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National Conference on Public Employee Retirement Systems  
*The Voice for Public Pensions*

# The State of Public Pensions: A Review of the NCPERS 2024 PRS Study

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# National Conference on Public Employee Retirement Systems

- **NCPERS is the largest nonprofit trade association representing approximately 500 public sector DB plans, plan sponsors, and stakeholders that have approximately \$5 trillion in assets.**
- **Who we *ARE*:**
  - ***A*dvocacy**
  - ***R*esearch**
  - ***E*ducation**
- **[www.NCPERS.org](http://www.NCPERS.org)**

# Public Pension History

- Public pensions have been around for more than 150 years.
  - 1857 New York state established lump sum benefit for NYC police.
  - 1866 FDNY gets lump sum LOD benefit.
  - 1878 Proto pension for NYC police & fire.
  - Many statewide public plans established soon after 1935.

[The Evolution of Public Pension Plans: Past, Present and Future](#), NCPERS, 2008

# American Retirement Landscape

## Private Sector Plans

- \$3.297 trillion in defined benefit plans
- \$9.136 trillion in defined contribution plans

## State/Local Plans

- \$5.835 trillion in defined benefit plans
- \$ 472 billion in defined contribution plans

## Federal Plans

- \$2.668 trillion in defined benefit plans
- \$ 843 billion in defined contribution plan

[Financial Accounts of the United States](#), U.S. Federal Reserve, September 2024 (2d Quarter 2024)

# Total US Workforce 158.3 million

## Private Sector

- 135 million employed
- 85.3 percent of the workforce
- ~\$12.4 trillion total saved for retirement

## State/Local

- 20.2 million employed
- 12.8 percent of the workforce
- ~\$6.3 trillion total saved for retirement

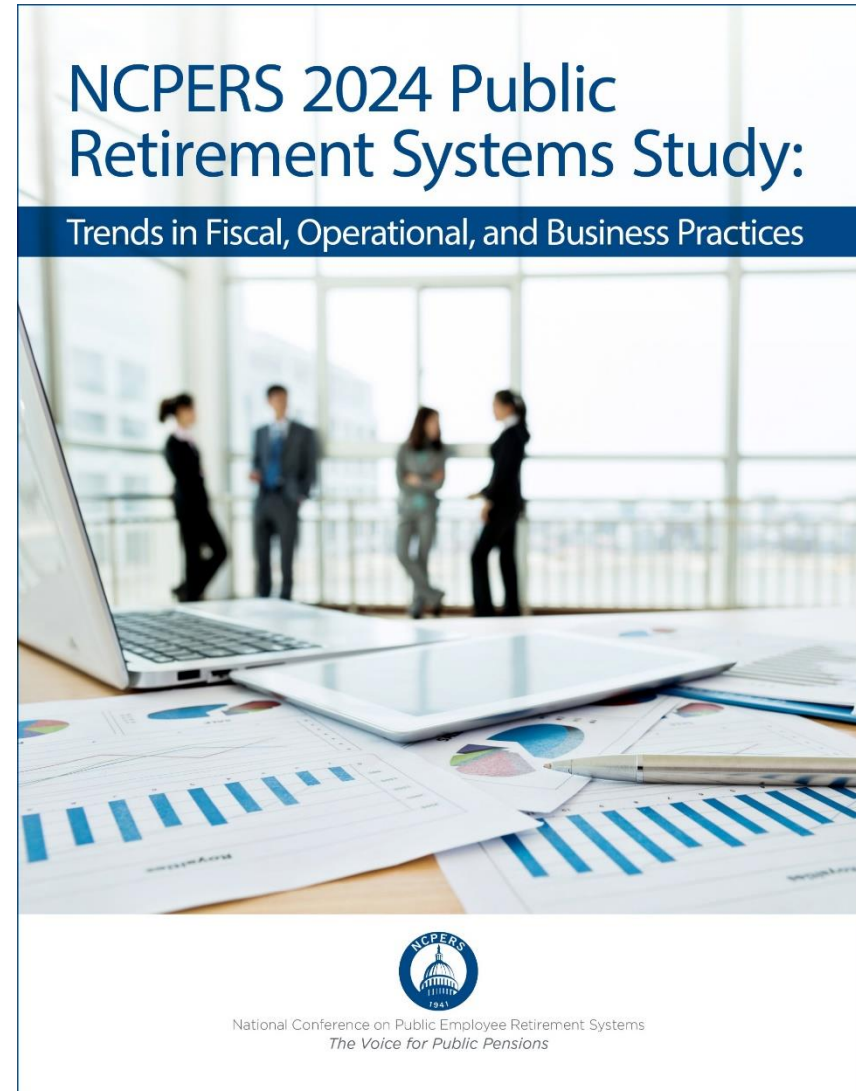
## Federal

- 3.0 million employed
- 1.9 percent of the workforce
- ~\$3.5 trillion total saved for retirement

