitigation	33,033	—	—
LGIMA TAA Overlay	Risk Reduction & Mitigation	62,815,333	—	—
Parametric Risk Mitigation O/L	Risk Reduction & Mitigation	111,195,873	60,742	—
Parametric Bonds Plus	Risk Reduction& Mitigation	24,603,329	87,235	—
GUGGENHEIM GLOBAL HY	Liquid Credit	—	—	—
LGIMA Credit Overlay	Liquid Credit	3,251,500	—	—
Parametric Credit Cash Ovrlly	Liquid Credit	282,427,511	157,987	—
PINEBRIDGE HY	Liquid Credit	182,454,272	576,376	—
DFA REIT	Real Estate Investment Trusts (REITs)	128,797,408	278,924	—
Security Capital Alpha		70,017,299	—	—
Security Capital Beta		66,985,917	23,657	—
Security Capital REIT	Real Estate Investment Trusts (REITs)	592	495,104	—
Deutsche Listed Infrastructure	Listed Infrastructure	90,142,570	711,356	—
PIMCO Commodities	Commodities	155,768,278	741,766	—
PIMCO TIPS	TIPS	499,834,188	992,369	—
Para RL AS CSH OVRLY	Real Asset Cash Overlay	185,442,016	84,933	—
Harvest MLP	MLP	188,098,766	1,649,946	—

#### 2.2.2.12(G) (2)

#### For private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement	Fees
Albourne	San Francisco, CA	Illiquid Selection Consultant (Fixed Fee)	870,000
Torrey Cove	San Diego, CA	Illiquid Selection Consultant (Fixed Fee)	600,000
Third-party marketers		Description of Investments Subject to the Agreement	Fees, Commission or Retainers

N/A

<b>Asset Class *</b>	<b>Brief Description of Investments</b>	<b>Management Fees</b>	<b>Carried Interest</b>
Hedge Funds/ Fund of Funds	Includes Domestic and Global HF: Credit Oriented, Long/Short, Market Neutral, Portable Alpha, and Bonds Plus Alpha Engine	5,009,338	2,122,954
Illiquid Credit & Structured	Includes Global and Domestic: Private Debt, High Return Seeking Opportunities	15,332,159	4,719,046
Private Equity	Includes Domestic and Global: Buyout, Growth, Venture, and Secondary Strategies	19,843,457	14,120,940
Real Return/Real Assets	Includes Global and Domestic: Energy and Natural Resources, Infrastructure and Agriculture	13,566,311	4,000,562
Real Estate	Includes Global and Domestic: Core, Opportunistic and Value Add RE	12,447,489	2,352,391
Risk Parity	Risk Parity	800,891	



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