

# Public Retirement Systems Study

## Trends in Fiscal, Operational, and Business Practices

NCPERS 2025 EDITION



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



# About NCPERS

Established in 1941, the National Conference on Public Employee Retirement Systems (NCPERS) is the largest trade association working on behalf of public sector retirement systems, industry stakeholders, and the service providers that support them. Through essential education, innovative research, and unwavering advocacy, NCPERS works to protect and expand pension access for active and retired public servants.

We are a 501(c)(3) nonprofit organization with a diverse membership that includes 500 plans, plan sponsors, and stakeholders who collectively oversee approximately \$6 trillion in retirement funds. From the largest statewide systems to the smallest local funds, our members share our commitment to safeguarding the retirement security of more than 20 million teachers, police officers, firefighters, and other public servants.

NCPERS is the leading voice for the public pension industry, and our team works relentlessly to create valuable resources to meet the ever-changing needs of public pension leaders. Here's a brief overview of how we do it:

- **Education & Fiduciary Training:** NCPERS hosts [11 annual in-person events](#) and regular [educational webinars](#) tailored to the diverse needs of trustees, plan staff, and stakeholders at all experience levels, establishing us as the top provider of education and fiduciary training in the industry.
- **Advocacy:** With a proven record of success, NCPERS advocates for public pensions at both state and federal levels, representing the interests of our members and ensuring their voices are heard.
- **Networking & Collaboration:** NCPERS facilitates [virtual roundtables](#) and in-person networking at our [Summits](#) for plan professionals, fostering the exchange of best practices and innovative solutions between pension funds.
- **Operational Support:** We continually expand our [suite of tools](#) that help drive operational efficiency of pension plans.
- **Research & Insights:** We produce leading [research](#) and [surveys](#) that provide key insights into issues impacting public pensions, including policy-related challenges, [compensation trends](#), and funds' operational and fiscal performance.
- **Publications:** NCPERS produces [widely-read publications](#) that keep our members and the public pension community informed about the latest industry developments.
- **Products & Services:** Through strategic partnerships with respected solutions providers, we offer leading products and services to pension funds and their participants via our [affinity programs](#).
- **Expertise:** As trusted experts in public pensions and [retirement security for all working Americans](#), NCPERS staff frequently present at industry events and serve as key resources for the media, the public, and our members.

[Learn more](#) about what NCPERS can do for your organization or [contact us](#) directly with any questions.

# Introduction

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Since 2011, NCPERS has conducted our annual [Public Retirement Systems Study](#) to gather the latest data on funds' fiscal, operational, and business practices. This serves as a key industry resource that helps public pensions benchmark their performance and provides valuable insights into public sector retirement trends.

NCPERS members range from the largest statewide plans to smaller local retirement systems, and the *2025 Public Retirement Systems Study* had record levels of participation that reflect this diverse landscape. The 201 responding systems reported assets ranging from less than \$100 million to more than \$500 billion.

This robust dataset tells a clear story of resilience and strength. In the span of 20 years, public pensions have endured two major economic crises. Yet with strong governance policies and efficient practices in place, pensions have shored up funding levels and improved their long-term fiscal health.

In fact, funded ratios reached a five-year high of 83.1% for plans with fiscal year-end dates in the first half of 2024. These plans also saw average one-year investment returns of 9.47% (net of fees). Pensions continue to be a highly cost-effective and efficient tool for providing secure retirement benefits, with approximately 60% of overall revenue coming from investment earnings.

The survey data also highlights the importance of plans receiving the full actuarially determined contribution. Responding retirement systems that did receive their full contribution reported funded ratios an average of 20 percentage points higher than those that did *not* receive the full contribution. This reinforces findings from previous studies about the impact of employers' [funding discipline](#) on the health of pension plans.

The *2025 Public Retirement Systems Study* was conducted with a new partner, [Greenwald Research](#), which enabled us to update the survey instrument and make improvements to the data presentation. One notable change is that this report breaks down financial and investment data by fiscal year-end dates—incorporating data collected in the fall of 2021-2024—to more clearly reflect performance trends over time.

In addition to this report, NCPERS members have exclusive access to an interactive dashboard where they can filter data by plan size, employee type, and other variables to compare their own performance and practices against peers.

We sincerely hope that you find this report and accompanying dashboard to be valuable tools in understanding the current public pension landscape. Please don't hesitate to contact [research@ncpers.org](mailto:research@ncpers.org) with any questions.

Sincerely,

Hank Kim  
Executive Director & Counsel  
NCPERS

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# Key Takeaways

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- The average funded ratio has held steady in the 71% to 79% range over the past five years. However, systems with fiscal year-end dates in the first half of 2024 reached a **funded ratio of 83.1%**. Similar gains are expected for systems with fiscal year-end dates through the end of 2024 given the year's strong equity market performance.
- Receiving the full actuarially determined contribution is a key to better funding outcomes, as systems that do so report funded ratios an average of 20 percentage points higher than systems that do not receive the full contribution.
- **One-year investment returns reached an average of 9.47%** for responding systems with a fiscal year-end date in the first half of 2024. While equities remain the largest component of pension portfolios, these systems reported a sharp increase in allocations to fixed income investments, now making up 26.1% of their portfolios.
- Combined investment manager and administrative expenses have risen from 57 basis points (or 0.57%) for systems with fiscal year ends in the first half of 2020, to 73 basis points (or 0.73%) for first half 2024 fiscal year systems.
- Discount rates are slowly creeping down – declining from an average of 7.13% in first half of 2021 to 6.67% in the first half of 2024 – indicating that responding plans' assumptions are getting more conservative. Combined with an observed increase in plans receiving the full actuarially determined contribution in 2024, these two points suggest a trend towards plans being able to better withstand economic shocks.
- Three in four systems provided cost of living adjustments (COLAs) in their most recent fiscal years. Half of the COLAs paid in the most recently reported fiscal year were exactly 3.0%.
- **Amortization periods are tightening.** The average amortization period for systems with fiscal year-end dates in the first half of 2024 is 18.5 years—a three-year low.
- Nine in ten systems have received opinions from auditors on the fund's financial statements, compliance with regulations, etc.
- At this point in time, few respondents have already implemented artificial intelligence in helping manage their retirement plans, such as to improve communication and service for members or automate administrative tasks.
- Top priorities for 2025 include improving cybersecurity and fraud prevention systems, sustaining target funding levels, and updating/acquiring a pension administration system.

# Methodology

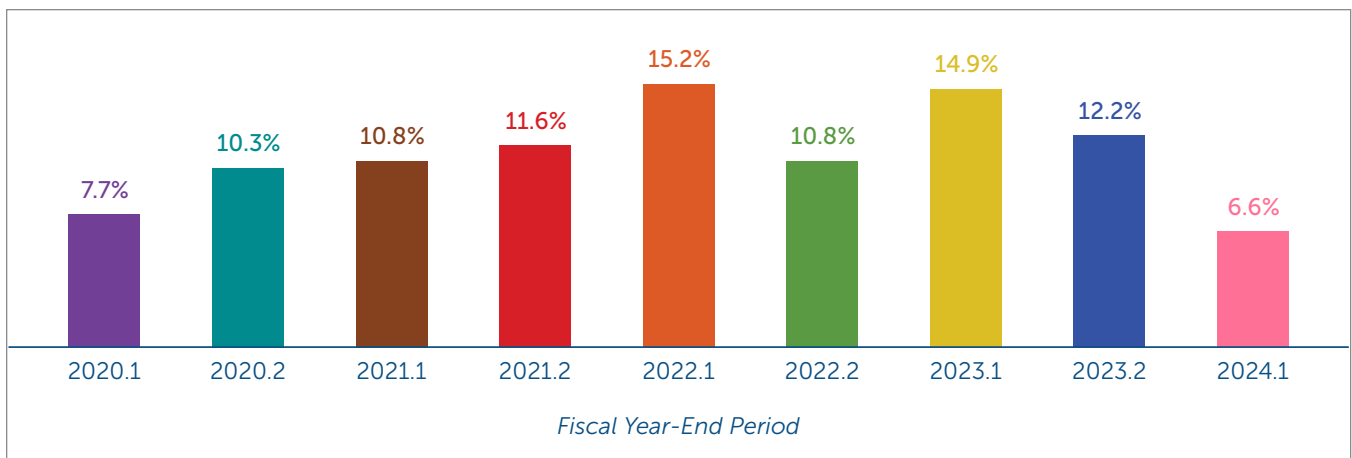
NCPERS' fourteenth annual Public Retirement Systems Study was conducted between September 19 and November 14, 2024. A total of 201 responses were received, covering more than 17 million plan members and representing \$3.0 trillion in plan assets.<sup>1</sup>

Survey participants were asked to provide plan information and insights into their operational and business practices, as well as provide detailed financial information from their most recent Annual Comprehensive Financial Report (ACFR). In order to provide a clearer picture of public retirement systems' overall and year-over-year financial performance, this report includes results from the present survey and those conducted in the fall of 2021, 2022, and 2023.

Regardless of the year in which a survey was completed, analysis of ACFR-based information is grouped by systems with similar fiscal year-end dates, such as all those within either the first or second half of a calendar year. For example, systems with fiscal year-end dates in the first half of 2023 are denoted as 2023.1 and those in the second half are denoted as 2023.2. A very small number of systems have fiscal year-end dates of January 1 or July 1, and for analysis purposes are considered to have a fiscal year-end date one day prior. The vast majority of systems have fiscal year-end dates of exactly June 30 or December 31. Combining similar fiscal year-end dates enables analyses of metrics that may shift based upon market and interest rate fluctuations, as well as trends in contributions, etc.

Where no fiscal year is denoted, data represents responses captured only in the most recent survey.

**Figure 1 – Distribution of Systems by Fiscal Year-End Period for Surveys Conducted 2021-2024**



TOTAL=679 (see Appendix for sample size by fiscal year-end period)

Results in this report will either be based on a particular survey year (such as 2024) or fiscal year. In the latter case, the results will be shown as 202Y.1 or 202Y.2.

Please note that many charts do not add to 100%. This may be due to rounding or because multiple responses are allowed to some questions.

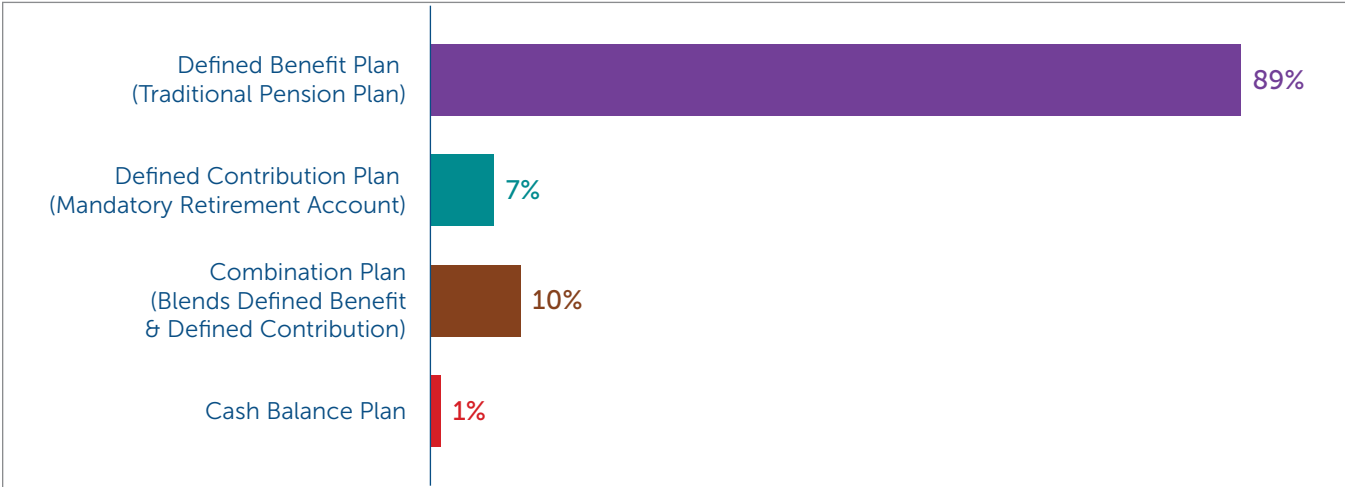
<sup>1</sup> Note that members and assets are based on plans reporting in this year's survey that span a variety of fiscal year periods.



# Who Responded

This section provides information on the administration of public pension plans, who is covered by them, and whether members are eligible for federal benefits. All of these results are based on answers to the recently conducted survey, which received 201 valid responses. While 7% included a defined contribution plan in their survey response, all but 2% of the responding systems reported a defined benefit plan that they administer.

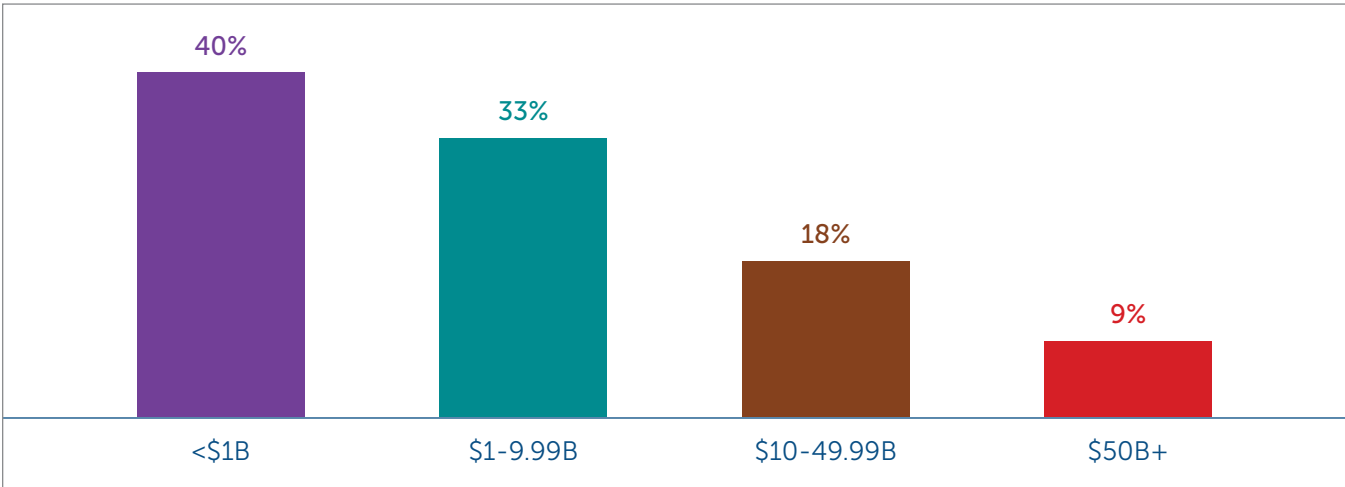
Figure 2 – Plan Type Reported



\*Note: Multiple responses allowed such that totals add to more than 100%  
What type of plan is this? TOTAL 2024=200

Defined benefit plan assets reported range from several plans with less than \$100 million to several with more than \$100 billion.

