



ANNUAL REPORT

For the Year Ended June 30, 2024



Massachusetts State Retirement Board

You serve the Commonwealth. We Serve You.

Annual Statement for the Year Ended June 30, 2024 of the Conditions and Affairs of the MASSACHUSETTS STATE RETIREMENT BOARD (‘MSRB’)

Organized under the Laws of the Commonwealth of Massachusetts to the
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

Date of Certificate: By Chapter 532 of the Acts of 1911

Administration Office

One Winter Street, 8th Floor Telephone Number: (617) 367-9333

We, the undersigned, members of the Massachusetts State Retirement Board ('MSRB') certify under penalties of perjury, that we are the official board members of said retirement system, and that on the thirtieth date of June last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirtieth date of June last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Massachusetts

State

Retirement

Board

Ex-officio Member

Deborah B. Goldberg

(Signature)

Appointed Member

Joanne Feinberg Goldstein

Term Expires 01/24/2027

(Signature)

Elected Member

Theresa McGoldrick, Esq

Term Expires 04/30/2027

(Signature)

Elected Member

Francis E. Valeri

Term Expires 01/01/2026

(Signature)

Member Appointed By Other Members

Archibald Gormley, Jr.

Term Expires 03/25/2027

(Signature)

**Investment
Manager**

Pension Reserves Investments Management Board 53

State Street, Boston MA 02109



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2024***

Presented to

Massachusetts State Employees' Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Alan H. Winkle'.

Alan H. Winkle
Program Administrator

SECTION 1

About the System

About the System

The Massachusetts State Employees' Retirement System ("MSERS") is a contributory defined benefit retirement plan governed by Massachusetts General Law, Chapter 32. The MSERS was created under Chapter 532 of the Acts of 1911 and covers all eligible state employees and employees of certain other public entities. The MSERS is qualified by the United States Internal Revenue Service.

The State Board of Retirement ("Board") manages the MSERS operations and also administers the former Massachusetts Turnpike Authority Employees' Retirement System ("MTAERS"). The MSERS and MTAERS assets are invested and managed separately by the Pension Reserves Investment Management ("PRIM") Board.

The Board

The Board consists of five members: The Chair is the Treasurer and Receiver General, two elected members, an appointed member and a fifth member chosen by the other four members. The MSRB is a multi-generational and diverse department within the Office of the State Treasurer with a staff of more than 101 full-time, part-time, and contract employees. Board offices are located in Boston and Springfield.

The Board's primary mission is the support of our active and retired members through the successful and accurate administration of pension and related benefits. This mission touches almost every current state employee and retiree in one form or another. Board responsibilities include educating and supporting members regarding their benefits, processing enrollments, contributions, refunds, transfers, rollovers, service purchases, and survivor benefits.

Membership

As of June 30, 2024, the Board is responsible to 94,493 active members and 70,385 retirees or beneficiaries. The MSERS provides retirement, disability, survivor and death benefits to members and their beneficiaries.

Vesting

Most members become vested for retirement benefits after ten full-time years of creditable service with consideration of the following:

Prior to April 2, 2012, Group 1 members eligible for superannuation retirement allowance may begin at age 55 with the completion of ten years of creditable service or at any age upon the completion of twenty years of full-time creditable service.

After April 2, 2012, members must be at least age 60 and have completed ten years of creditable service.

Different eligibility rules and benefit formulas apply to those who became members of the MSERS on or after April 2, 2012. As of January 1, 2024, there were approximately 55,000 members hired after April 1, 2012.

Retirement for certain hazardous duty and public safety positions may occur at an earlier age.

Retirement Allowance

The maximum retirement allowance benefit is 80% of a member's highest consecutive three-year average annual rate of regular compensation if hired prior to April 2, 2012, or a consecutive five-year salary average if hired thereafter. Benefit payments are based on a member's age, length of creditable service, level of compensation and group classification.

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. Employees who resign from state service are entitled to request a refund of their accumulated total deductions.

Members with less than ten years of creditable service who voluntarily resign from state service will receive their contributions plus 3% interest. Members with more than ten years of creditable service or who are involuntarily terminated will receive a return of their deductions plus the regular interest which has accrued on those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

2024 Fiscal Year—Benefits, Refunds, Rollovers

Board Operations

During the 2024 fiscal year, the Board issued benefit and annuity payments to retirees and survivors totaling more than \$2.94 billion. MSRB staff processed over 2,614 new retirements, and over 5,366 member refund/rollover requests.