[The Employment Situation](#), U.S. Bureau of Labor Statistics, August 2024

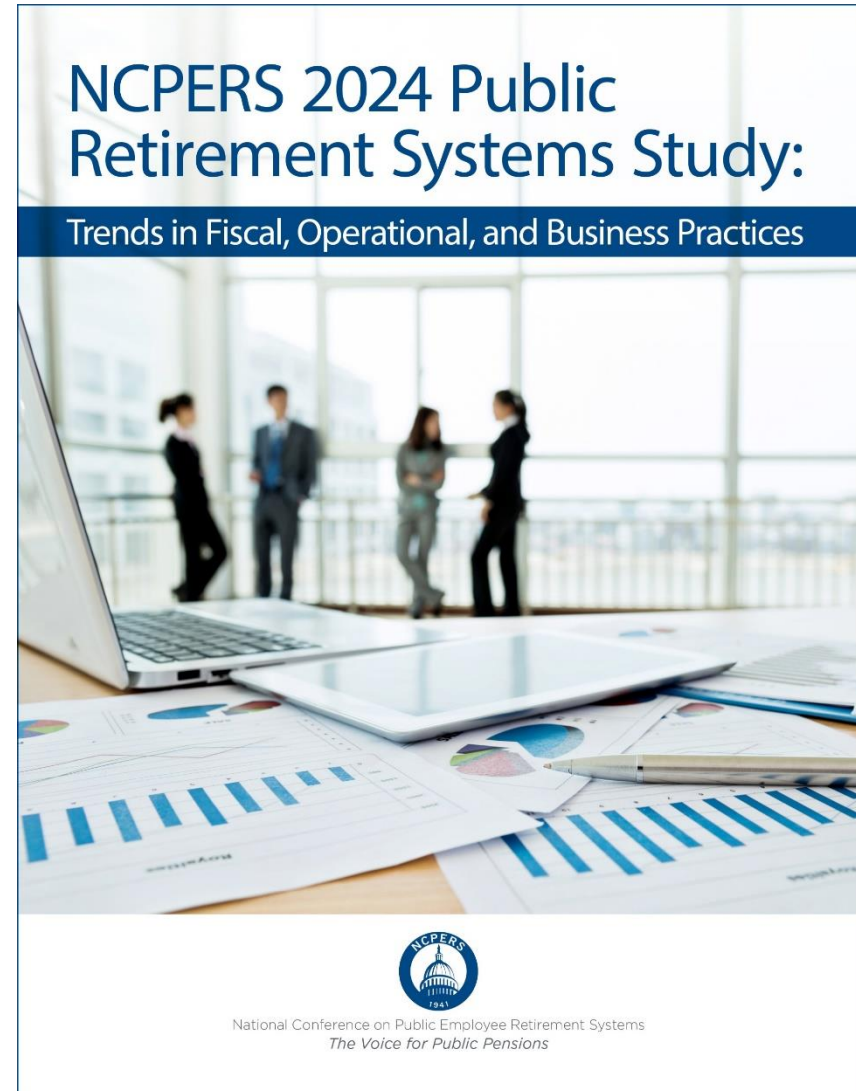
# 2024 NCPERS Public Retirement Systems Study

- [www.ncpers.org/surveys](http://www.ncpers.org/surveys)
- 13<sup>th</sup> year comprehensive study
- Explore public sector retirement practices
- Analyze the most current data available on retirement funds' current fiscal condition and steps they are taking to ensure fiscal and operational integrity
- Identify best practices and strategies for lowering unfunded actuarial accrued liability