Figure 3 – Defined Benefit Plan Assets Reported

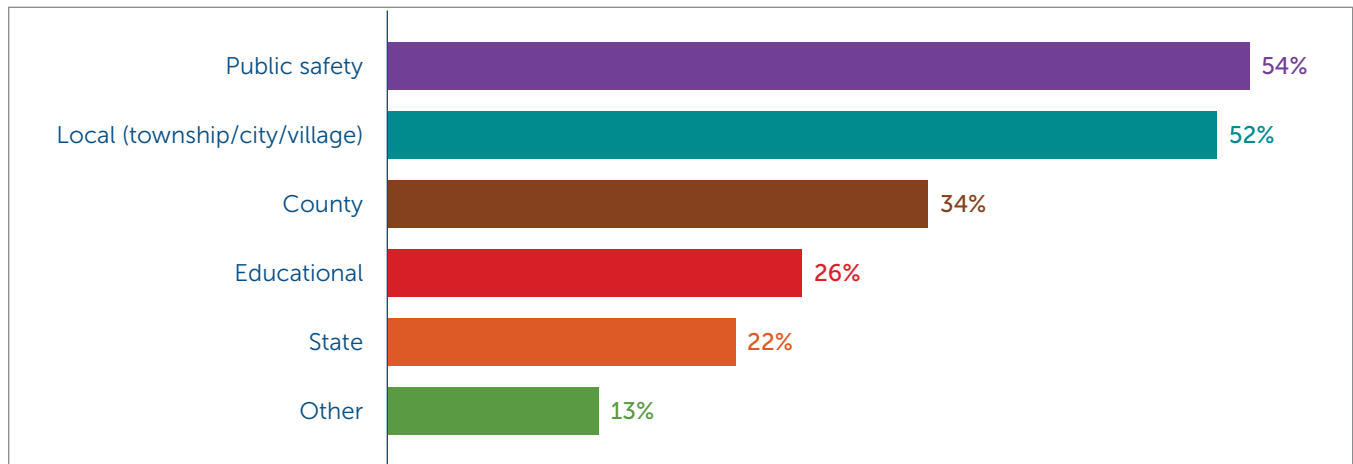


Market value of plan assets. TOTAL 2024 (Not a DC plan)=180

# Staffing and Members

Responding plans include a wide range of participants. Many systems cover multiple types of employees/beneficiaries, resulting in the chart below adding to more than 100%. Three quarters (74%) of responding systems cover general employees (local, county, and/or state).

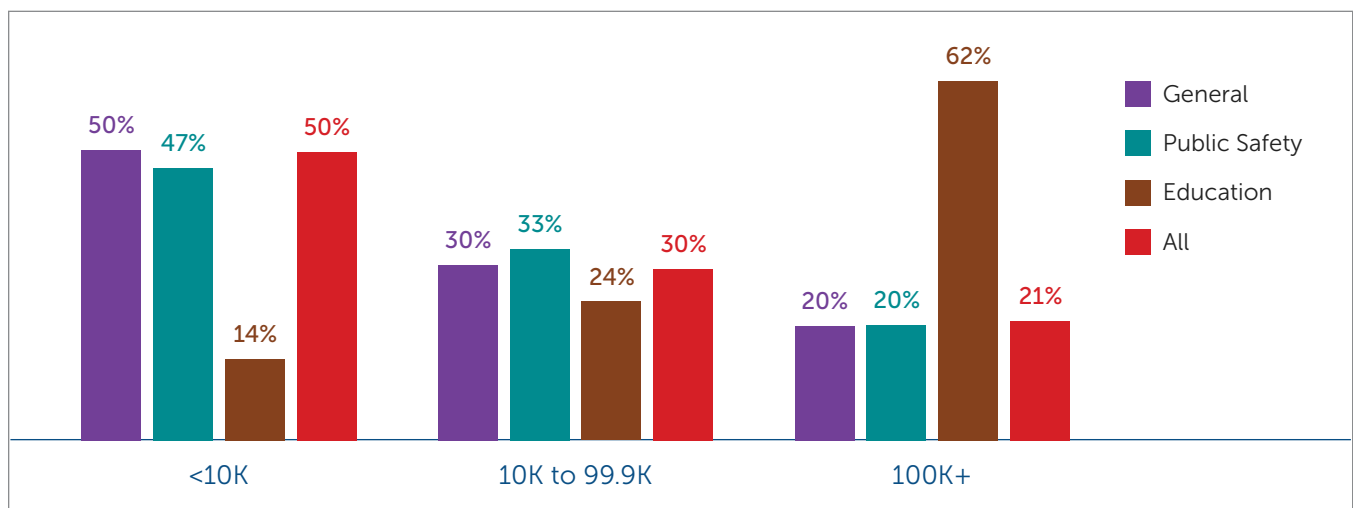
**Figure 4 – Types of Employees/Beneficiaries Served**



\*Note: Multiple responses allowed such that totals add to more than 100%  
 What type of employees/beneficiaries does your fund serve? (Please mark all that apply.) TOTAL 2024=201

The number of members served by systems varies greatly, ranging from a low of 67 to a high of more than 2.3 million, with the median system having 9,528 total members. Systems serving education employees tend to have more members than systems serving other types of employees, with three in five education systems having 100,000 or more members.

**Figure 5 – Total Number of Members**

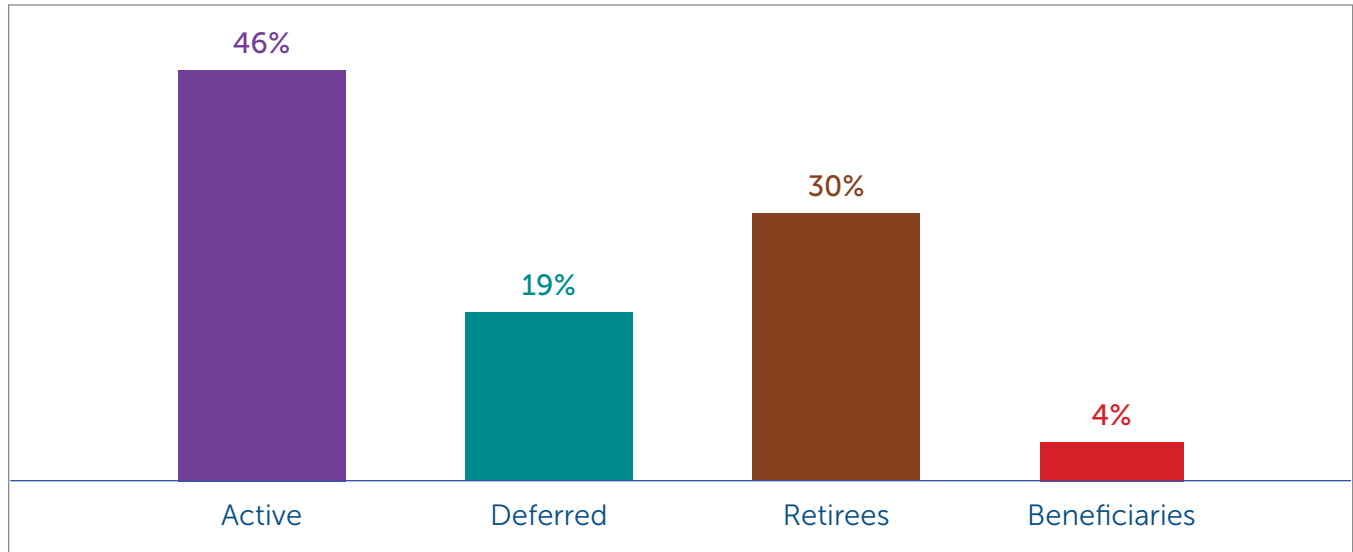


Total number of members TOTAL 2024=189 \*Not applicable removed from base



Active members make up nearly half of total members, followed by retirees which represent three in ten members.

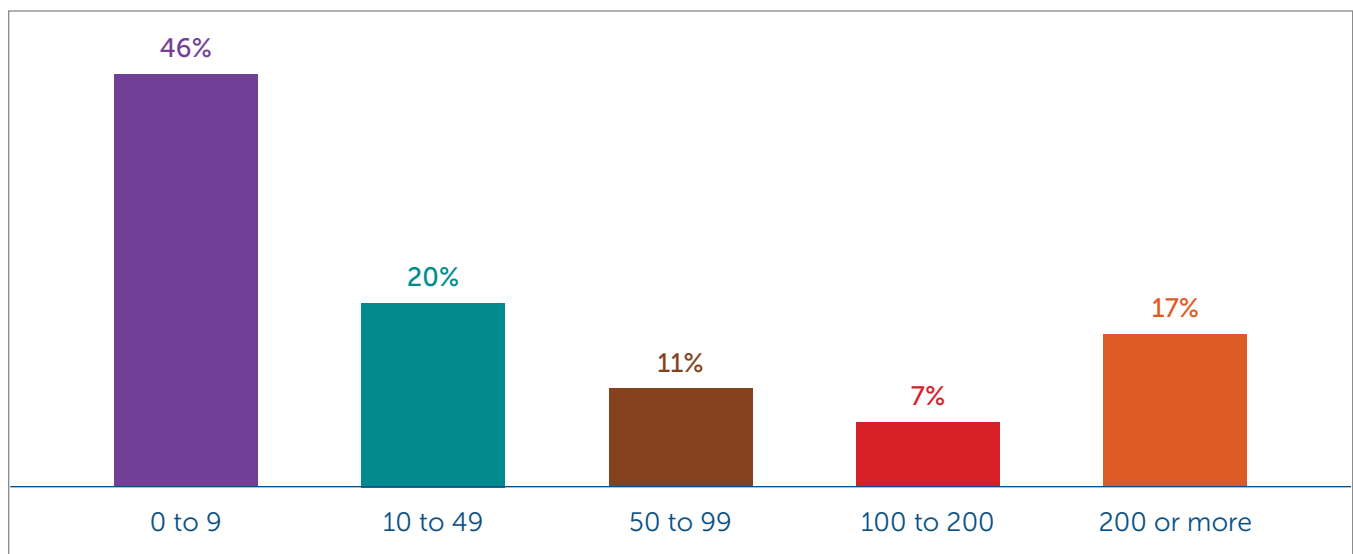
**Figure 6 – Members by Status**



Number of members TOTAL 2024 (Not a DC plan)=188

There is a wide range of staffing levels administering public pension funds. While the median number is 15 employees, systems serving larger number of members and those with higher levels of plan assets have considerably more staff administering their plans. For example, plans serving 20,000 or more members have a median of 116 administrative staff, compared to medians of two and eight staff for plans with fewer than 2,000 members and 2,000 to 19,999 members, respectively.

**Figure 7 – Number of Staff Administering the Fund**

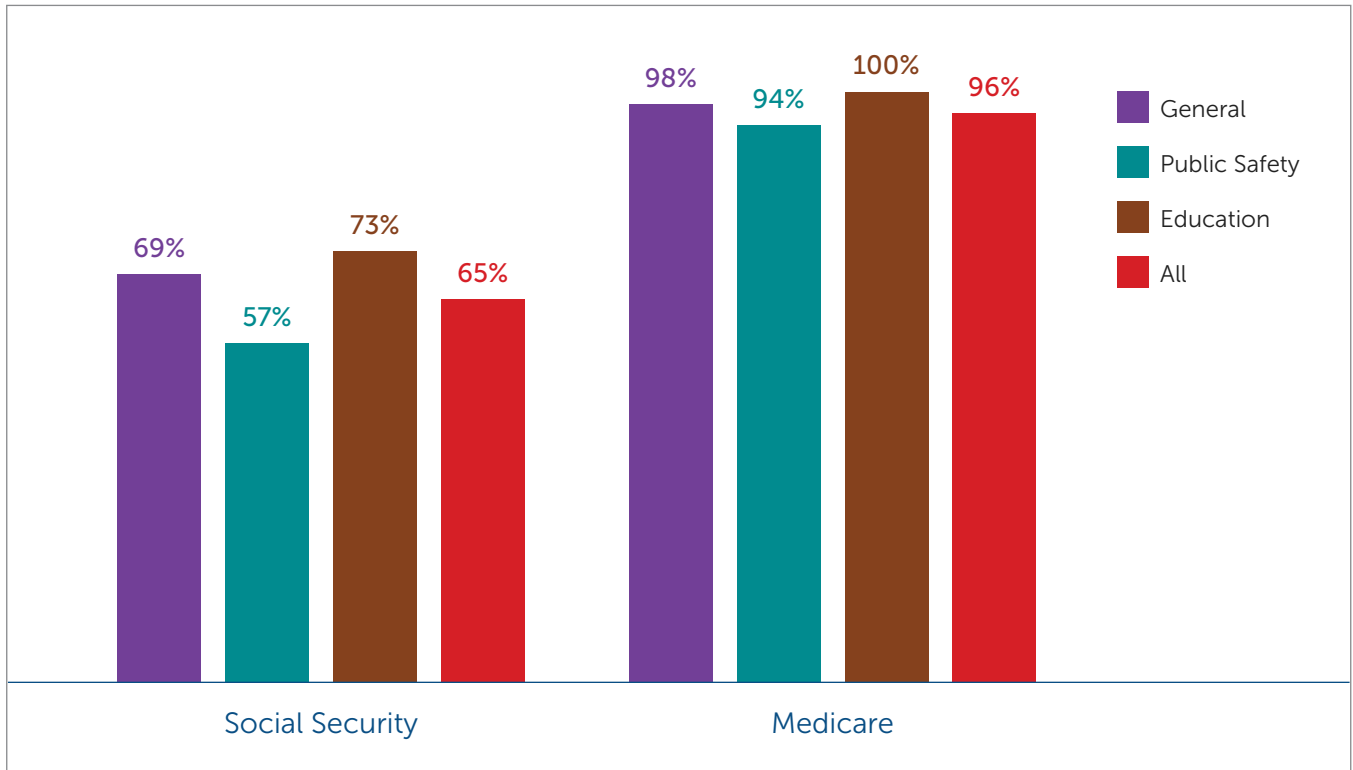


Total number of staff who administer the fund (full-time equivalent) TOTAL 2024 (Not a DC plan)=186

# Eligibility for Federal Benefits

Nearly two-thirds of systems say their members are eligible for Social Security and nearly all are eligible for Medicare.