In February 2024, the Estimated Initial Benefits Payment ("EIBP") was launched successfully. This means that a first payment is issued to a retiree within 60 days of their retirement date. As of June 30, 2024 over 300 first payments were processed under the EIBP process, and through October, 2024 over 700 retirees were paid within 60 days of their retirement date. The EIBP calculation must meet criteria that is subject to plan rules.

The MSRB's accelerated first payment program is ongoing and 1,050 accelerated payments were processed with a total of approximately \$17.7 million in retroactive benefits, to the retirement date. The payment is paid mid-month prior to the member's regular payment at month's end.

Actuarial Valuation Results

The January 1, 2024 MSERS actuarial valuation prepared by PERAC was issued in October, 2024. Annually the Commonwealth establishes a schedule and appropriates funding based on the prior year's valuation results. The FY 2025 appropriation is \$4.499 billion. The

- A 7.0% investment return assumption was used and has been consistent since

January 1, 2021. The total normal cost was \$1,183,171, which is an increase of \$102,856 million from the previous year's valuation.

- The funded ratio was 72.5, an increase of 1.2 from the previous year; The actuarial liability was \$51.1b, and the actuarial value of plan assets was \$37.0b. The difference between the liabilities and assets is the unfunded actuarial liability or UAL of approximately \$14.0b.
- The average retirement benefit was reported at \$42,078, compared to \$41,005 in 2023 (an increase of \$1,073).
- The valuation on January 1, 2024, reports 90,988 active members compared to 87,554 in 2023 (an increase of 3,434) and 69,750 retirees and beneficiaries receiving benefits, compared to 69,167 in 2023 (an increase of 583).

It is important to note that plan assets have grown 10 times faster since January 1, 1990 to current (\$3.7b/\$37.1b), versus the actuarial liabilities rate of growth of 6.8 times (\$7.5b/\$51.2b).

Supplemental Pension Funding

M.G.L. c. 29, §5G requires that capital gains tax revenue in excess of the fiscal year capital gains tax threshold be transferred as follows: (i) 90% to the Commonwealth Stabilization Fund; (ii) 5% to the State Retiree Benefits Trust Fund (SRBTF); and (iii) 5% to the Commonwealth's Pension Liability Fund (PRIT). As a result, the Commonwealth Pension Fund received \$29.5m divided proportionally between the MSERS and MTRS.

Member and System Administration

1099-R Forms for Calendar Year 2023

RR Donnelly was selected in accordance with the Commonwealth's procurement process and approved by the Board to print and mail the required 1099-R form to those members who received a pension allowance or any payment in calendar year 2023. The process was completed timely and within budget.

Benefit Verification-840 Mass Code Regulation 15.01 enacted as amended.

In March 2024, the Attestation of Retired Members and Beneficiaries, 840 Mass Code Regulation 15.01, was enacted as amended. Subsequently, the Board voted to accept the Regulation to satisfy the attestation process. The Regulation stipulates that a retirement board that performs a data match of the demographic information and status of current retirees and beneficiaries receiving benefits no less than semi-annually contracted through an approved procurement process of a third party satisfies the amended Regulation. MSRB currently performs a data match consistent with the Regulation.

This alternative relieves the Board of the costly, labor-intensive, and lengthy benefit verification process that is required to be conducted every two years.

Member Annual Statements

The Member Annual Statement is issued to each active member of the MSERS. As of December 31, 2023, there were 89,177 members with an annuity account balance. In July 2024, a statement was mailed to each member for the calendar year 2023. Standard Modern was selected in accordance with the Commonwealth's procurement process and approved by the Board. The statements were issued timely and within the approved budget.

MSRB Outreach

The MSRB Communications Unit completed 123 webinars with 6,903 members attending. More than 52,749 benefit recipients subscribe to the monthly electronic MSRB Retiree eNews Bulletin. The office continues with onsite in-person and virtual counseling sessions.

Member Self Service

In November, 2024, the Board approved Board staff to engage in a contract with Nagarro, Inc. to develop and implement a member-self service portal. This decision was a culmination of a pre-procurement process that started in 2021.