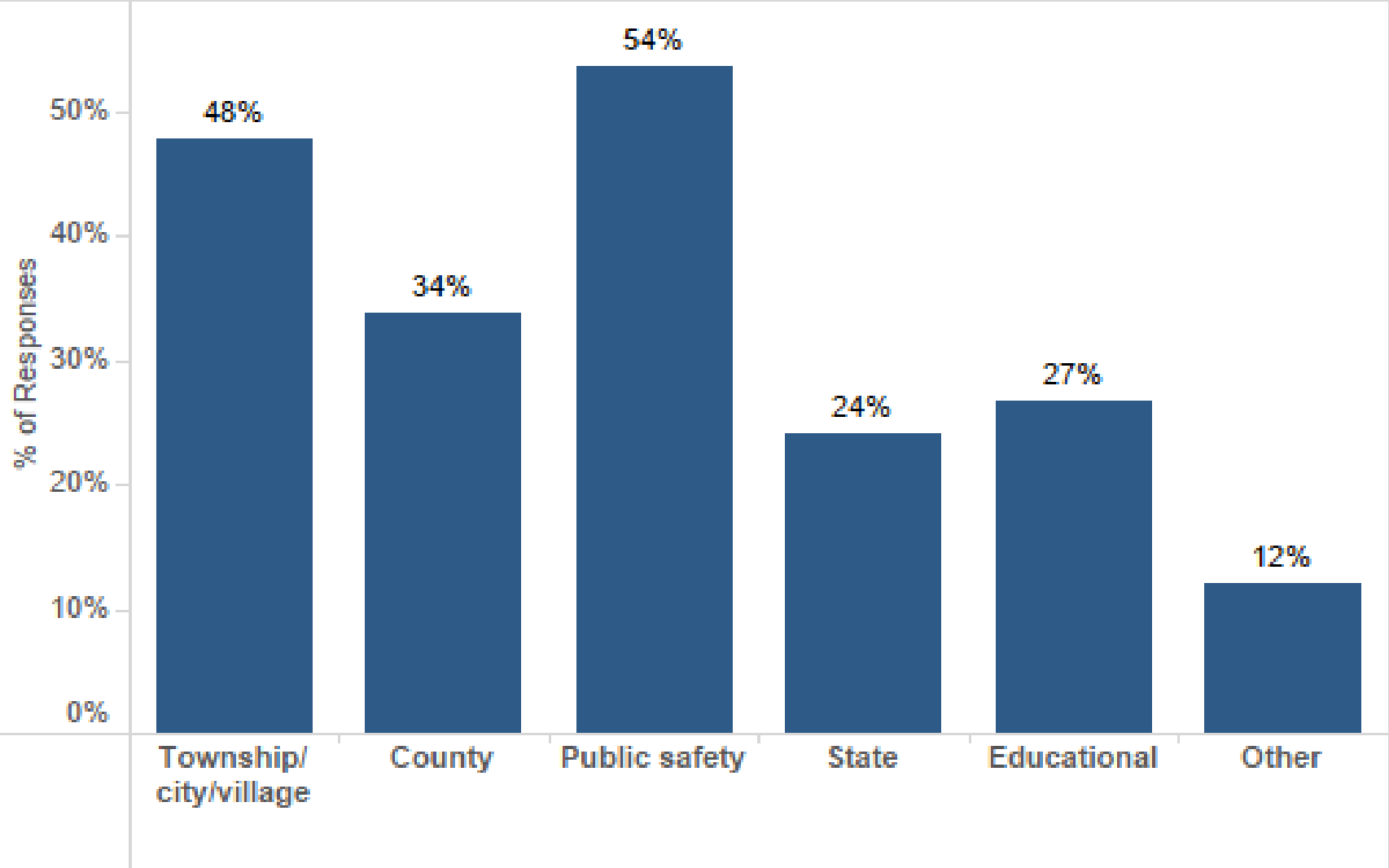


# 2024 NCPERS Public Retirement Systems Study

- Conducted between September and December 2023
- Valid response from 157 public retirement funds. Of these survey respondents, 115 also participated in the previous year's Study.
  - This group provides direct comparisons on several key dimensions in the survey, such as: funded status, contribution rates, and actuarial assumptions