Figure 8 – Eligibility for Social Security and Medicare



Are your members eligible for Social Security coverage? TOTAL 2024=199  
Are your members eligible for Medicare coverage? TOTAL 2024=197

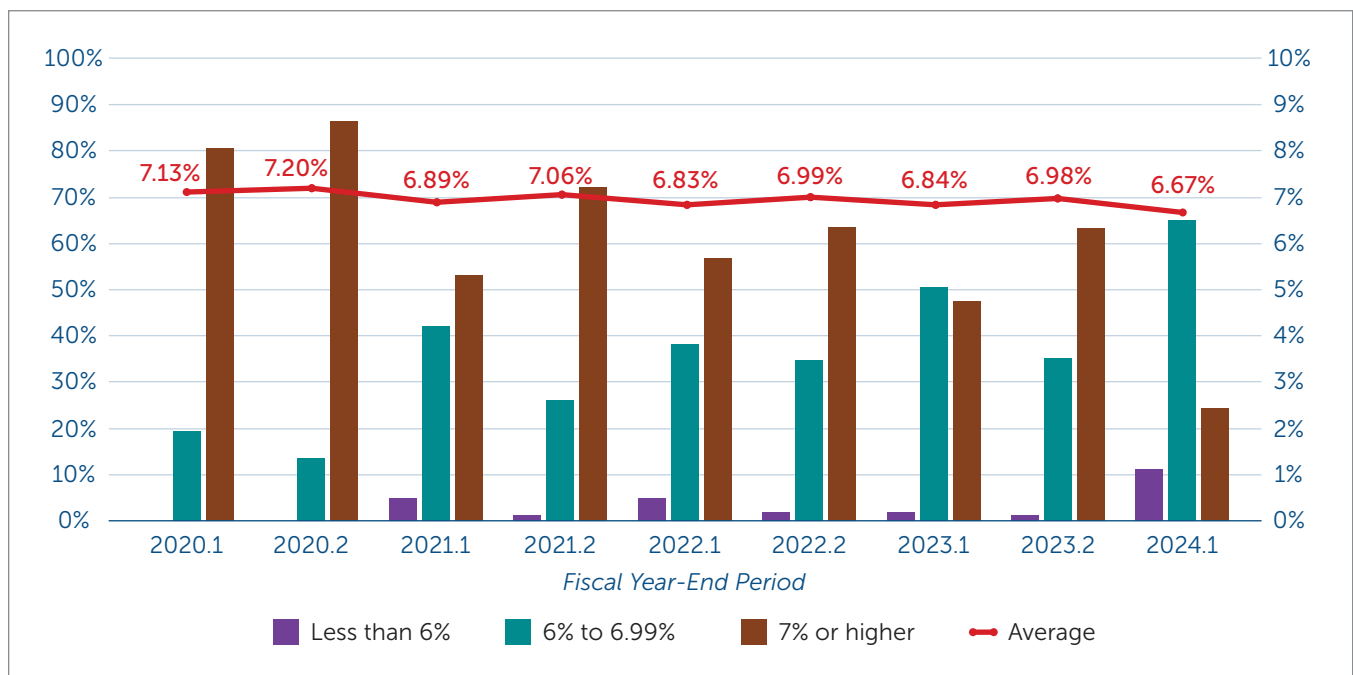
# Recent Trends in Investment and Plan Performance

In this section, we cover the financial aspects of public pensions, including how the funds are invested, investment returns, plan contributions, and expenses for managing the plan. The section culminates in a summary of the funded ratios of the plans reported by participating systems. Many of the results are presented as trends based on the semi-annual period in which plan fiscal year-ends occur. For further explanation, see the [Methodology section](#) earlier in this report.

## Investment Assumptions

The **median** discount rate has hovered on or near 7% for the past four years. During the same period, the **average** has fallen slightly. Despite these falling average discount rates, funded ratios have remained stable, if not increased, bolstered by rising employer contributions (as reflected in an increase in the number of systems receiving the full actuarially determined contribution – see Funded Ratio section below), and recent equity market performance.

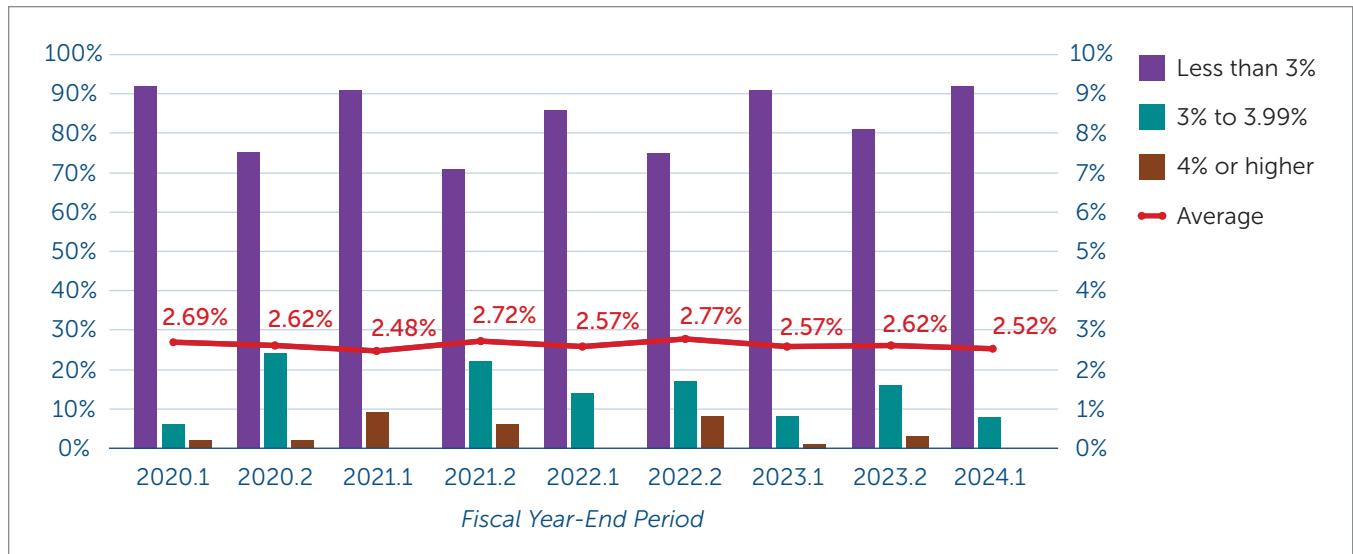
**Figure 9 – Discount Rate**



Investment assumption/discount rate (%) TOTAL (Not a DC plan)=606 (see Appendix for sample size by fiscal year-end period)

The respondents' assumptions for inflation have stayed consistent, with the median at 2.50%. While some systems assume an inflation rate below 2% or above 3%, eight in ten systems use 2.25%, 2.50%, 2.75%, or 3%. These four inflation figures have been used by 12%, 39%, 17%, and 11% of systems, respectively.

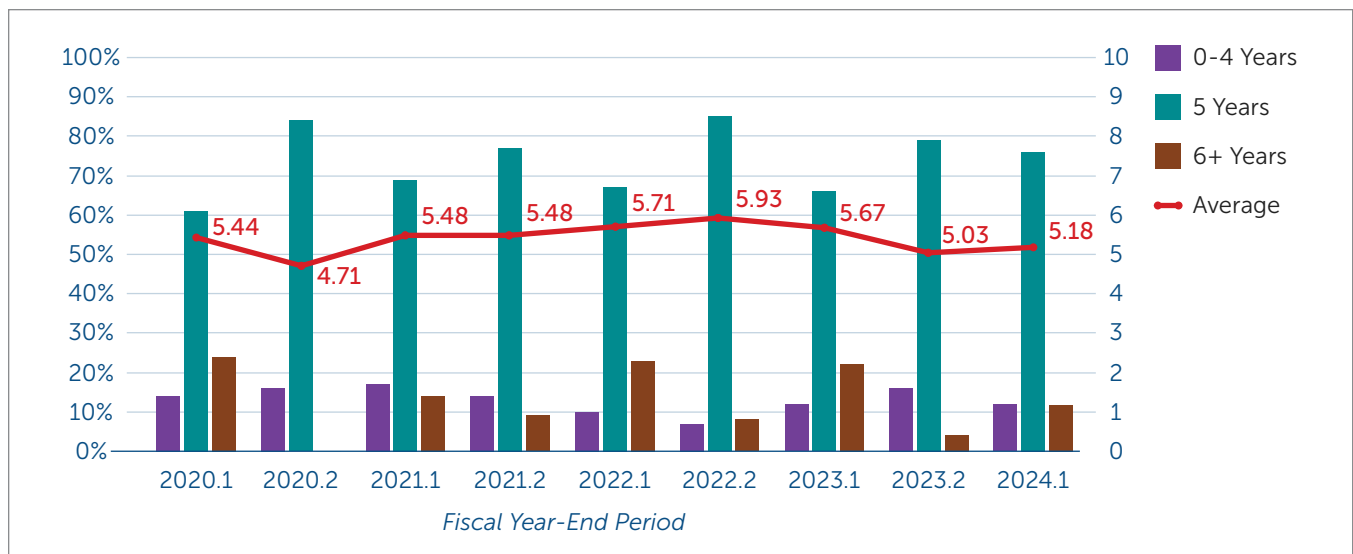
**Figure 10 – Inflation Assumption**



Inflation assumption (%) TOTAL (Not a DC plan)=585 (see Appendix for sample size by fiscal year-end period)

Most systems incorporate an investment smoothing period to recognize investment gains or losses over multiple years, which helps reduce volatility in funded ratios. Three in four systems that do so use a 5-year smoothing period, with relatively equal numbers smoothing over shorter or longer periods.

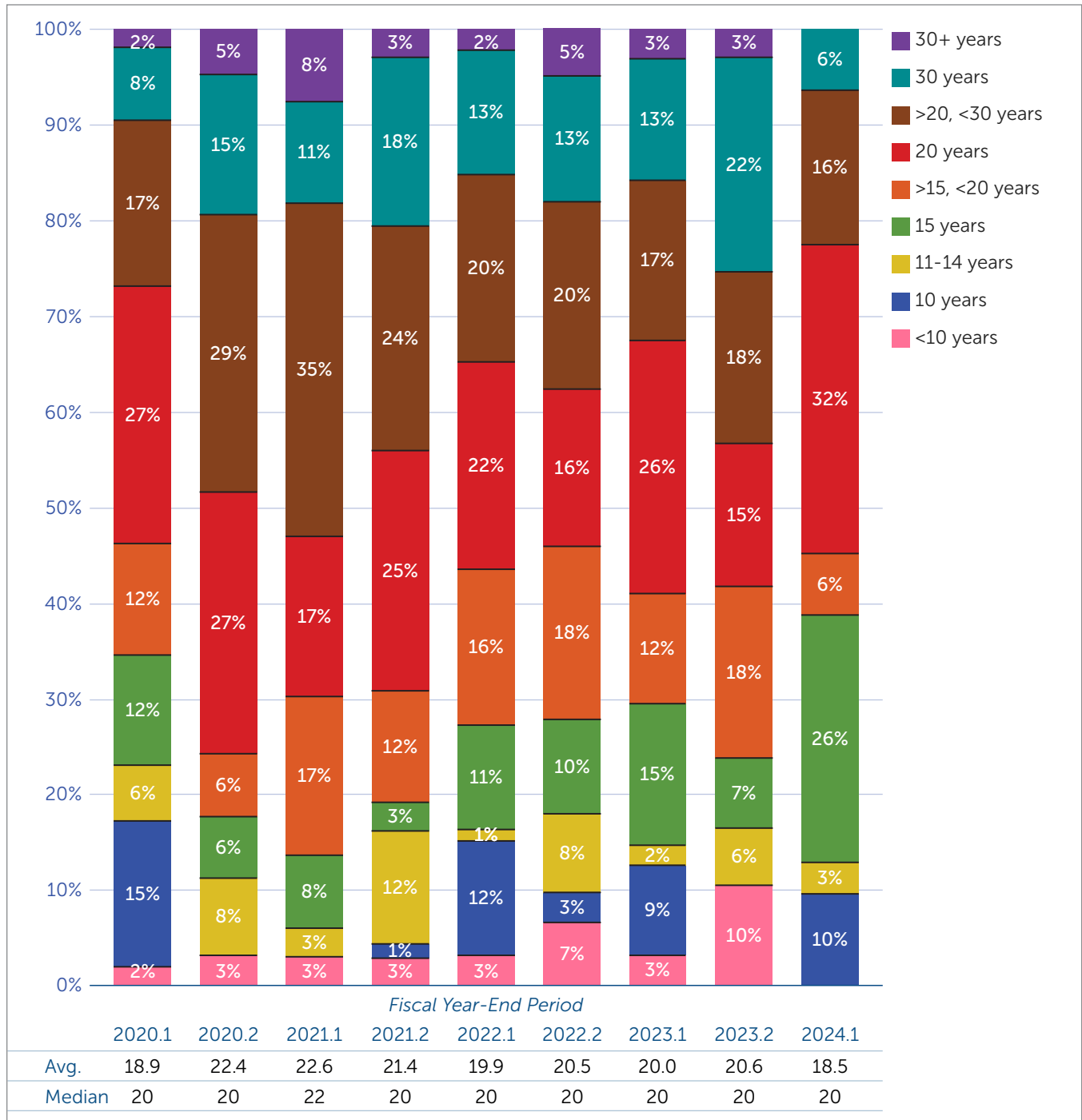
**Figure 11 – Investment Smoothing Period**



Investment smoothing period (years) TOTAL (Not a DC plan)=576 (see Appendix for sample size by fiscal year-end period)

One common method to fund the unfunded pension liability is to amortize it over a number of years. The number of amortization years in the study data ranges from fewer than 10 to more than 30. The most frequently used time period is a 20-year amortization schedule, which is also where the median and average length of amortization schedule lie. Many systems use other “round” number years such as 10, 15, or 30 years.

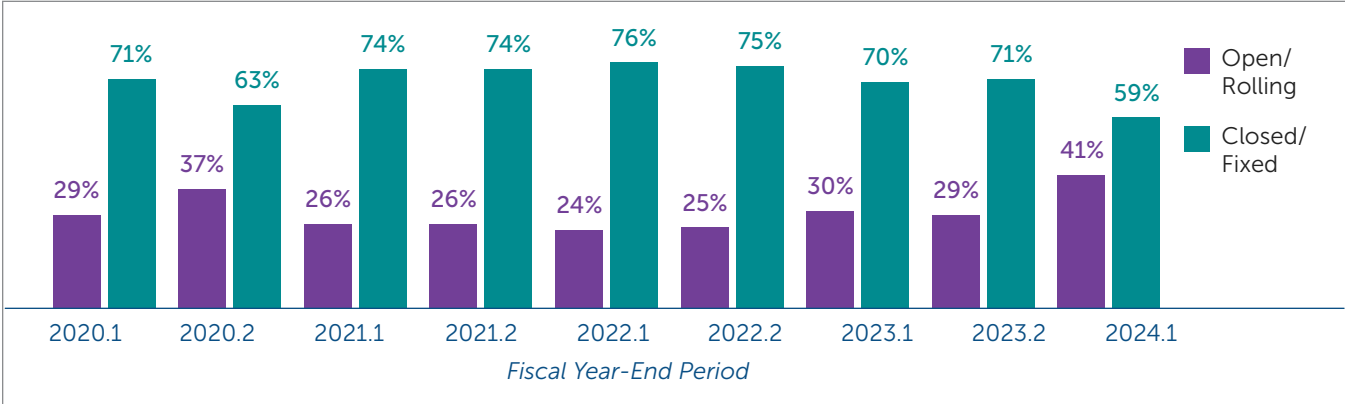
**Figure 12 – Amortization Period**



Amortization period (years) TOTAL (Not a DC plan)=565 (see Appendix for sample size by fiscal year-end period)

When systems amortize their unfunded pension liability over a number of years, they employ two primary methods. The closed, or fixed, method results in systems amortizing the remaining unfunded liability over the period such that at the end of the period there is no remaining unfunded liability, so long as assumptions are met. Under an open, or rolling, method, the amortization is reset annually so that the funded ratio approaches full funding but does not necessarily reach it. Most systems utilize closed amortization, though the chart below suggests more plans with fiscal year-ends in the first half of 2024 are using an open or rolling method. While this may be a leading indicator of a trend, it also may be that there are relatively few systems reporting for that time period, and future survey data might be required to confirm this trend.