The MSS Systems Planning project addressed functional and technical requirements for an intuitive user-centered site design, an implementation roadmap for a portal launch, a market scan of potential vendors/products for consideration, and an evaluation framework and MSS solutions options analysis.

Following the MSS Systems Planning project, the MSRB developed an MSS project team to define MSS use cases, document current business workflows, re-design and optimization, and initiate development of an MSS implementation RFR.

The RFR was posted December 2023 with a submission deadline of March 8, 2024.

In summary, MSRB's goal was to conduct business more efficiently with its members (Active, Inactive & Retired) through the expansion of self-service options, and to manage workflow more effectively by leveraging the contact and case management capabilities of the software platforms that may be used to build the MSS portal, in particular, extensible customer relationship management (CRM) platforms and low-code platforms.

After evaluating four viable proposals, seven required sections of the RFR, and in-person presentations by each vendor, scoring was determined. The scoring included qualitative and quantitative evaluation. The process resulted with Nagarro, Inc. receiving the highest weighted score. Nagarro's bid was the most costly but in line with pre-procurement guidance from an independent consultant.

Board staff and legal are in early contract discussions with Nagarro, Inc., and expect to start the project in the first quarter of 2025.

PERAC Triennial Audit

The Public Employee Retirement Administration Commission (PERAC) completed an examination of certain activities of the State Employees' Retirement System for the period

of 7/1/2017 to 6/30/2021 and issued its report in October 2024. PERAC auditors spent four months at the Board's Boston offices and worked closely with Board staff to ensure all materials were made available. The focus of the audit was compliance with fiduciary oversight, verification of cash and investment balances, expense approvals, validation of payroll records to ensure an accurate percentage of regular compensation is deducted, and testing of members' retirement allowance calculations. Files were reviewed for accuracy and completeness. Testing was done on the calculation of the number of days between the retirement date and the first benefit checks issued. Other testing included the processing of refunds and transfers out to other Boards. There were two findings that pertain to the number of days between the retirement date and the first benefit check and Section 91A Noncompliance and Overearnings. In response to the findings and PERAC's recommendations, the Board rolled out this past calendar year the Estimated Initial Benefit Payment (EIBP), and within the first 8 months of the EIBP, over 700 payments were made within 60 days of the member's retirement date. The Board submitted to PERAC responses to each case noted for Section 91A noncompliance and retirement allowance termination. The Board is remediating the timeliness matter of scheduling requested hearings by seeking additional resources. In PERAC's opinion, for the areas tested, the financial records are being maintained, and the management functions are being performed in conformity with the standards established by PERAC, with the exception of two findings. A six-month follow-up is scheduled to ensure appropriate actions have been taken regarding the findings.

Fiscal Year 2024 Finance Reporting - Independent Audit

Earlier this spring we were notified by the Office of the State Comptroller of the start of the Commonwealth's Annual Comprehensive Financial Report, which is a report of the Commonwealth's financial condition in accordance with Generally Accepted Accounting Principles ("GAAP"). This includes the State Employees Retirement System ("SERS") and MTAERS for the fiscal year 2024. Included are the necessary schedules of pension allocations in accordance with GASB 68, Accounting and Financial Reporting for Pensions. As a multi-employer cost sharing defined benefit plan, participating employers must record their allocated shares of SERS Net Pension Liability (Unfunded Pension Liability) deferrals, and pension expense on their financial statements.

Over the last few months, we have participated at great length with Clifton Larson Allen ("CLA") and Comptroller Management in entrance meetings, unit meetings, and manager interviews. The testing of transactions were done and we furnished reports and financial records for the period July 1, 2022 through June 30, 2023. As of November, the audit is in the final phase and we await the report.

Internal Control Questionnaire

Annually, MSRB is required to participate in the Office of the Comptroller's Internal Control Questionnaire. MSRB participated in this requirement to report on controls of MSERS as of June 30, 2024. The requirements are in accordance with guidelines established by the Office of the Comptroller. This requirement is under the authority of The Control Act, Chapter 647 of the Acts of 1989.

Board and Legislative Updates

- **COLA Approved**

The FY 2024 state budget was signed into law, including the retiree COLA (Cost-of-Living Adjustment). For eligible members who retired before July 1, 2023, the legislatively approved COLA provided a 3% increase of the first \$13,000 of their annual benefit paid in monthly installments, effective July 1, 2024, for a maximum increase of \$390/ year.

