

Public School Employees' Retirement System of Pennsylvania
Projection of Contribution Rates and Funded Ratios As of June 30, 2009
Market Returns and Pension Rate Floors Set by User

5.64% Projection

Fiscal Year Ending June	Appropriation Payroll (thousands)	Fiscal Year Market Rate of Return	Pension Rate Floor	Employee Contribution Rate	Employer Normal Cost	Unfunded Liability Rate	Preliminary Employer Pension Rate	Health Care Contribution	Total Employer Contribution Rate	Projected Total Employer Contribution (thousands)	Funded Ratio	Unfunded Accrued Liability (\$ Millions)	GASB Compliant?
2008	\$ 12,881,244	(2.82) %	4.00 %	7.25 %	6.68 %	(0.24) %	6.44 %	0.69 %	7.13 %		86.0 %	\$ 9,923.0	
2009	12,500,000	(26.54)	4.00	7.29	6.68	(3.37)	3.31	0.76	4.76		79.2	15,739.2	
2010	12,899,000	8.00	4.00	7.32	7.35	(3.72)	3.63	0.78	4.78	\$ 616,572	73.4	20,898.6	
2011	13,510,000	8.00	4.00	7.34	8.08	(0.50)	7.58	0.64	5.64	761,964	66.4	27,412.4	
2012	13,920,859	8.00	4.00	7.37	8.02	1.85	9.87	0.72	10.59	1,474,219	57.8	35,604.9	
2013	14,345,321	8.00	4.00	7.38	8.00	20.74	28.74	0.72	29.46	4,226,132	53.7	40,526.3	yes
2014	14,797,664	8.00	4.00	7.40	7.96	23.65	31.61	0.71	32.32	4,782,605	54.7	41,117.1	yes
2015	15,280,148	8.00	4.00	7.42	7.93	25.20	33.13	0.70	33.83	5,169,274	56.3	41,123.3	yes
2016	15,794,512	8.00	4.00	7.43	7.91	24.90	32.81	0.68	33.49	5,289,582	58.1	40,819.8	yes
2017	16,341,270	8.00	4.00	7.44	7.89	24.40	32.29	0.67	32.96	5,386,083	60.1	40,255.7	yes
2018	16,926,735	8.00	4.00	7.45	7.87	23.74	31.61	0.65	32.26	5,460,565	62.2	39,515.2	yes
2019	17,557,664	8.00	4.00	7.46	7.85	22.98	30.83	0.64	31.47	5,525,397	64.4	38,673.5	yes
2020	18,232,076	8.00	4.00	7.46	7.84	22.16	30.00	0.61	30.61	5,580,838	66.5	37,742.9	yes
2021	18,948,040	8.00	4.00	7.47	7.82	21.34	29.16	0.59	29.75	5,637,042	68.6	36,726.5	yes
2022	19,703,172	8.00	4.00	7.47	7.81	20.53	28.34	0.59	28.93	5,700,128	70.7	35,623.7	yes
2023	20,493,701	8.00	4.00	7.48	7.79	19.74	27.53	0.59	28.12	5,762,829	72.7	34,430.3	yes
2024	21,321,539	8.00	4.00	7.48	7.78	18.97	26.75	0.59	27.34	5,829,309	74.8	33,140.4	yes
2025	22,185,011	8.00	4.00	7.48	7.77	18.23	26.00	0.59	26.59	5,898,994	76.8	31,746.8	yes
2026	23,081,835	8.00	4.00	7.48	7.77	17.53	25.30	0.59	25.89	5,975,887	78.7	30,241.4	yes
2027	24,006,797	8.00	4.00	7.49	7.75	16.85	24.60	0.59	25.19	6,047,312	80.7	28,615.5	yes
2028	24,958,599	8.00	4.00	7.49	7.74	16.21	23.95	0.59	24.54	6,124,840	82.6	26,859.5	yes
2029	25,937,456	8.00	4.00	7.49	7.73	15.60	23.33	0.59	23.92	6,204,239	84.5	24,962.9	yes
2030	26,943,962	8.00	4.00	7.49	7.72	15.01	22.73	0.59	23.32	6,283,332	86.3	22,914.7	yes
2031	27,978,093	8.00	4.00	7.49	7.71	14.46	22.17	0.59	22.76	6,367,814	88.1	20,702.5	yes
2032	29,041,527	8.00	4.00	7.49	7.70	13.93	21.63	0.59	22.22	6,453,027	89.9	18,313.4	yes
2033	30,136,493	8.00	4.00	7.49	7.69	11.29	18.98	0.59	19.57	5,897,712	91.3	16,375.3	yes
2034	31,268,441	8.00	4.00	7.49	7.68	10.01	17.69	0.59	18.28	5,715,871	92.6	14,556.9	yes
2035	32,446,271	8.00	4.00	7.50	7.66	8.68	16.34	0.59	16.93	5,493,154	93.7	12,905.8	yes
2036	33,675,824	8.00	4.00	7.50	7.64	7.53	15.17	0.59	15.76	5,307,310	94.6	11,403.4	yes
2037	34,956,565	8.00	4.00	7.50	7.63	6.21	13.84	0.59	14.43	5,044,232	95.4	10,144.9	yes
2038	36,292,078	8.00	4.00	7.50	7.62	5.77	13.39	0.59	13.98	5,073,633	96.2	8,864.1	yes
2039	37,690,635	8.00	4.00	7.50	7.60	6.54	14.14	0.59	14.73	5,551,831	97.0	7,107.3	yes

The Board at its January 2009 meeting adopted to reduce the interest rate from 8.50% to 8.25% for the June 30, 2008 valuation and to 8.00% thereafter.