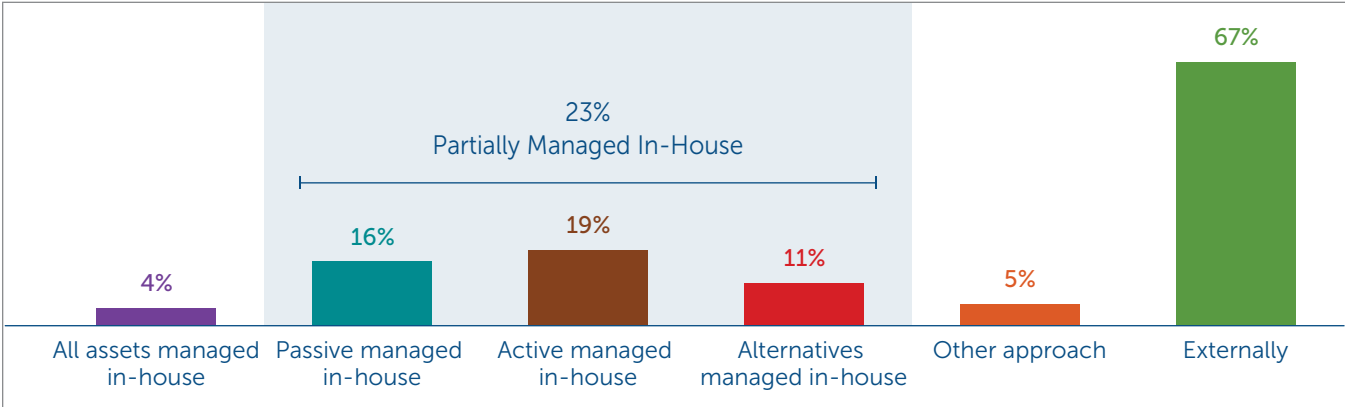
**Figure 13 – Type of Amortization**



Type of amortization period (years) TOTAL (Not a DC plan)=599 (see Appendix for sample size by fiscal year-end period)

Nearly all systems lean on external partners to help manage assets, with just 4% managing them completely in-house. Nearly one-quarter of respondents partially manage their assets, typically overseeing an asset class such as alternatives, or an investment style (passive or active). Systems serving education workers, and those with more assets, are more likely to take on partial management of assets, while those with fewer than 20,000 members or less than \$10 billion in assets are more likely to leave investment management to an external partner.

**Figure 14 – Where Assets are Managed**

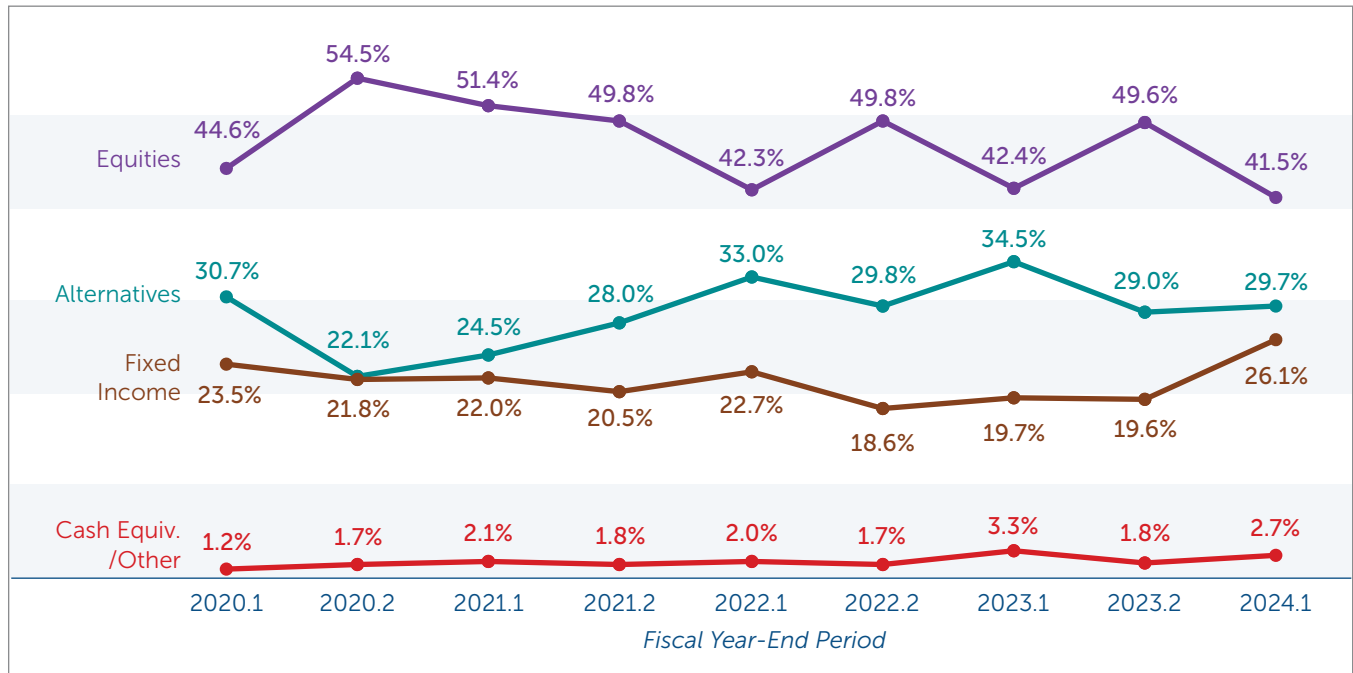


\*Note: Multiple responses allowed if partially managed in-house, resulting in totals that add to more than 100% Does your plan manage assets in-house? TOTAL 2024 (Not a DC plan)=167

# Asset Allocation and Investment Performance

Equities remain the largest component of pension portfolios. Alternative investments (primarily real estate and private equity) have consistently been the second largest allocation, though for systems with fiscal year-end dates in the first half of 2024, fixed income investments are now nearly as large. On average, systems are staying very close to their targeted allocations for each asset class.

**Figure 15 – Summary of Actual Asset Allocation**



Current asset allocations (%) TOTAL=438 (see Appendix for sample size by fiscal year-end period)

**Table 1 – Actual Asset Allocation by Specific Asset Class**

Asset Class	Fiscal Year-End Period									
	2020.1	2020.2	2021.1	2021.2	2022.1	2022.2	2023.1	2023.2	2024.1	
Global Equity	17.0%	14.1%	13.0%	9.8%	10.5%	7.5%	13.0%	9.3%	14.5%	
Domestic Equity	16.3%	27.2%	24.8%	27.7%	21.6%	29.6%	18.9%	28.0%	17.4%	
International Equity	11.2%	13.2%	13.7%	12.3%	10.2%	12.8%	10.5%	12.3%	9.6%	
<b>Total Equities</b>	<b>44.6%</b>	<b>54.5%</b>	<b>51.4%</b>	<b>49.8%</b>	<b>42.3%</b>	<b>49.8%</b>	<b>42.4%</b>	<b>49.6%</b>	<b>41.5%</b>	
Global Fixed Income	10.4%	4.0%	4.5%	4.7%	4.2%	2.6%	5.1%	3.2%	4.5%	
Domestic Fixed Income	11.6%	15.9%	15.5%	14.2%	15.8%	15.0%	12.8%	14.5%	19.1%	
International Fixed Income	0.4%	0.9%	0.9%	0.6%	1.1%	0.5%	0.7%	0.4%	0.5%	
High Yield Bond	1.0%	0.9%	1.2%	1.0%	1.5%	0.5%	1.1%	1.5%	2.1%	
<b>Total Fixed Income</b>	<b>23.5%</b>	<b>21.8%</b>	<b>22.0%</b>	<b>20.5%</b>	<b>22.7%</b>	<b>18.6%</b>	<b>19.7%</b>	<b>19.6%</b>	<b>26.1%</b>	

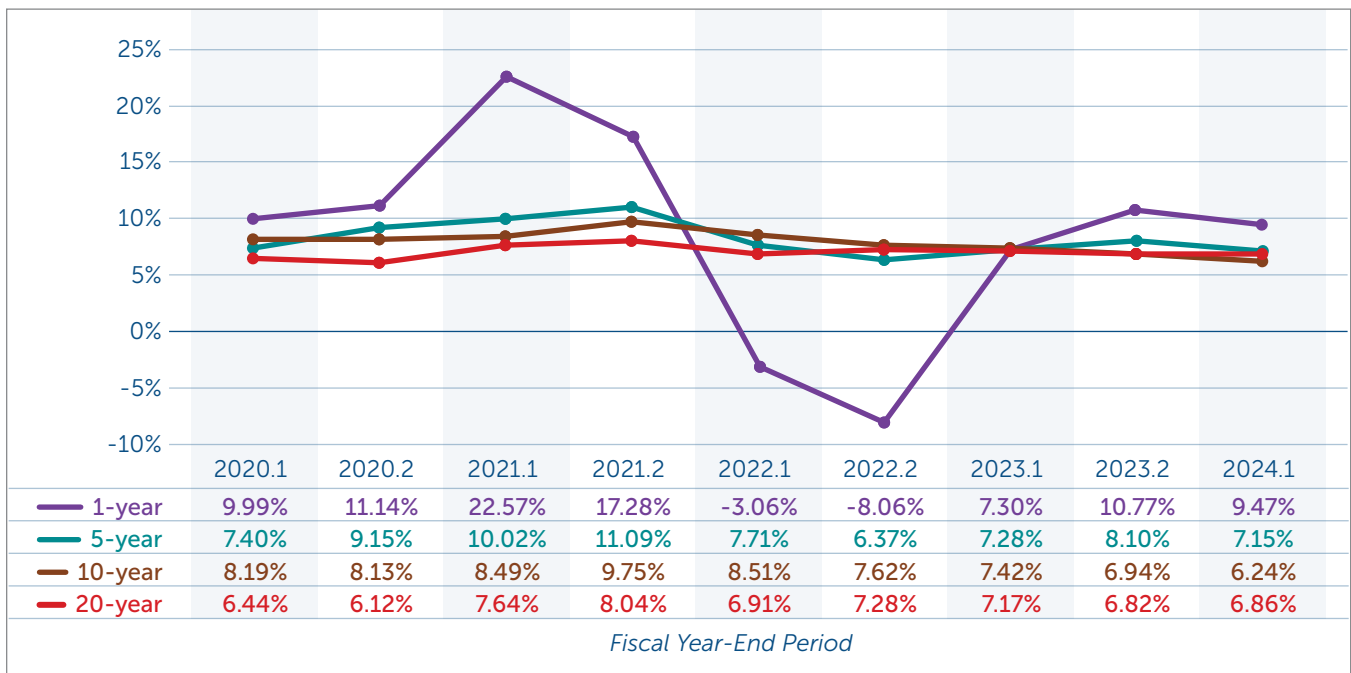


Asset Class	Fiscal Year-End Period								
	2020.1	2020.2	2021.1	2021.2	2022.1	2022.2	2023.1	2023.2	2024.1
Real Estate	9.9%	8.2%	7.9%	10.0%	11.2%	11.6%	10.9%	10.1%	8.0%
Private Equity	13.3%	6.7%	9.9%	9.6%	12.6%	9.9%	12.1%	9.5%	10.4%
Hedge Fund	1.8%	2.5%	1.9%	2.9%	2.3%	3.1%	1.3%	3.4%	1.4%
Private Debt	1.4%	0.9%	1.6%	0.7%	2.4%	1.1%	4.1%	1.5%	4.1%
Commodities	3.2%	3.0%	2.8%	4.3%	4.2%	3.6%	5.5%	4.1%	4.1%
Other Alternatives	1.1%	0.7%	0.4%	0.5%	0.3%	0.5%	0.7%	0.4%	1.6%
<b>Total Alternatives</b>	<b>30.7%</b>	<b>22.1%</b>	<b>24.5%</b>	<b>28.0%</b>	<b>33.0%</b>	<b>29.8%</b>	<b>34.5%</b>	<b>29.0%</b>	<b>29.7%</b>
Cash Equivalents*	1.2%	1.7%	2.1%	1.8%	2.0%	1.7%	3.3%	1.8%	2.7%
<b>Total Portfolio</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Includes "other" asset classes reported by four systems in the most recent survey.  
 Current asset allocations (%) TOTAL=438 (see Appendix for sample size by fiscal year-end period)

Systems report their overall 1-year, 5-year, 10-year, and 20-year investment returns in this annual study. Roughly three-quarters of systems report these returns net of fees, and the remaining are reporting gross returns. The chart below shows the trend in returns net of investment management fees. The returns for plans with fiscal year-ending periods in the first half of 2024 had average 1-year returns of 9.47%, 5-year returns of 7.15%, 10-year returns of 6.24%, and 20-year returns of 6.86%.

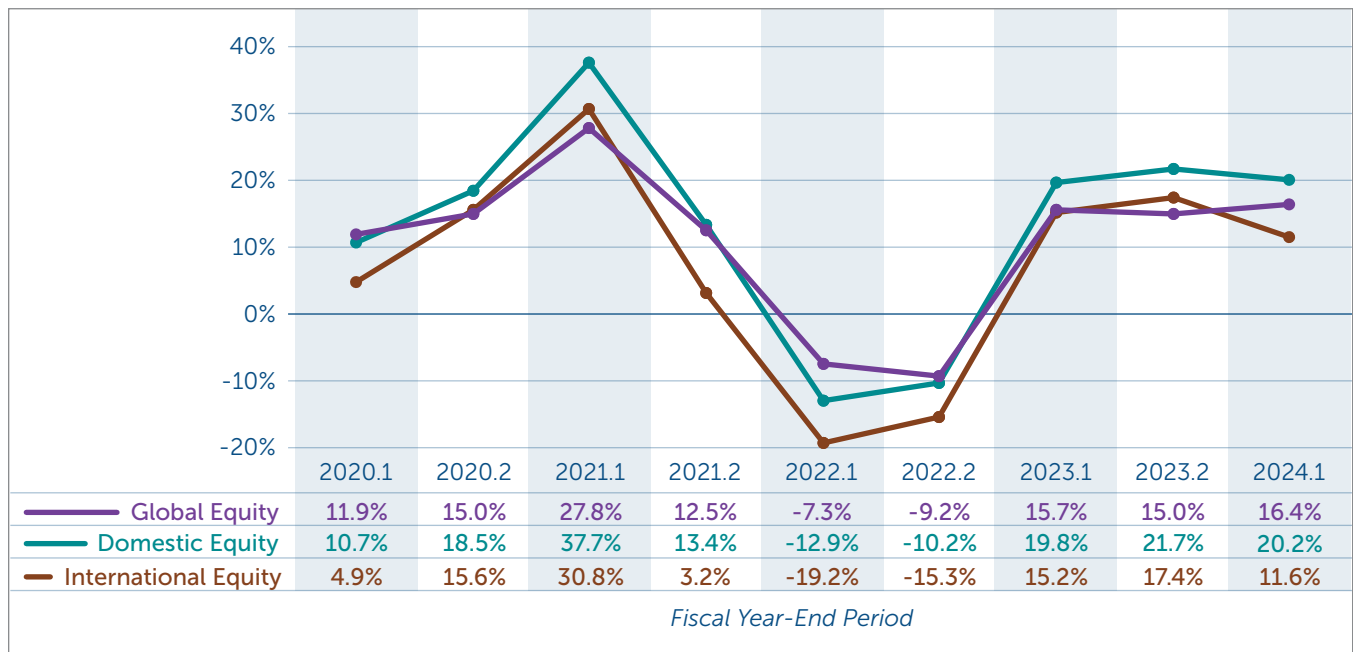
**Figure 16 - Average Investment Returns (net of investment management fees)**