With the close of the 2024 legislative session several laws were enacted that impact members. The Board is currently focused on the following:

- “An Act Honoring, Empowering, and Recognizing our Servicemembers and Veterans” (“the HERO Act”). The HERO Act-Chapter 178 of the Acts of 2024 A benefit for veterans to request a creditable service purchase for their military service during a one-year grace period for current state retirement system members; a provision that will allow new members to request such a creditable service purchase up to one year from their vesting date.
- Salary Transparency Act Chapter 141 of the Acts of 2024: Section 3 and Section 12 of the Salary Transparency Act amend G.L. c. 32, § 5(2)(f) concerning the exceptions to the anti-spiking provision, for salary increases occurring under the Massachusetts Equal Pay Act, G.L. c. 149, § 105A (“MEPA”) and from “employer’s systemic wage adjustments. Creates an exemption to the anti-spiking provisions, effective July 1, 2018, to allow the Board to include as regular compensation an increase a member’s pension due to a “a bona-fide increase in salary related to eliminating wage differentials as required pursuant to the Fair Pay Act or from an employer’s systemic wage adjustment.”

Section 4 and Section 11 of the Salary Transparency Act amend G.L. c. 32, § 91(b) concerning the calculation of allowable earnings for retirees who return to work in the public sector. This will allow a retiree working in the public sector to use the salary from their last position OR the salary used to calculate their retirement allowance.

- Violent Assault Disability Act (the “Act”) Chapter 149 of the Acts of 2024, “An Act Relative to Disability Pensions and Critical Incident Stress Management for Violent Crimes” (“Violent Assault Disability”). This Act creates an enhanced new type of G.L. c. 32, Section 7 accidental disability retirement benefit for firefighters, emergency medical technicians, licensed health care professionals and certain police officers, who become permanently physically disabled with a catastrophic, life-threatening or life-altering bodily injury disability as the result of a Violent Act Injury by means of a dangerous weapon.
- Chapter 140 amend Section 8 Changes to Return to Service under G.L. c. 32, §8. This change is to allow more opportunities for members to return to service after having previously been retired under disability retirement pursuant to Sections 6, and 7 of Chapter 32. In short, a disability retiree may now return to service in a different job than that from which they retired, and it may be with a different employer and/or in a different retirement system.

COLA Commission

The COLA Commission for State Retirement and Teachers' Retirement was enacted FY2025 pursuant to Section 202 to study the cost-of-living adjustments for members of both systems. The Executive Director of MSRB was appointed to the Commission.

Post Retirement Commission

The Post Retirement Commission was enacted FY2024 pursuant to Section 198 to study the post-retirement limits, accounting and oversight.

The Board Welcomed New Appointed Board Member Joanne Feinstein Goldstein, Esq.

Ms. Goldstein was appointed to the Massachusetts State Retirement Board by Treasurer Deborah Goldberg on January 25, 2024, to serve as a board member for a three-year term. Ms. Goldstein served as Labor and Workforce Development Secretary during Governor Deval Patrick's administration. Ms. Goldstein was a union-side labor attorney and Chief of the Fair Labor Division under Attorney General Martha Coakley.

Ms. Goldstein joins Chair Goldberg, Board members Francis Valeri, Theresa McGoldrick, who was re-elected this year to a 3-year term, and Archibald Gormley, Jr., who was voted to another three-year term as the fifth member on April 1, 2024.

Board Award

The Board is the recipient of the 2024 Public Pension Standards Award in recognition of its high standards in plan design and administration.

In Closing...

I want to thank Treasurer Goldberg, Board Members McGoldrick, Valeri, Gormley, and Goldstein for their support this past year. Thank you to the entire SRB Team for their commitment and achievements during this rebuilding year. It's truly a team effort every day with the goal to improve service to our members. Early indication of the increase and stability in staff, management adds in key areas, and process improvements have shown measurable positive results. Many partners such as—Treasury, PERAC, PRIM, Office of the Comptroller, MassRetirees, MTRS, Sagitec, PTG, PBI, and other service providers—have been generous with their time and expertise and contribute to advancing MSRB. They, too, deserve credit and I sincerely appreciate their partnership.