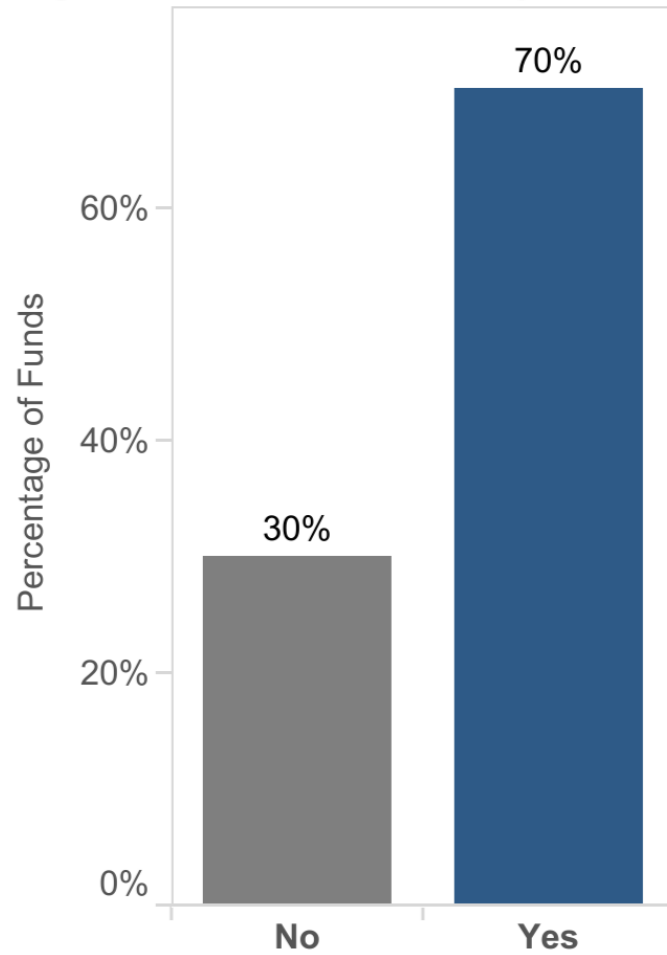
# Who Responded



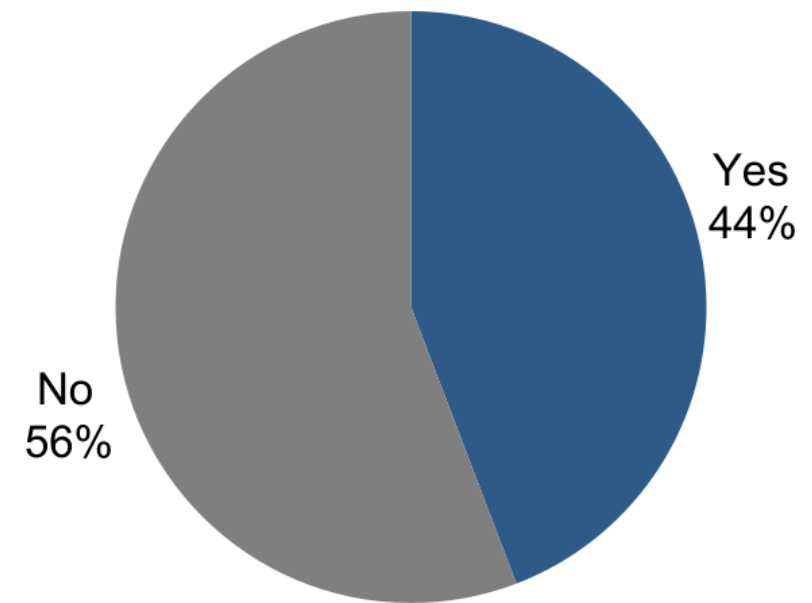


# Who Responded

## Eligible for Social Security

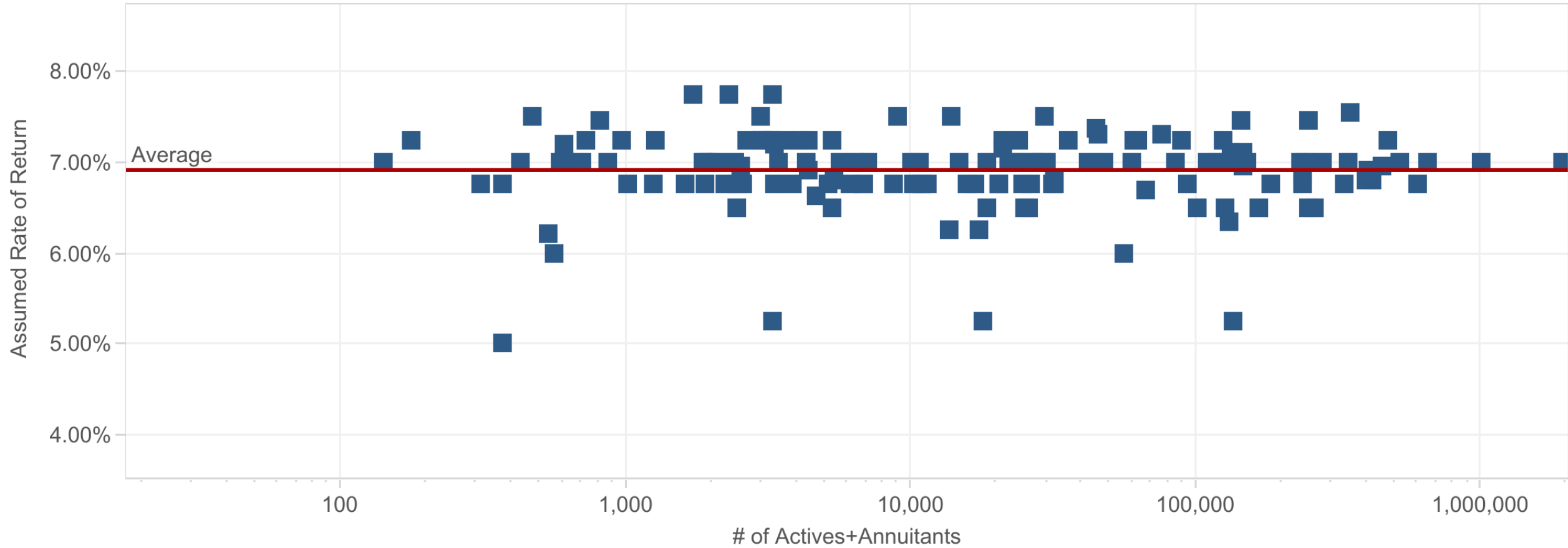