TOTAL 1-year=385, 5-year=374, 10-year=353, 20-year=206 (see Appendix for sample size by fiscal year-end period)

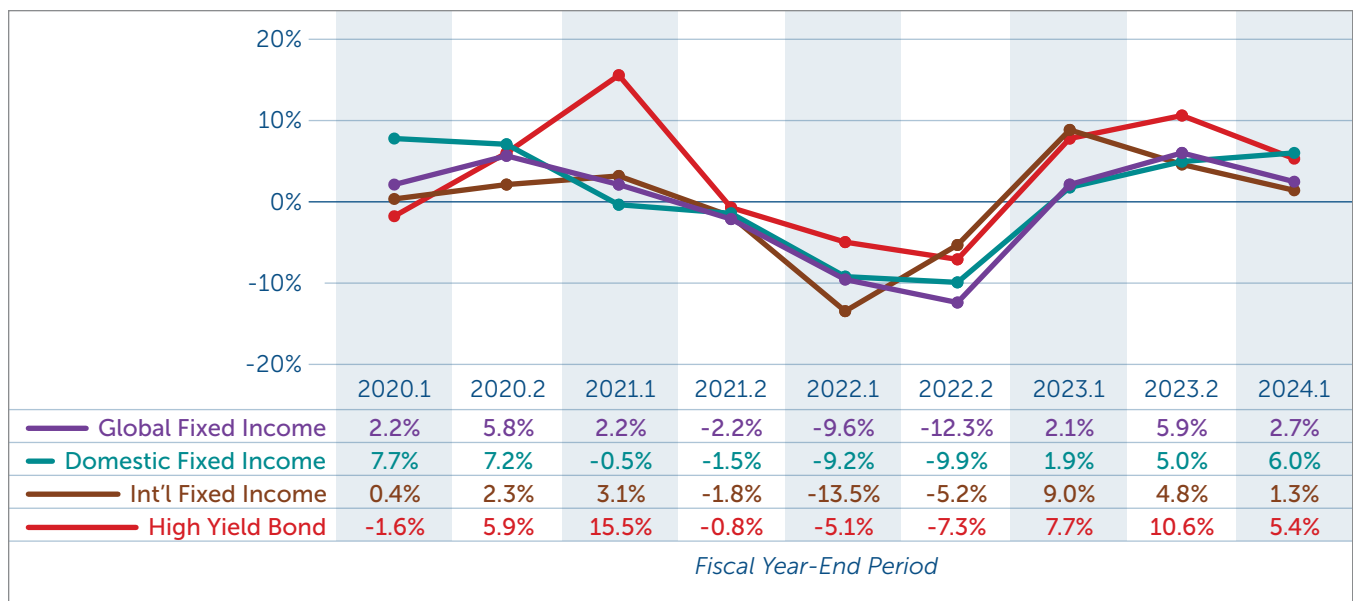
The following three figures show the 1-year returns by asset class for each fiscal year period. The equity subclasses and fixed income subclasses have exhibited surprisingly little diversification in returns over the last five years, with each set of lines tracking each other relatively closely. Early on in this timeframe, private equity exhibited outsized positive returns compared to other alternative investments such as hedge funds and private debt. Over the last couple of years, alternative and other asset classes have converged, yielding more consistently modest returns.

**Figure 17 – 1-year Equity Returns (all returns net of investment management fees)**



1-year equity returns (%) TOTAL=340 (see Appendix for sample size by fiscal year-end period)

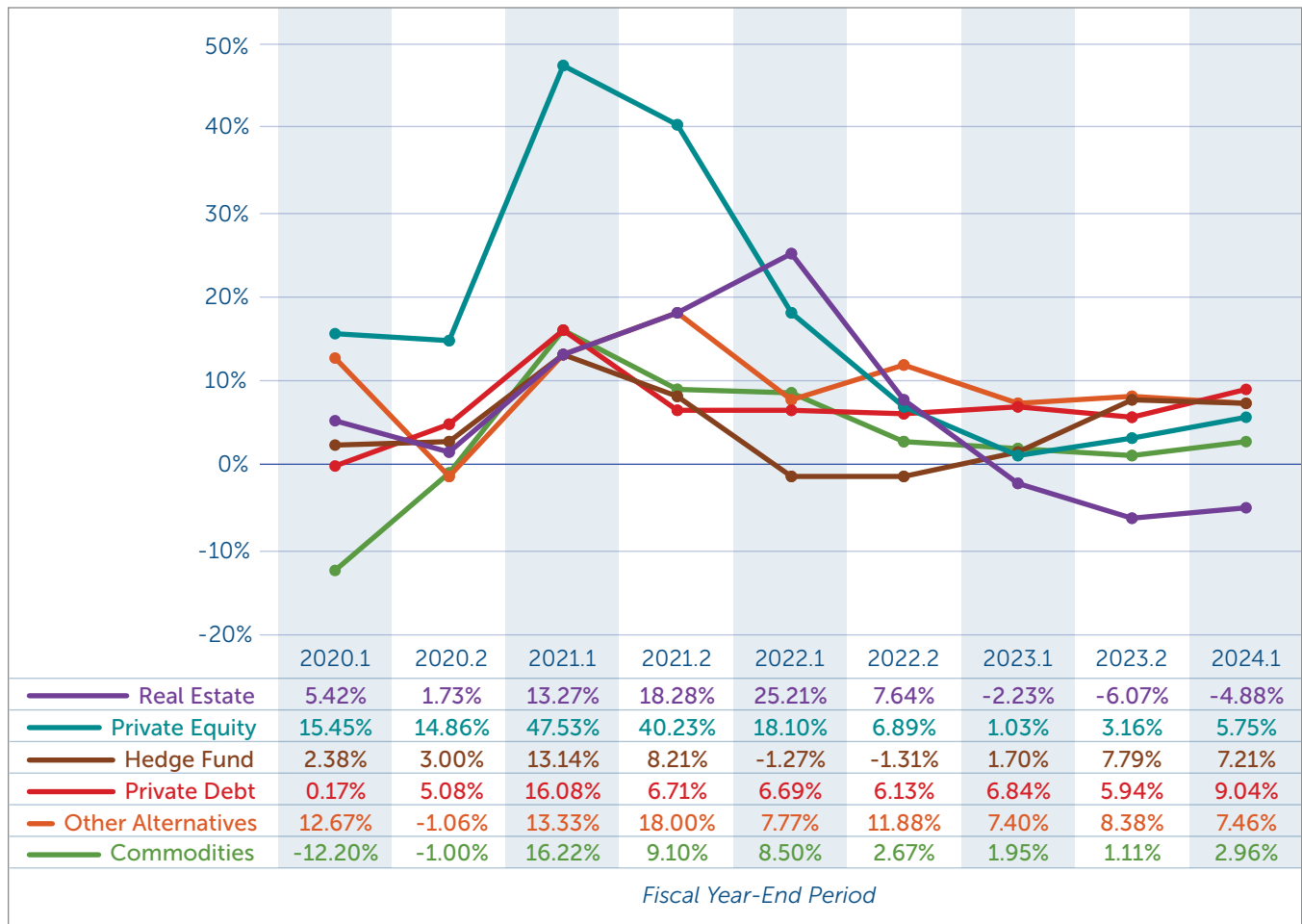
**Figure 18 – 1-year Fixed Income Returns (all returns net of investment management fees)**



1-year fixed income returns (%) TOTAL=325 (see Appendix for sample size by fiscal year-end period)

Note that seven in ten systems include carried interest (also referred to as “carry” or “performance fees”) on their Alternative Investment returns.

**Figure 19 – 1-year Alternative Investment Returns (all returns net of investment management fees)**

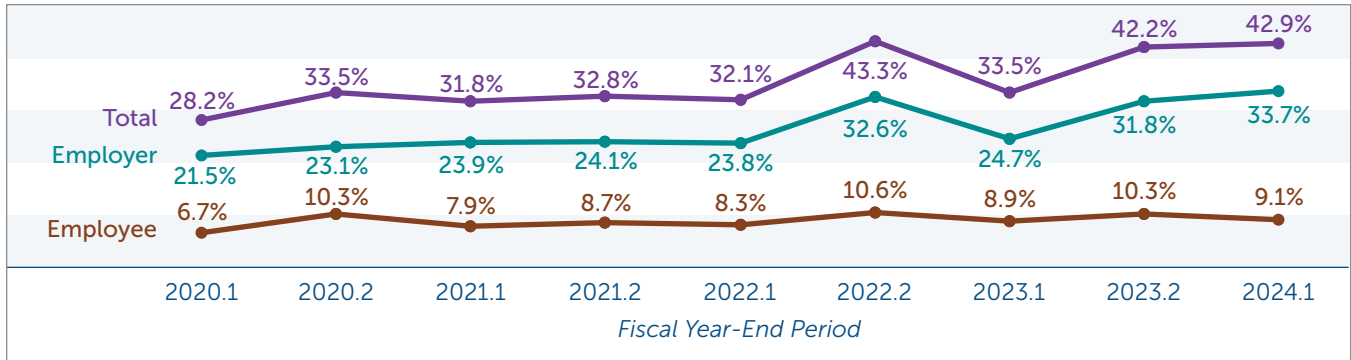


1-year alternative investments returns (%) TOTAL=349 (see Appendix for sample size by fiscal year-end period)

## Contributions

Contributions as a percent of payroll have been increasing in recent years, nearly entirely driven by increases in employer contributions. However, as noted in Figure 29, 16% of respondents indicated that their systems increased employee contributions in the past year. Based on the most recent survey data, systems with less than \$1 billion in assets or fewer than 2,000 members have the highest contributions as a percentage of payroll.

**Figure 20 – Employee and Employer Contributions as a Percent of Payroll**



Contributions as a percent of payroll (%) TOTAL (Not a DC plan) member=594  
 TOTAL employer=583 (see Appendix for sample size by fiscal year-end period)

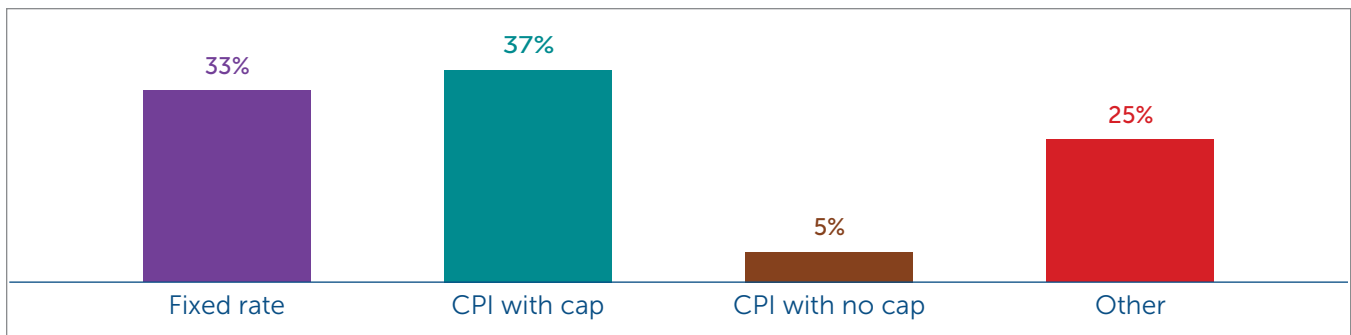
## Cost of Living Adjustments

Nearly three in four (73%) systems include cost of living adjustments (COLAs) in their most recent annual benefit calculations. The prevalence of COLAs increases with plan assets. COLAs are typically based on the CPI or a fixed percentage. However, there are many systems that use a combination of these, have different tiers of COLAs, use a factor of the CPI, or some other means to calculate COLAs. Nearly two-thirds of systems (65%) have conditions on the COLA, such as eligibility for a COLA, how it's calculated, etc.

The average COLA paid in the most recent fiscal year was 2.81%. However, the median and most common COLA, paid by 51% of systems with COLAs, was 3.0%. COLAs paid ranged from 0% to 7%.

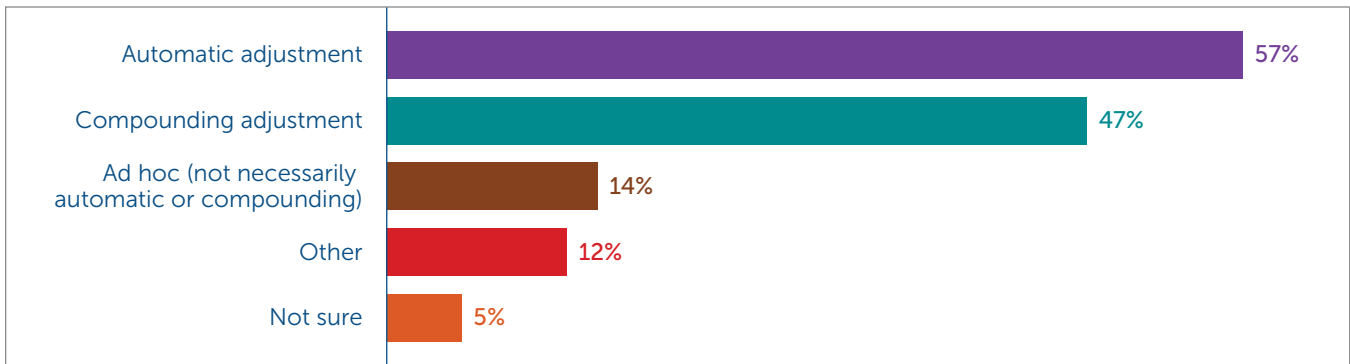
Systems whose members are not eligible for Social Security are more likely to offer a COLA (81% vs. 69%). When they do, the COLAs are typically somewhat higher (averaging 2.99% vs. 2.69%).