I look forward to continue to serve enthusiastically at MSRB. I embrace the challenges, synergy, and optimism of a new year.

A joyful holiday and prosperous, healthy New Year to all.

Respectfully,



Kathryn Kougias
Executive Director
State Board of Retirement

STATE EMPLOYEES' RETIREMENT SYSTEM STAFF*

Kathryn Kougias, Executive Director

Sandor Zapolin, Deputy Executive Director / Chief Operating Officer

Paula Daddona, Director, Member Experience, Communications, and Operations

Kimberly Griffin, Director, Information Systems & Technology

Nidhi Garg, Director, Account Management

Angela Olszewski, Director, Business Support

Diana Reyes, Director, Disbursements and Survivor Benefits

Drenna Barrett, Assistant Director, Member Account Management

Pamela Forde, Assistant Director, Service Purchases

Joseph MacInnis, Assistant Director, Benefit Calculation

Stephanie Sicard, Assistant Director, Benefit Calculation (S)

Lisa Zale, Assistant Director, Disability

Benefit Account Management

Michael Tevenan, Assistant Manager

Angela Guarino

Susan Horn

John McDonough

Barbie Welch

Aneta Wertman

Benefits Calculation

Julian Hyman, Manager

Nicholas Leon, Jr., Manager

Sahar Abdul-Adl

Arvelle Adamson

Daren Brocke

Deborah Cook

Alexandria Florence (S)

Joi Haynes-Headley (S)

Justin Hunt

Christopher Janke (S)

Darlene Keenan

Tenzin Latoe

Amanda Lavallee

Russell Lepage (S)

Shaniqua Marrow

Diane Morales

Douglas Nelson

Aamir Sheriff

Gail Spader

Charleen Stiles (S)

Andrew Young (S)

Mary Grace Runci

Business Support

Diane Lloyd

Jason Olimpia

Jean Simone

Judy Yim

Business & Technology Operations

Joanna Kolis

Michael Sarnie

Communications & Member Outreach

Lauren Lavanchy

Zachary Pierce

Disability

Joisei Horton, Manager

Jasmine Chasse

Robert Liford

Wilmer Villafane

Disbursements

Marsha Knight, Manager

Thomeesha Clark

Riccardo Pierre

Karolyn Pires

Yves Sanon

Dwight Thompson

Electronic Content Management

Domingas Amado Da Silva

Michaela Biggs

Lisa Leary

Fiscal Services

Sharon Sullivan, Manager

John Garvey

Polane Maison

Jiajun Wang

Jadene Yoke

Internal Audit

Cecilia Yau, Manager

Kwaku Duah

Legal Services

Alison Eggers, Deputy General Counsel

Pamela Diggs

Rachel Alexander Healey

Jennifer Hunt

Yande Lombe

Brendan McGough

James Salvie

Athila Soares Nunes

Matthew Szafranski

Information Systems & Technology

William Mullen

Jeeva Purushothaman

Kevin Thea

Christian Wangia

Member Account Management

Gabriel Lyrae

Gregory Paquet

Winnie Rankin

Jacquelynn Reid

Aleida Sidney

Marsha Shaw

Member Services/Call Center

Sandra Doctor, Assistant Manager

Hilda Alston-Nestor

Tara Brown

Carolane Creighton

Monique Findlay

James Squarey

Office Management

Bryce Brown

Robert Tarlow

Reinstatements/Service Purchases

Jonathan Carey

Kayla Dorandi

Prima Lau

Kenneth MacMaster

Survivor Benefits

Carol Powers

Eloy Sanchez-Zavalu

Tania Joseph

Training

Thomas Mancini

*as of December 2024
(S) Springfield Office

SECTION 2

Financial Statements of the Massachusetts State Employees' Retirement System

Annual Statement Balance Tests

1. ASSET BALANCE

Assets Previous Year	35,193,399,411.91
Income Current Year	5,829,437,527.73
Disbursements Current Year	3,285,639,629.49
Assets Current Year	37,737,197,310.15

2. ASSET DIFFERENCE

Assets Current Year	37,737,197,310.15
Assets Previous Year	35,193,399,411.91
Difference	2,543,797,898.24

3. INCOME DIFFERENCE

Income Current Year	5,829,437,527.73
Disbursements Current Year	3,285,639,629.49
Difference	2,543,797,898.24

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	7,067,494,389.88
Total Fund Change Debits Current Year	-4,523,696,491.64
Difference	2,543,797,898.24

Note: The difference as a result of tests 2, 3 and 4 should be the same.