## Inclusion of Overtime in Benefit Calculation



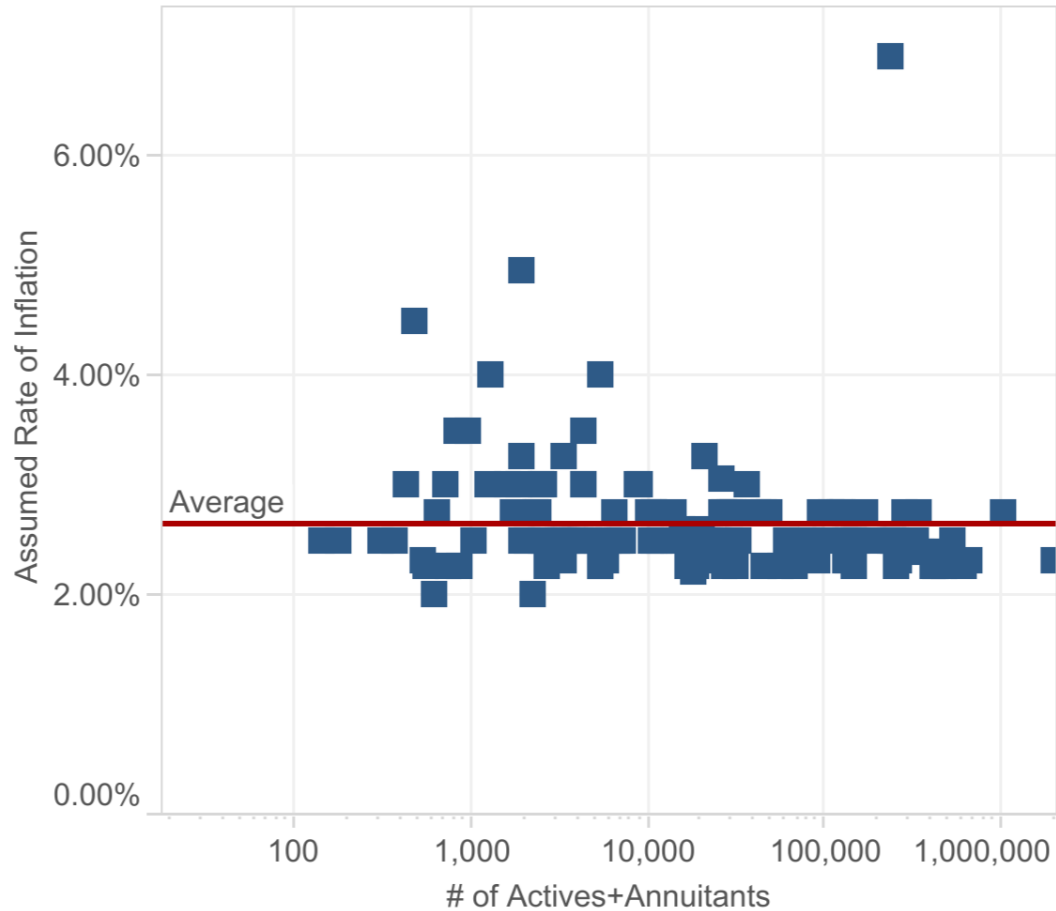
# Economic Assumptions Total

## Investment Assumption

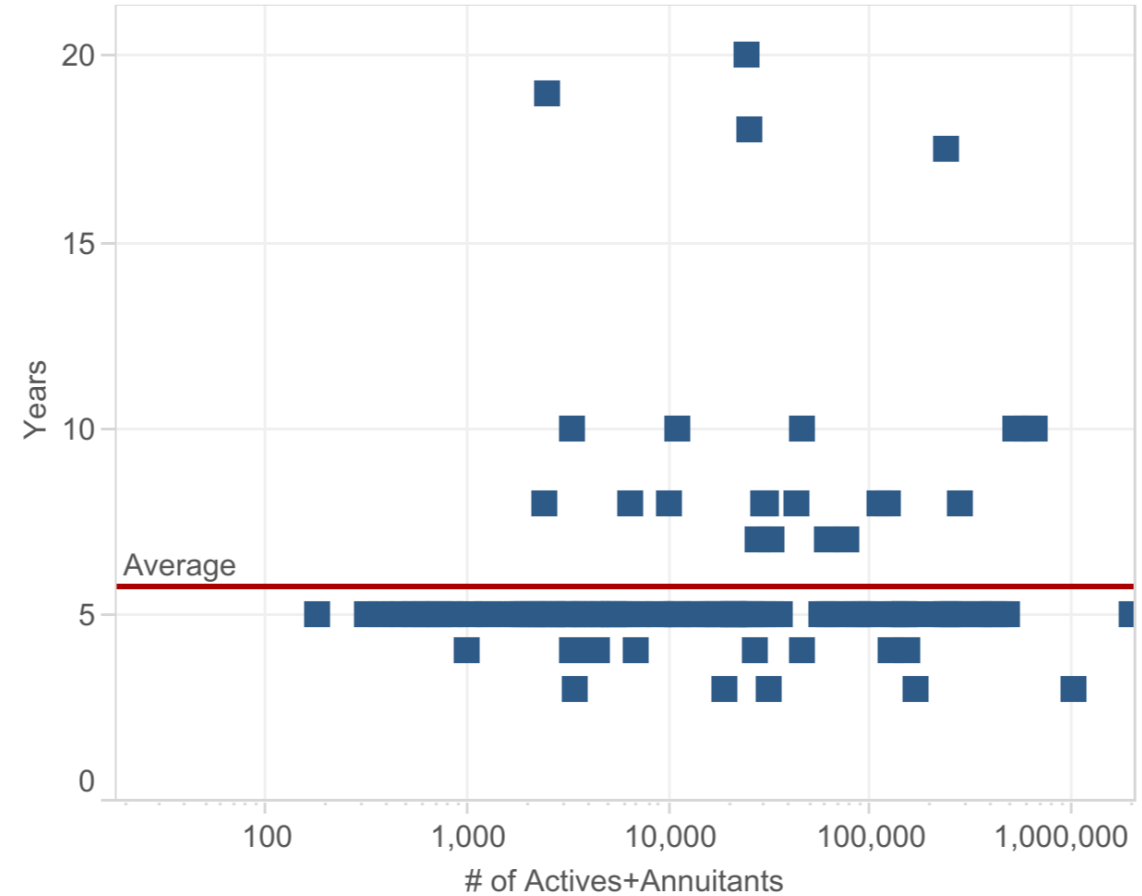