**Figure 21 – Type of Cost of Living Adjustment Offered**



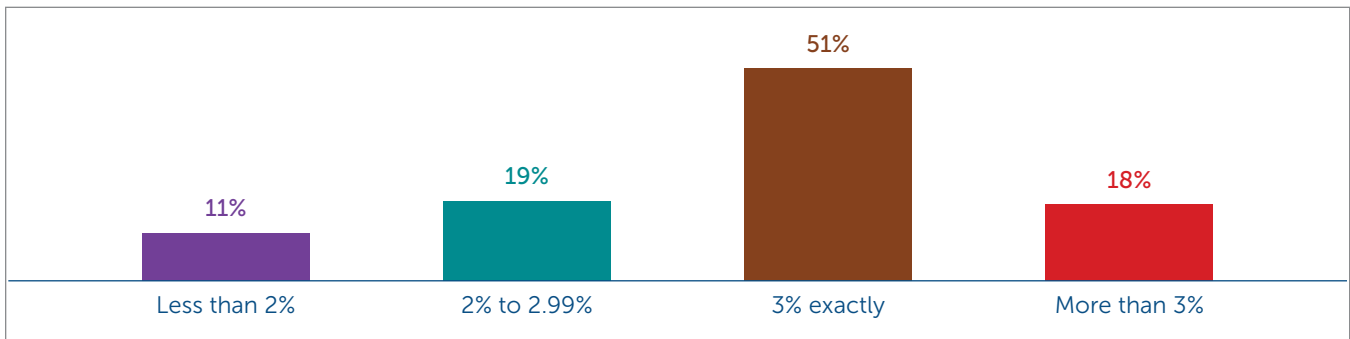
Cost of Living Adjustment TOTAL 2024 (Not a DC plan and offers COLA)=133

**Figure 22 – How COLAs are Administered**



\*Note: Multiple responses allowed such that totals add to more than 100%  
 Cost of Living Adjustment TOTAL 2024 (Not a DC plan and offers COLA)=133

**Figure 23 – COLA Percentage Paid in Most Recent Fiscal Year**



Cost of Living Adjustment TOTAL 2024 (Not a DC plan and offers COLA)=131

## Plan Expenses

There are two primary sources of expense for a pension plan: 1) fees paid to external investment managers, and 2) costs to administer the plan. Respondents reported these expenses in terms of basis points. (Note: 100 basis points, or “bps”, equal 1 percent).

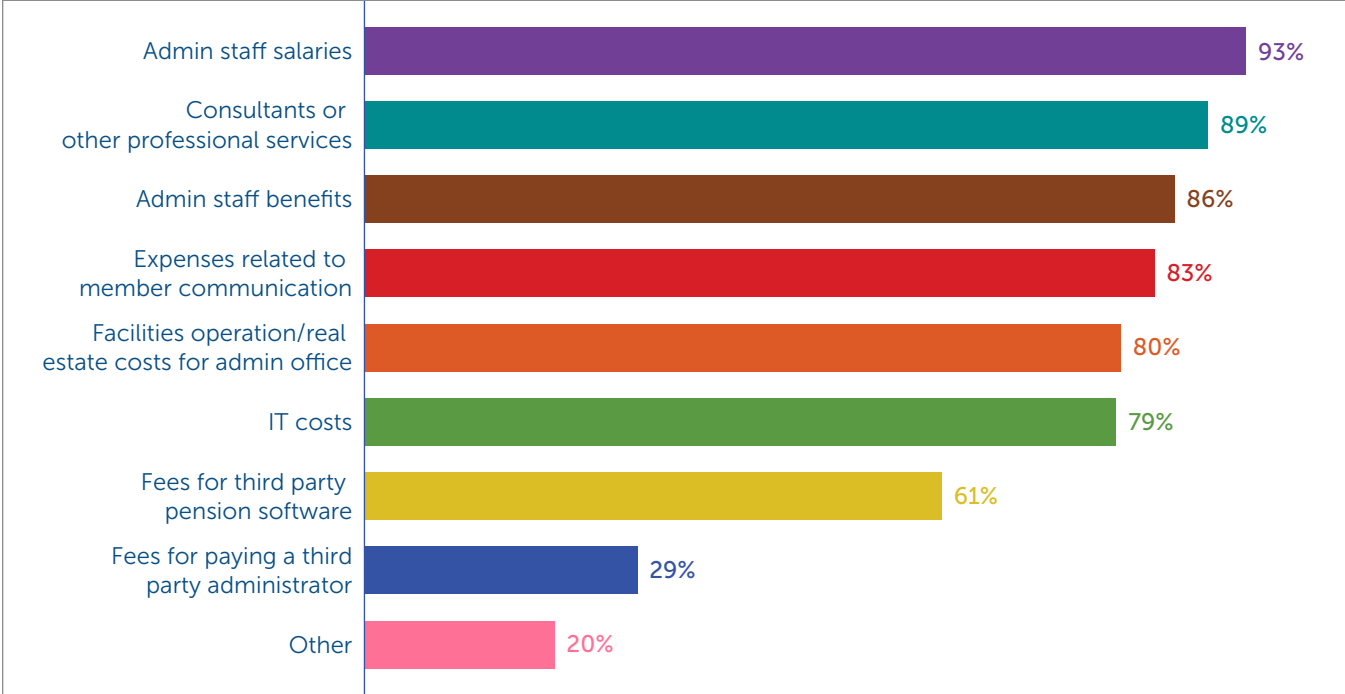
**Figure 24 – Average Plan Expenses (in basis points)**



Average Plan Expenses (basis points) TOTAL investment manager expenses=507  
 TOTAL administrative expenses=493 (see Appendix for sample size by fiscal year-end period)

Despite a relatively long list of expense categories making up administrative expenses, systems consistently keep costs below what they pay investment managers. Leading categories of expenses include staff salaries/benefits, consulting fees, and member communications. Systems with higher numbers of members or higher asset levels are more likely to have expenses in all administrative expense categories listed in the figure below.

**Figure 25 – Included in Administrative Expenses**

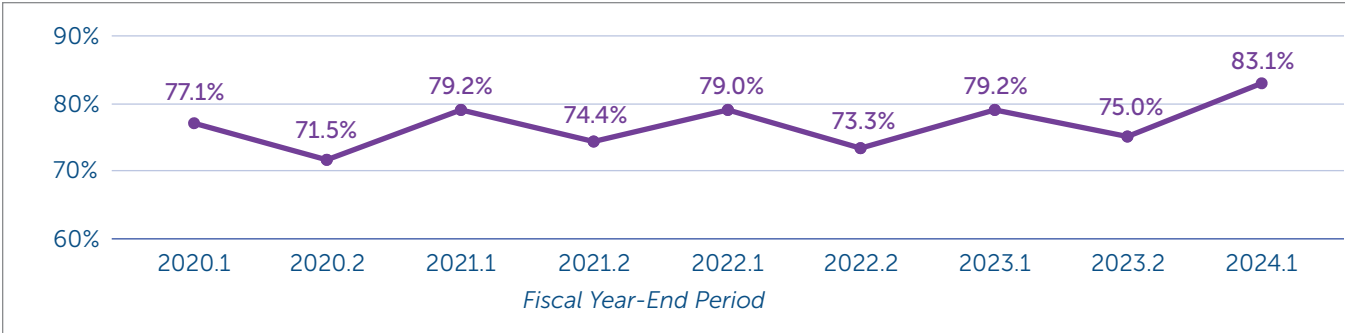


\*Note: Multiple responses allowed such that totals add to more than 100%  
 What administrative expenses cover (%) TOTAL 2024=145

## Funded Ratio

System funded ratios had been averaging between 70-80% since the first half of 2020. Systems with fiscal year-end periods in the first half of 2024 reached a funded ratio of 83.1%, likely driven by favorable equity market performance. We anticipate systems with fiscal-year end dates in the second half of 2024 will report similar gains.

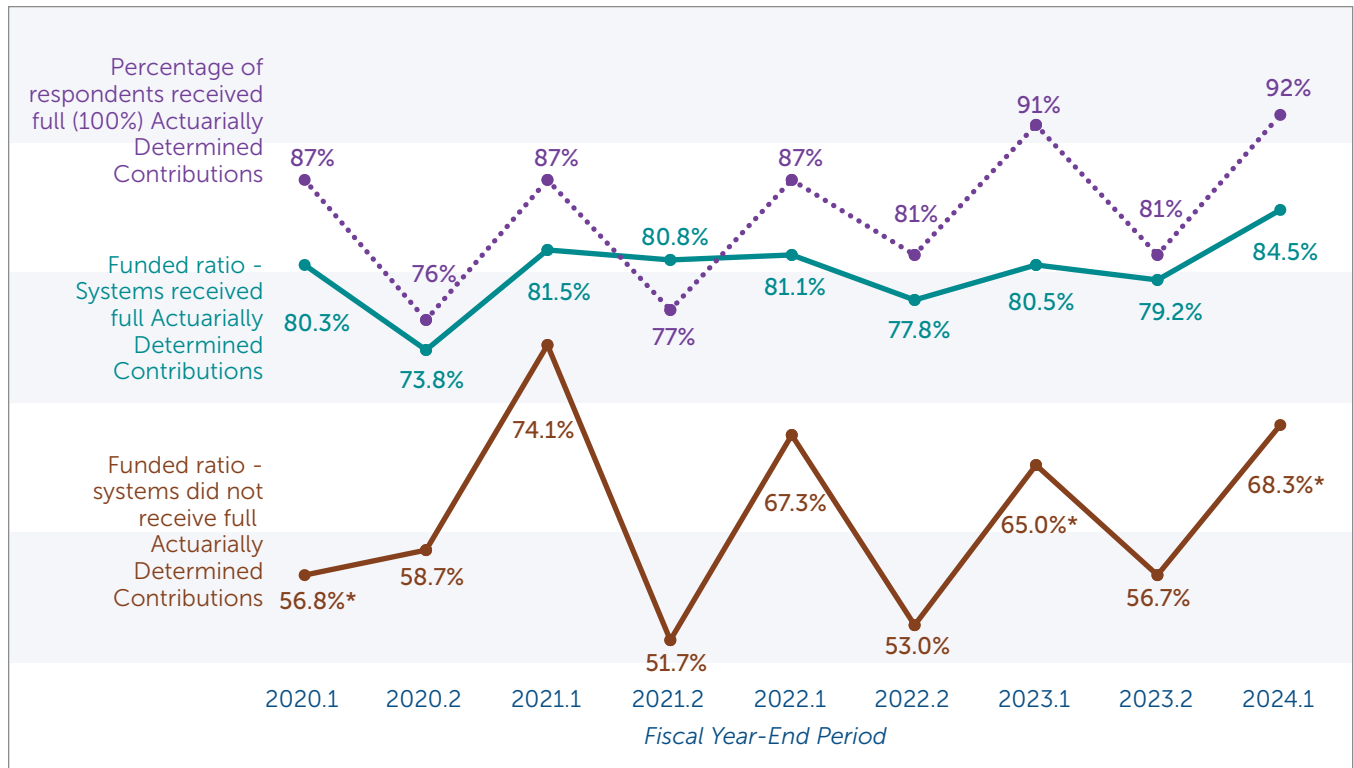
**Figure 26 – Trend in Average Funded Ratio**



Funded ratio (%) TOTAL=622 (see Appendix for sample size by fiscal year-end period)

Systems that received the full (100%) actuarially determined contribution in the most recent fiscal year are more likely to have a higher funded ratio than those that did not. The difference is stark, with systems receiving the full contribution experiencing funded ratios an average of 20 percentage points higher than those not receiving the full contribution in the last fiscal year.

**Figure 27 – Funded Ratio by Whether Systems Receive Full Actuarially Determined Contributions**



\*Low sample size

Funded ratio (%) TOTAL=622 (see Appendix for sample size by fiscal year-end period)

Plan received full actuarially determined contributions (%) TOTAL=605 (see Appendix for sample size by fiscal year-end period)



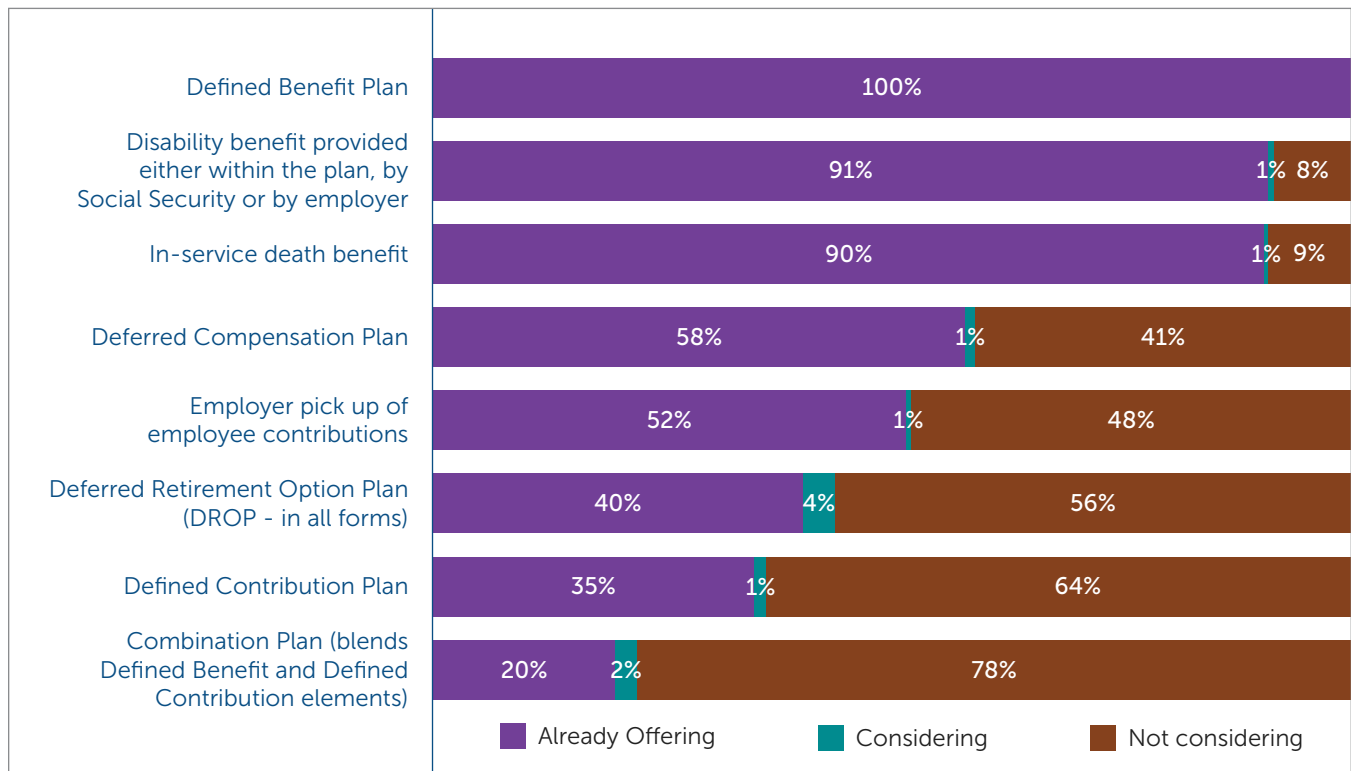
# Current Business, Operational, and Oversight Practices

This section covers topics such as plan and practice changes, and insurance. All of these results are based on answers to the recently conducted survey.

## Plan and Practice Changes

All responding retirement systems offer a traditional defined benefit pension plan and nearly all offer disability and in-service death benefits. Very few respondents are considering any changes to retirement benefits offered in the future.

