

HONORABLE  
**SETH M. GROVE**  
196<sup>TH</sup> LEGISLATIVE DISTRICT

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*House of Representatives*  
Commonwealth of Pennsylvania

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February 24, 2023

Dear Superintendent

In December of 2022, the Board of Trustees for the Pennsylvania School Employees Retirement System (PSERS) approved a reduction to the employer contribution rate from 35.26% to 34%, while continuing to reduce the total unfunded liability of the retirement system. PSERS publicly cited this as the "First Decline in the Employer Contribution Rate in More Than a Decade" in their press release. ([https://www.media.pa.gov/pages/Public-School-Employees-Retirement-System\\_details.aspx?newsid=256](https://www.media.pa.gov/pages/Public-School-Employees-Retirement-System_details.aspx?newsid=256))

While the rate approved by the board will decline for the 2023-2024 fiscal year, please know that your employer contribution rates are projected to increase in the following fiscal year and beyond. See chart below.

PROJECTED EMPLOYER CONTRIBUTION RATES AND TOTAL EMPLOYER CONTRIBUTIONS (Presumes a 7.00% rate of return)		
Fiscal Year Ending June	Total Employer Contribution Rate %	Projected Total Employer Contribution (thousands) \$
24/25	34.73	5,339,013
25/26	35.49	5,497,903
26/27	36.15	5,642,624
27/28	36.67	5,768,420
28/29	37.21	5,899,255
29/30	37.77	6,034,795
30/31	38.35	6,172,011

In order for you to plan appropriately, I want to ensure you understand the reduction in the employer contribution rate is projected to be a one-time reduction and pension payments for your school district are expected to rise for the foreseeable future.

Sincerely,

A handwritten signature in dark ink, appearing to read "Seth M. Grove", with a long horizontal flourish extending to the right.

**Seth M. Grove**  
Republican Chairman  
Appropriations Committee

cc: Governor Josh Shapiro  
Secretary Yuri Monson, Office of the Budget  
Executive Director Terry Sanchez, PSERS

SMG/jhg