# Economic Assumptions Total

## Inflation Assumption

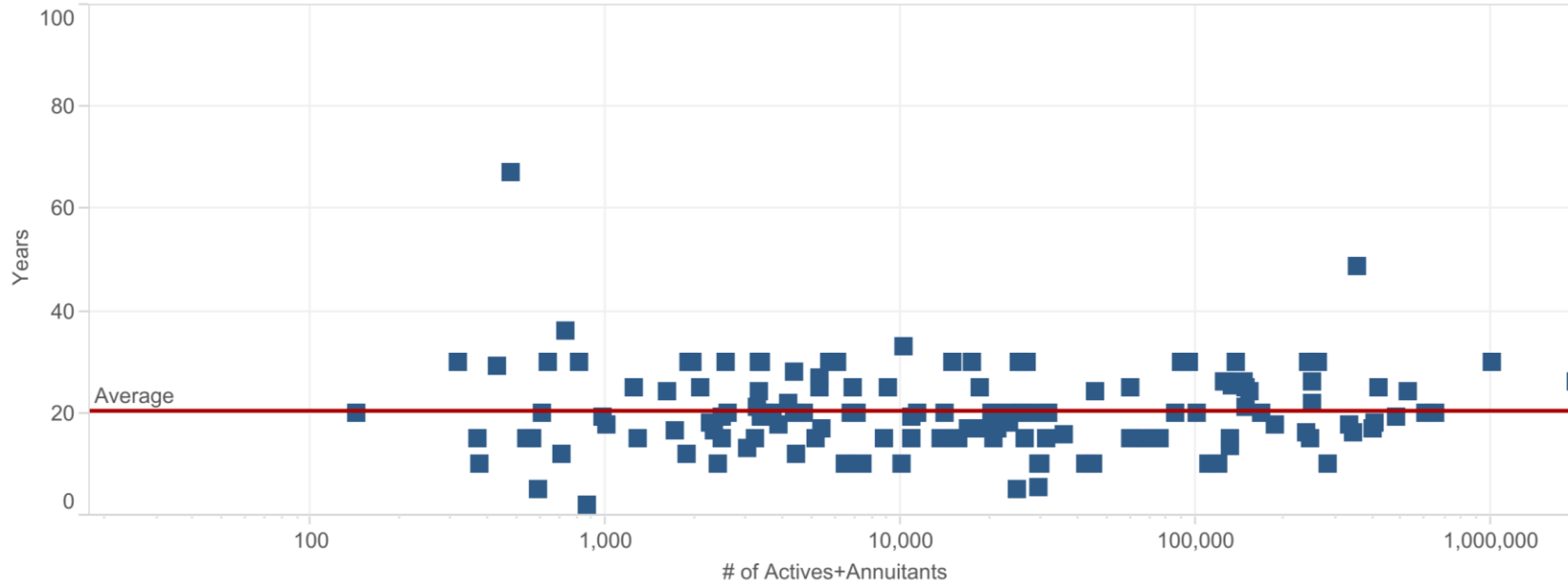


## Investment Smoothing

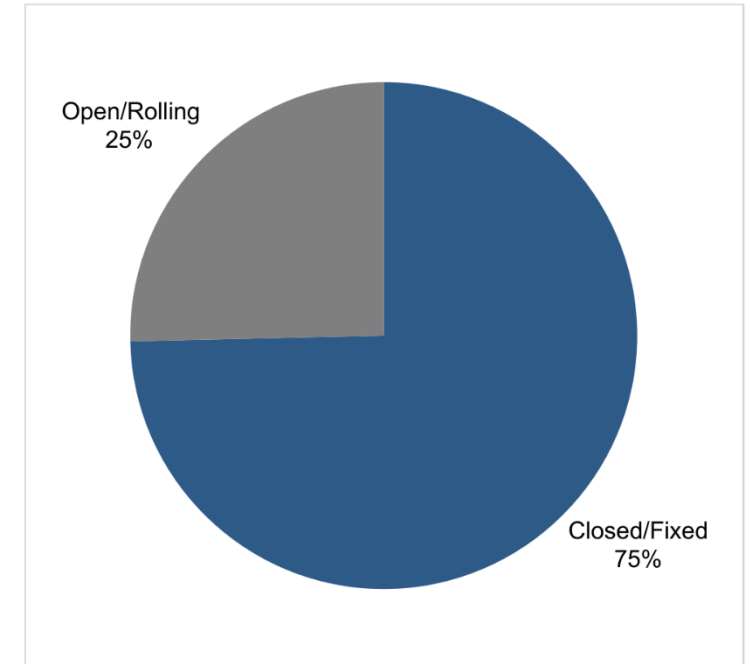


# Amortization Total

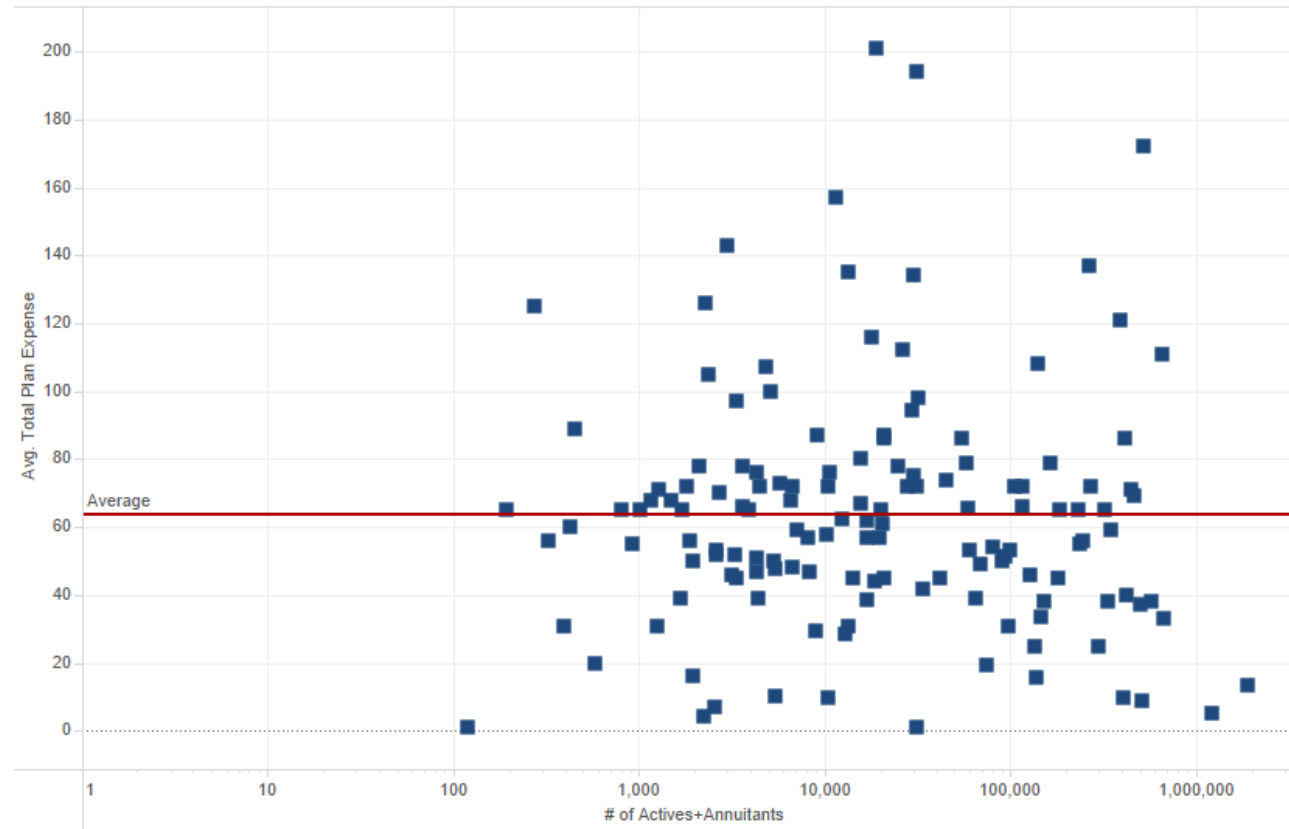