Assets and Liabilities

	FY 2024	FY 2023	FY 2022
1040 - 1070 Cash	145,086,036.49	148,947,975.68	160,533,272.39
8888 Accounting Software Offset Account	0.00	3.17	3.17
1198 PRIT Cash Fund	8,716,248.11	8,608,019.14	27,948,822.44
1199 PRIT Capital Fund	37,546,293,722.78	34,960,253,645.49	33,685,784,404.92
1350 Prepaid Expenses	5,656.65	9,598.13	11,178.79
1397 Accounts Receivable (A)	3,826,904.09	5,056,494.30	3,890,860.57
1398 Accounts Receivable (A)	69,899,549.46	106,154,421.41	92,642,520.66
1399 Accounts Receivable (A)	24,499,883.31	24,895,615.30	23,616,181.07
2020 Accounts Payable (A)	(-61,130,690.74)	(-60,526,360.71)	(-31,573,526.35)
TOTAL:	37,737,197,310.15	35,193,399,411.91	33,962,853,717.66

Funds

	FY 2024	FY 2023	FY 2022
3293 Annuity Savings Fund	7,685,805,831.25	7,390,972,699.70	7,139,630,254.53
3294 Annuity Reserve Fund	1,660,380,064.67	1,816,851,613.73	1,906,262,794.50
3295 Special Military Service Credit Fund	33,799.59	33,765.82	33,732.12
3296 Pension Fund	0.00	0.00	0.00
3298 Expense Fund	0.00	0.00	0.00
3297 Pension Reserve Fund	28,390,977,614.64	25,985,541,332.66	24,916,926,936.52
TOTAL ASSETS AT MARKET VALUE:	37,737,197,310.15	35,193,399,411.91	33,962,853,717.67

(A) Refer to Schedule A for Detail of Accounts Receivable and Accounts Payable.

Statement of Funds Flow

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	7,390,972,699.70	796,350,222.75	-405,177,519.91	-106,517,286.97	7,675,628,115.57
Annuity Reserve Fund	1,816,851,613.73	51,678,183.51	395,775,887.67	-603,925,620.24	1,660,380,064.67
Pension Fund	0.00	1,533,339,292.72	842,280,974.48	-2,375,620,267.20	0.00
Military Service Fund	33,765.82	33.77	0.00	0.00	33,799.59
Expense Fund	0.00	209,002,461.35	0.00	-199,576,455.08	9,426,006.27
Pension Reserve Fund	25,985,541,332.66	3,239,067,333.63	-832,879,342.24	0.00	28,391,729,324.05
Total All Funds	35,193,399,411.91	5,829,437,527.73	- 0 -	-3,285,639,629.49	37,737,197,310.15

List below all transfers:

Xfer from	Annuity Savings Fund	to	Annuity Reserve Fund	in the amt of	395,775,887.67	on acct of	Retirements 2024
	Control Acct						
Xfer from	Annuity Savings Fund	to	Pension Reserve Fund	in the amt of	22,529,271.83	on acct of	10 Year Inactivations
			Control Acct				
Xfer from	Pension Reserve Fund	to	Annuity Savings Fund	in the amt of	13,125,270.95	on acct of	10 Year Activations
			Control Acct				
Xfer from	Pension Reserve Fund	to	Annuity Savings Fund	in the amt of	2,368.64	on acct of	Herrick Interest Refunds
			Control Acct				
Xfer from	Pension Reserve Fund	to	Pension Fund Control	in the amt of	842,280,974.48	on acct of	Pension Schedule Funding
			Account				