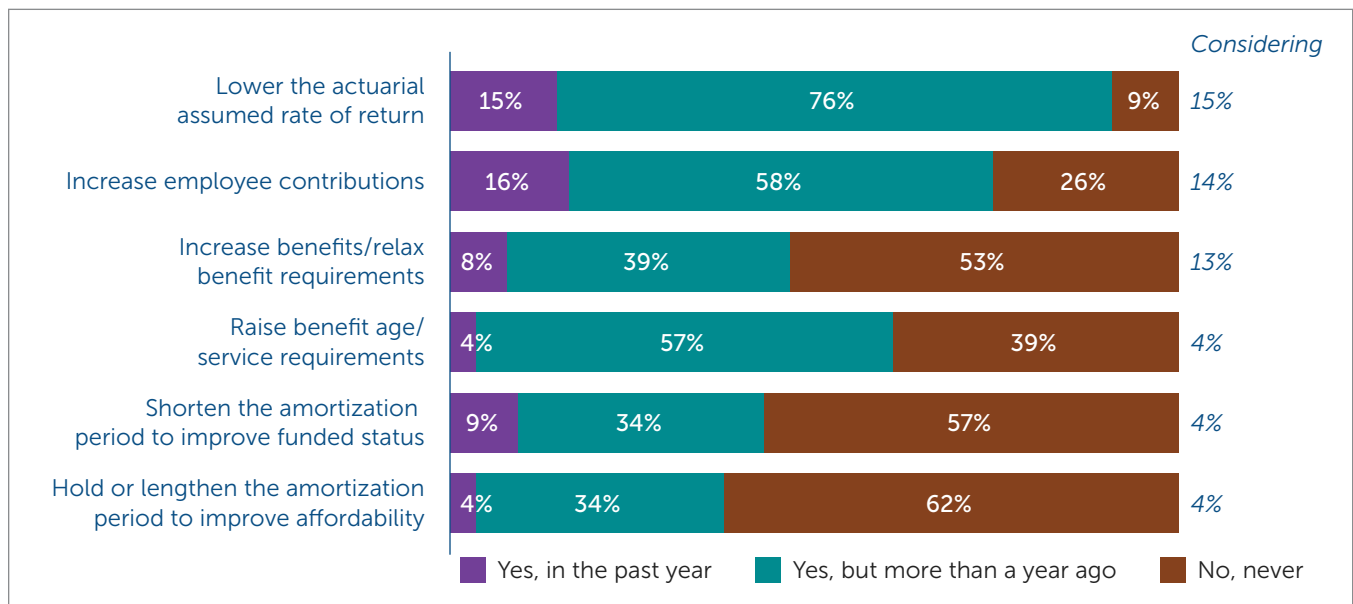
**Figure 28 – Retirement Benefits Offered/Considered**



Which retirement benefits below is your plan currently offering or considering offering? TOTAL 2024=200

Most respondents have previously made a variety of these changes in past years, such as lowering the actuarial assumed rate of return, increasing employee contributions, or raising benefit ages or service requirements. Those with 20,000 or more members are more likely to have made these changes over a year ago than those with fewer than 2,000 members (84% vs. 62%, 67% vs. 46%, and 69% vs. 38%, respectively). These are also the changes most likely being considered for the next year.

**Figure 29 – Retirement Plan Changes Implemented**



Which retirement plan changes below have been implemented and what is being considered for next year?  
TOTAL 2024=165

Respondents were asked about the business practices their plans have implemented or are considering implementing, such as enhancing member financial wellness/retirement readiness resources, reviewing asset allocation, updating administrative software, and conducting a variety of audits. Three in four (77%) systems have a digital platform for members to access their account, and these are particularly prevalent at systems covering education workers and those with at least 20,000 members. However, few have recently updated or enhanced a mobile app, or plan to for this purpose. It may be that this functionality is primarily offered via a website than an app.

**Table 2 – Business Practices Implemented**

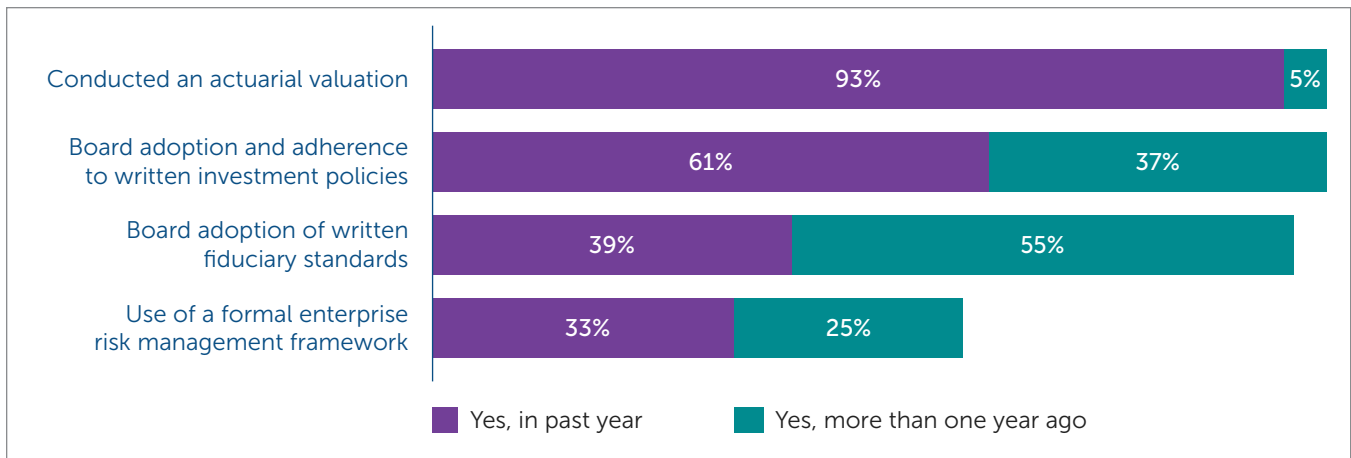
	Yes, in the past year	Yes, more than a year ago	No, never	Considering for next year
Conduct a death audit	69%	19%	12%	68%
Enhance member financial wellness/retirement readiness resources	61%	25%	14%	70%
Update/strengthen an asset allocation study	60%	35%	5%	54%
Update or enhance administrative software used for member data	56%	35%	9%	64%

	Yes, in the past year	Yes, more than a year ago	No, never	Considering for next year
Conduct an information systems security audit	55%	27%	18%	<b>58%</b>
Conduct an actuarial audit by a third-party actuary (includes replication of valuation and opinion on actuarial assumptions)	54%	30%	16%	<b>51%</b>
Update or enhance online portal provided for members to access account information	47%	35%	18%	<b>65%</b>
Comply with new State statutory or regulatory requirements to report your funded status based on a rate of return different from your assumed rate of return	44%	13%	43%	<b>43%</b>
Conduct a building security audit	31%	30%	39%	<b>29%</b>
Expand operational performance benchmarking	27%	35%	38%	<b>34%</b>
Conduct an employer/reporting unit satisfaction assessment	22%	22%	56%	<b>31%</b>
Update or enhance a mobile app for members to access account information	10%	12%	77%	<b>22%</b>

Which business practices below have been implemented and what is being considered for next year? TOTAL 2024=166  
 Does your plan have a digital platform (mobile app, website portal) that enables your participants to access their individual plan account? TOTAL 2024=163

Nearly all systems have conducted actuarial valuations and have boards that have adopted written investment policies and fiduciary standards. Nearly all that conducted an actuarial valuation did so in the past year, suggesting this is an annual practice for many. Three in five use a formal enterprise risk management (ERM) framework; those with at least 20,000 members are more likely to do so.

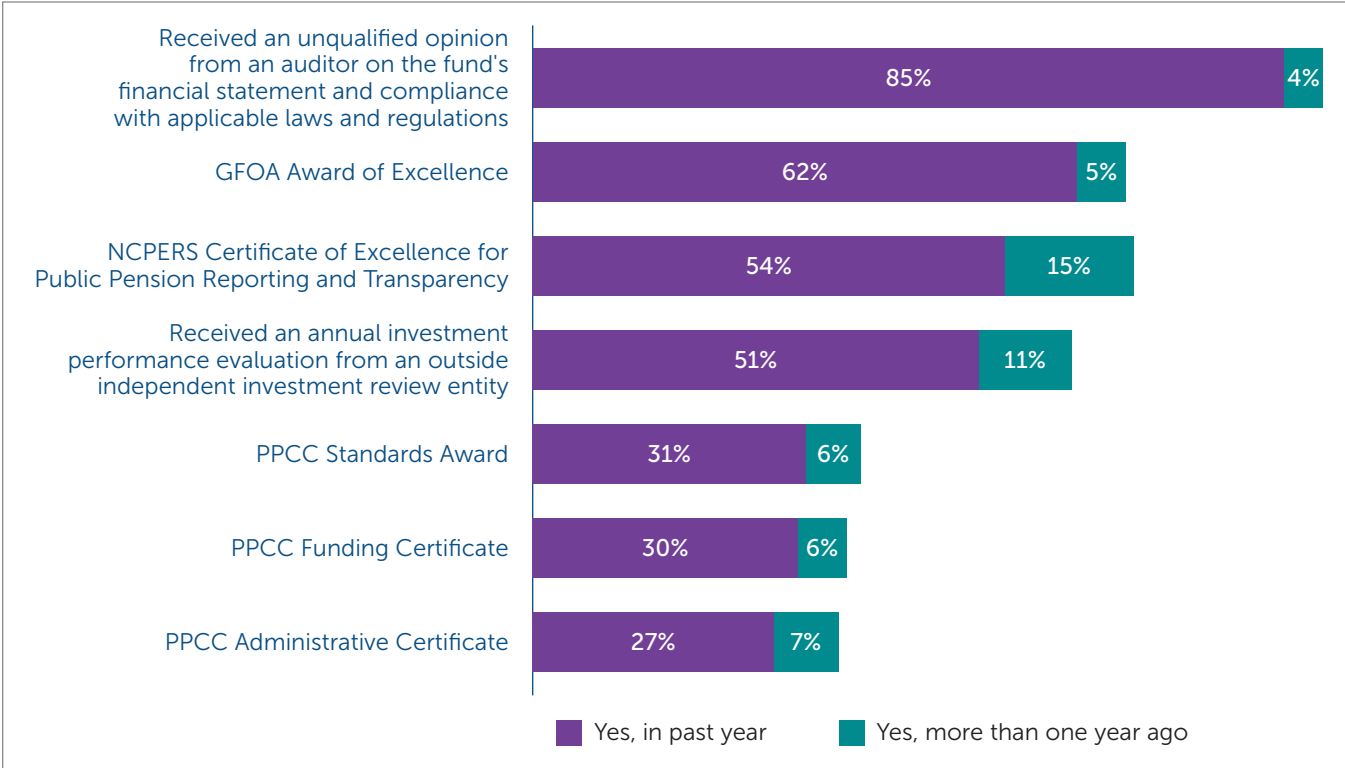
**Figure 30 – Oversight Practices Implemented**



Has your plan implemented any of the following oversight practices? TOTAL 2024=166

Nine in ten systems have received opinions from auditors on the fund’s financial statements and compliance with applicable laws and regulations. Six in ten have received independent annual investment performance evaluations. Two in three have received awards or certificates from the Government Finance Officers Association (GFOA) and NCPERS, and more than one-third received awards or certificates from the Public Pension Coordinating Council (PPCC). Systems with at least 20,000 members are more likely to have received each of these items than smaller systems.

**Figure 31 – Oversight Awards Received**

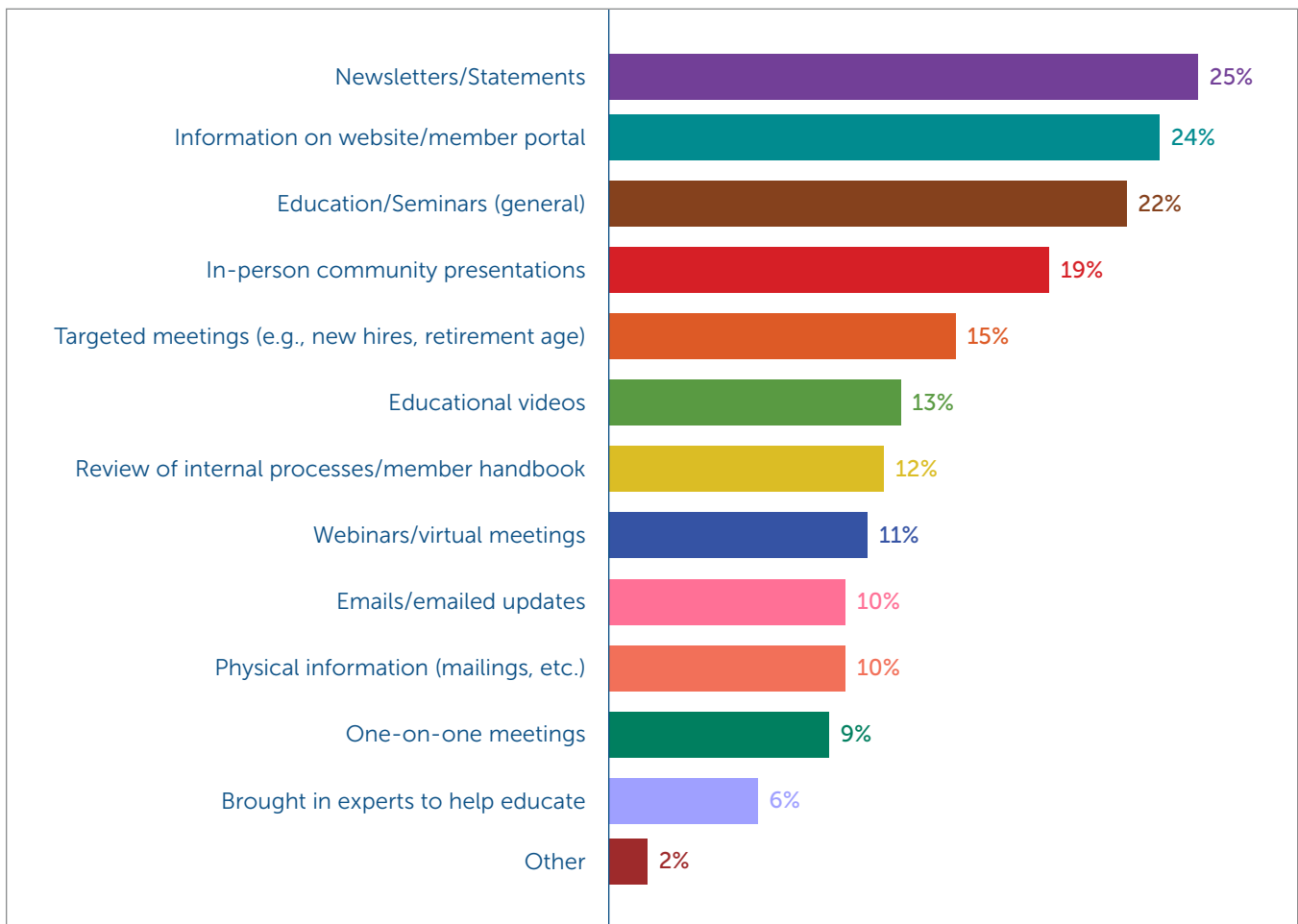


Have you received any of the following oversight awards/certifications/evaluations? TOTAL 2024=165

## Educating Members and the Board

Newsletters/statements, websites, and seminars top the list of actions that respondents feel are most effective in educating members. Somewhat ironically, plans serving educational beneficiaries are less likely than those with general and public safety beneficiaries to use seminars to educate their members. Instead, they are more likely to leverage newsletters/statements and websites/portals.