Amortization Period



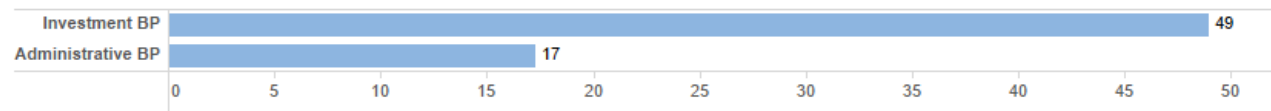
Type of Amortization Period



# Plan Expenses Total

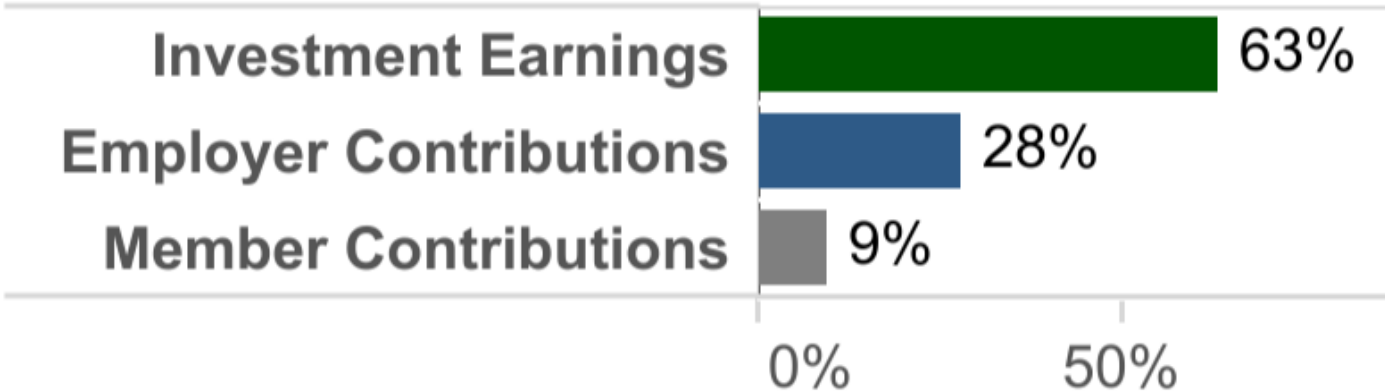


Average Fund Expenses (Basis Points)



# Sources of Revenue Total

## Overall Sources of Revenue

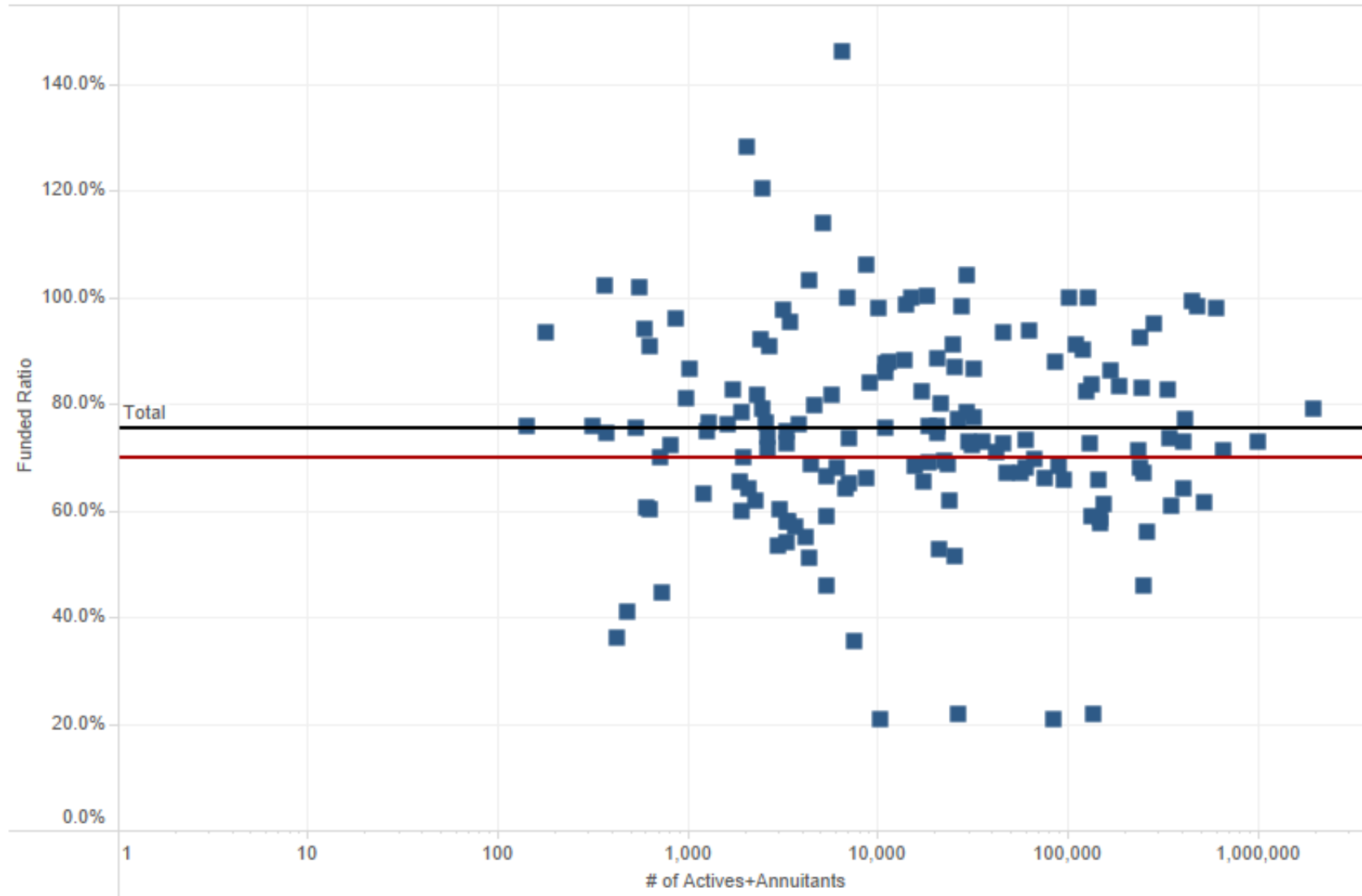


## Percentage of Payroll

	2023
Member Contributions	9%
Employer Contributions	28%
All Contributions	37%

# Funded Status Total

Funded Level Distribution



# Bottom Line

- Funds continue to tighten assumptions
- The trend of public funds becoming more cost effective continues
- Responding funds have funded levels that are sustainable
- Income used to fund pensions come from three sources: investment returns 63%, employer contributions 28%, and member contributions 9%.



Q&A?

Thank You!

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