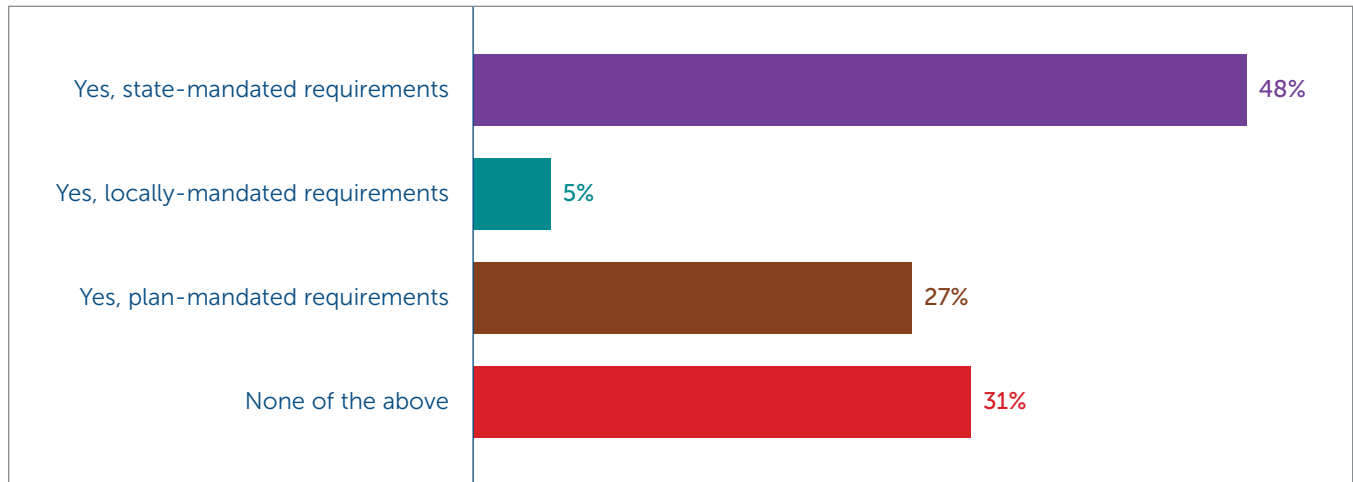
**Figure 32 – Most Effective Actions Taken for Member Education**



\*Note: Open-ended question. Multiple responses allowed such that totals add to more than 100%  
 What action(s) has your plan taken that you feel has been most effective at educating members about the plan?  
 TOTAL 2024=127

Seven in ten systems have education requirements for board members that are mandated by state/ local government and/or by the plan.

**Figure 33 – Mandated Education Requirements for Board**

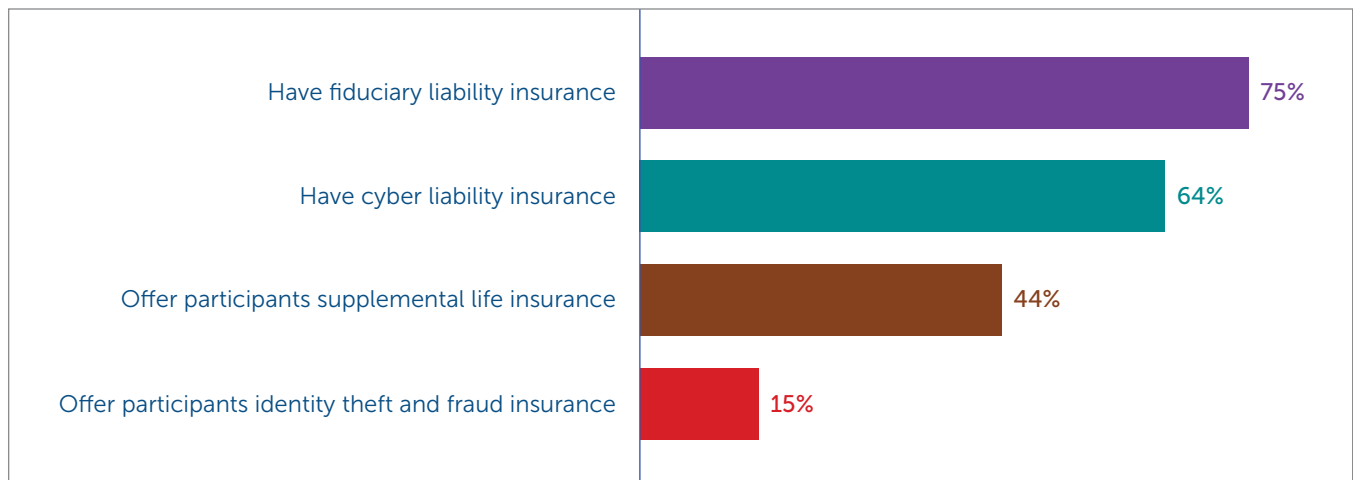


Does your board have mandated education requirements? (Select all that apply) TOTAL 2024=164

## Insurance

Public retirement systems are much more likely to have fiduciary liability or cyber liability insurance than to offer participants supplemental life or identity theft/fraud insurance. Systems with public safety beneficiaries are more likely to have fiduciary liability insurance than those with education beneficiaries.

**Figure 34 – Insurance Coverage**



Does your system...? TOTAL 2024=165

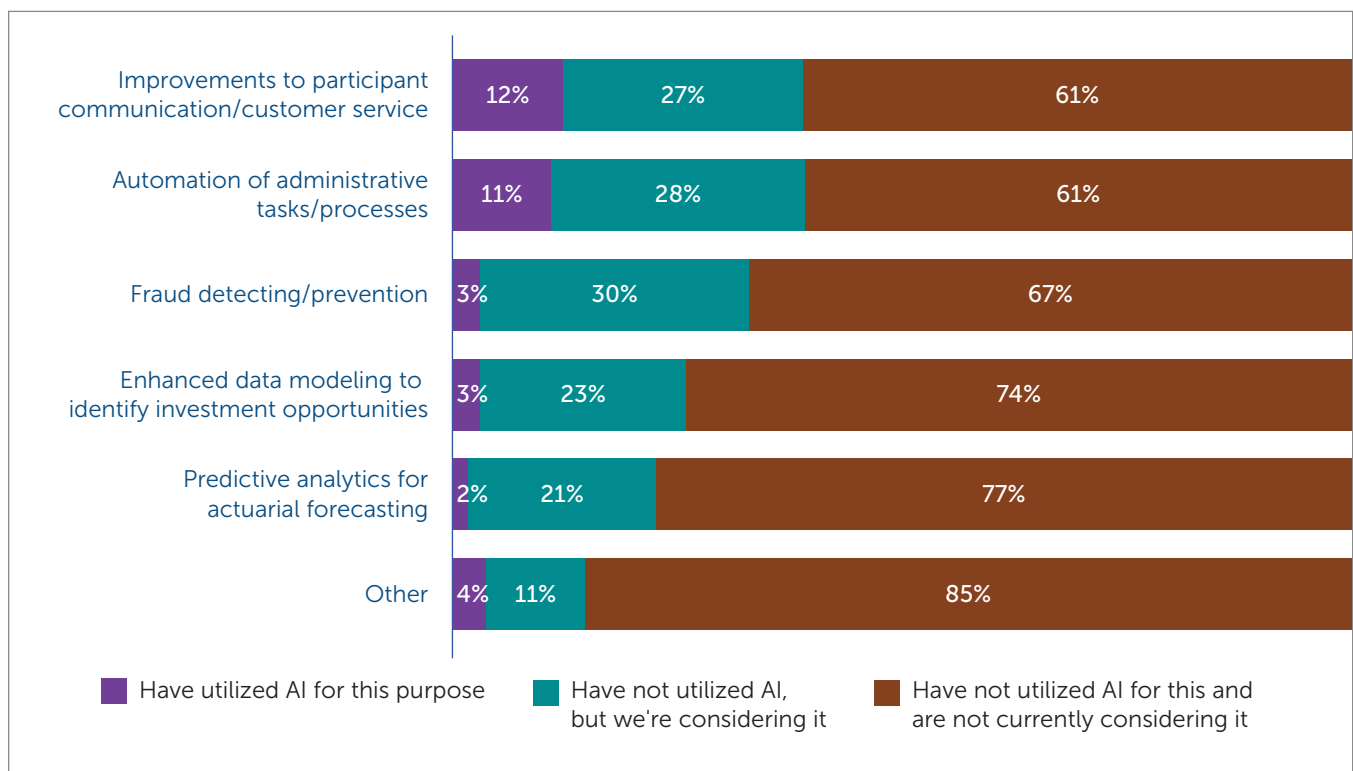
# Leadership Priorities

This section explores the future priorities of responding pension systems and how they are beginning to leverage artificial intelligence. All of these results are based on answers to the recently conducted survey.

## Use of Artificial Intelligence

Relatively few respondents have implemented artificial intelligence (AI) to help manage their retirement systems. Existing uses appear largely limited to improving communication and service for members and the automation of administrative tasks. However, anywhere from 20% to 30% of responding systems are considering one or more uses. Systems serving education beneficiaries or those with 20,000 or more members are more likely to be considering utilizing AI. Those indicating other uses are either first developing an AI policy/guidelines or monitoring the AI landscape before wading in themselves. As covered below, determining AI’s role in pension plan management is a top priority among one in four respondents.

**Figure 35 – Utilization of Artificial Intelligence**



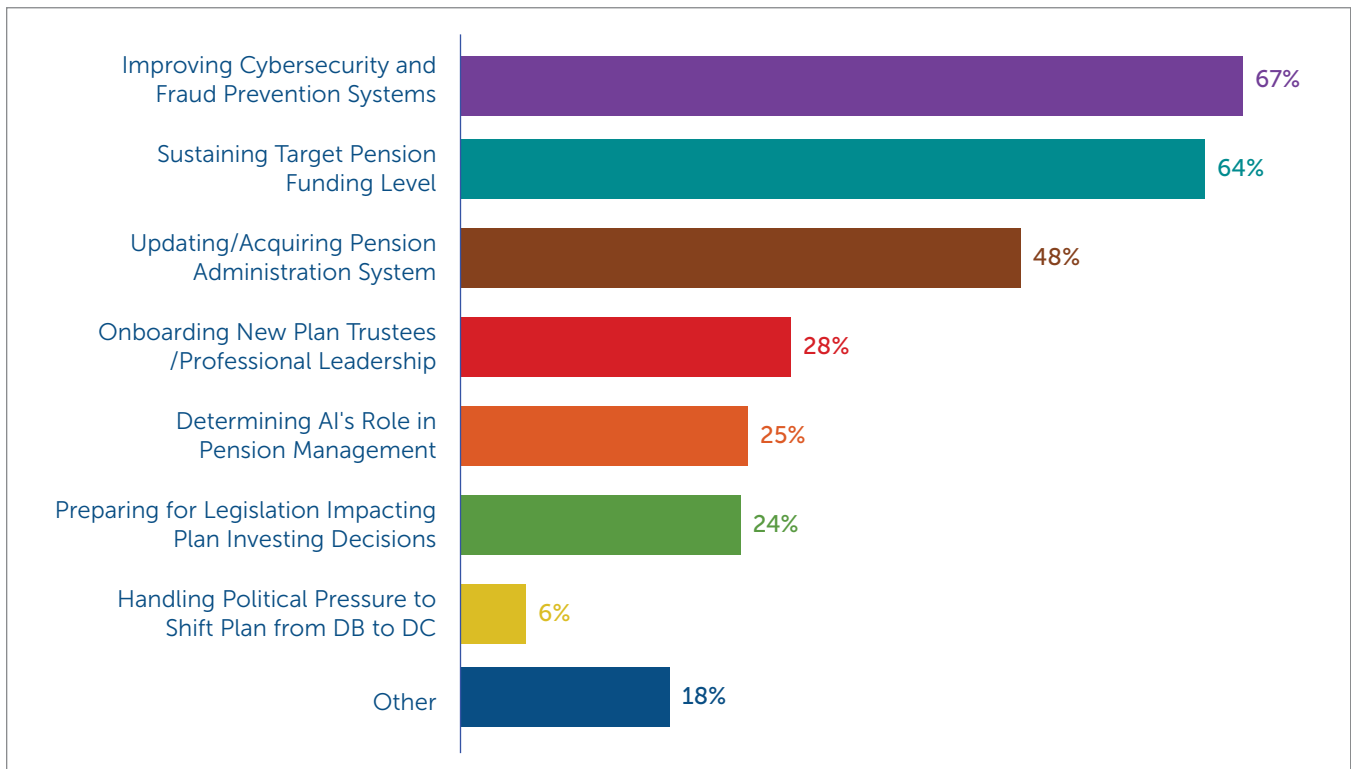
Has your system utilized, or considered utilizing, Artificial Intelligence (AI) in any of the following ways?  
 TOTAL 2024=163



## Priorities for 2025

Asked to indicate which of seven topics responding systems see as their top three priorities for 2025, approximately two in three answered improving cybersecurity and fraud prevention systems and sustaining target funding levels. Systems with education beneficiaries and those with 20,000 or more members prioritize improving cybersecurity and updating/acquiring pension administration systems. Those with fewer than 20,000 members prioritize sustaining funding levels. Other priorities include talent management, member communications and education, and improving the member experience and accessibility of the online portal.

**Figure 36 – Biggest Priorities for 2025**



What are your plan's three biggest priorities for 2025? (Please select your top 3 in any order.) TOTAL 2024=163

# Appendix

The table below provides the number of responding plans or systems for each table and figure displaying results by fiscal year-end period.

Table or Figure	Fiscal Year-End Period								
	2020.1	2020.2	2021.1	2021.2	2022.1	2022.2	2023.1	2023.2	2024.1
Figure 1 – Distribution of Systems	52	70	73	79	103	73	101	83	45
Figure 9 – Discount Rate	52	66	64	69	95	62	90	71	37
Figure 10 – Inflation Assumption	52	63	64	63	90	60	90	67	36
Figure 11 – Investment Smoothing Period	49	63	58	64	91	60	90	67	34
Figure 12 – Amortization Period	52	61	60	64	86	58	87	66	31
Figure 13 – Type of Amortization Period	52	65	66	69	94	61	91	69	32
Figure 15 – Asset Allocation	30	49	40	56	63	52	68	57	23
Table 1 – Actual Asset Allocation	30	49	40	56	63	52	68	57	23
Figure 16 – 1-Year Investment Returns	37	35	38	39	58	29	73	48	28
Figure 16 – 5-Year Investment Returns	39	34	37	33	58	29	72	46	26
Figure 16 – 10-Year Investment Returns	37	33	33	34	52	27	68	43	26
Figure 16 – 20-Year Investment Returns	29	17	23	13	32	8	43	21	20
Figure 17 – 1-year Equity Returns	36	30	37	33	59	24	60	36	25
Figure 18 – 1-year Fixed Income Returns	35	30	37	32	55	22	55	35	24
Figure 19 – 1-year Returns for Alternative Investments	36	30	42	31	57	24	65	37	27
Figure 20 – Employee Contributions	49	62	58	66	94	62	91	76	36
Figure 20 – Employer Contributions	47	59	60	64	91	59	91	75	37
Figure 24 – Investment Manager Expenses	47	58	55	51	74	55	79	58	30
Figure 24 – Administrative Expenses	47	58	54	46	75	53	76	56	28
Figure 26 – Trend in Average Funded Ratio	52	67	64	70	96	66	91	76	40
Figure 27 – Funded Ratio by Whether Systems Receive Full Actuarially Determined Contributions	52	62	63	65	90	64	91	79	39



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