Receipts

	FY 2024	FY 2023	FY 2022
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	760,850,695.76	722,381,939.67	693,852,504.81
(b) 4892 Transfers from Other Systems	27,785,166.99	24,087,628.48	15,401,580.61
(c) 4893 Member Make Up Payments and Redeposits	3,741,981.72	4,672,508.94	5,050,114.30
(d) 4900 Member Payments from Rollovers	3,972,378.28	5,508,785.98	4,634,436.80
(e) Investment Income Credited to Members' Accounts	10,177,715.68	9,638,597.77	8,742,924.34
Subtotal:	806,527,938.43	766,289,460.84	727,681,560.86
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatements	0.00	0.00	0.00
(b) 4752 Recovered Annuities Death	46,409.38	567,848.53	784,151.91
(c) Investment Income Credited to Annuity Reserve Fund	51,631,774.13	55,469,046.14	56,814,718.93
Subtotal:	51,678,183.51	56,036,894.67	57,598,870.84
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	9,193,959.38	41,366,773.63	25,336,162.93
(b) 4894 Pension Fund Appropriation	1,523,491,324.19	1,491,567,291.19	1,427,257,071.84
(c) 4840 Workers' Compensation Settlements	261,500.00	566,400.00	531,747.37
(d) 4841 Recovery of 91A Overearnings	206,871.64	280,580.43	287,398.32
(e) 4753 Recovered Pensions Death	185,637.51	2,271,394.09	3,136,607.62
Subtotal:	1,533,339,292.72	1,536,052,439.34	1,456,548,988.08
4. Military Service Fund:			
(a) Investment Income Credited to Military Service Fund	33.77	33.70	33.66
Subtotal:	33.77	33.70	33.66
5. Expense Fund:			
(a) Investment Income Credited to Expense Fund	199,576,455.08	181,208,527.30	201,578,142.89
Subtotal:	199,576,455.08	181,208,527.30	201,578,142.89
6. Pension Reserve Fund:			
(a) 4830 ORP Employer Reimbursements	0.00	0.00	0.00
(b) 4895 Pension Reserve Appropriation	0.00	872,984.55	0.00
(c) 4897 Federal Grant Reimbursement	7,846,998.23	7,489,602.25	6,862,249.32
(d) 4822 Interest Not Refunded	106,579.68	96,538.36	92,141.27
(e) 4822 Interest Not Refunded	15,861,663.51	25,429,134.61	56,711,476.19
(f) 4825 Miscellaneous Income	3,214,500,382.80	1,826,368,918.43	-1,371,689,067.58
(f) Excess Investment Income Credited to Pension	3,238,315,624.22	1,860,257,178.20	-1,308,023,200.80
Subtotal:	3,238,315,624.22	1,860,257,178.20	-1,308,023,200.80
TOTAL RECEIPTS	5,829,437,527.73	4,399,844,534.05	1,135,384,395.53

Disbursements

	FY 2024	FY 2023	FY 2022
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	71,190,491.96	63,032,990.08	57,657,119.63
(b) 5756 Transfers to Other Systems	35,326,795.01	12,916,966.70	12,041,606.93
Subtotal:	106,517,286.97	75,949,956.78	69,698,726.56
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	598,318,081.39	571,753,596.60	539,493,575.99
(b) 5759 Option B Refunds	5,607,538.85	6,082,665.48	4,450,670.90
Subtotal:	603,925,620.24	577,836,262.08	543,944,246.89
3. Pension Fund:			
(a) 5751 Pensions Paid	2,335,813,652.51	2,259,752,761.79	2,155,038,737.01
Regular Pension Payments	2,080,963,889.38	2,011,833,852.35	1,913,722,963.65
Survivorship Payments	9,479,594.09	9,152,495.08	9,222,824.29
Ordinary Disability Payments	15,768,785.39	15,812,826.31	15,887,041.15
Accidental Disability Payments	166,862,758.08	161,515,584.53	156,054,282.26
Accidental Death Payments	57,992,911.16	56,576,335.10	55,158,318.61
Section 101 Benefits	4,745,714.41	4,861,668.42	4,993,307.05
(b) 5755 3(8)(c) Reimbursements To Other Systems	19,544,670.93	19,656,689.47	19,139,200.71
(c) 5752 COLAs Paid	10,835,937.49	13,311,573.04	9,480,591.73
(d) 5600 Bad Debt Expense	232,046.89	216,295.71	77,168.78
(e) 5700 3(8)(c) Reimbursements To General Fund	9,193,959.38	41,366,773.63	25,336,162.93
Subtotal:	2,375,620,267.20	2,334,304,093.64	2,209,071,861.16
4. Expense Fund:			
(a) 5119 Staff Salaries	6,719,811.82	5,909,162.04	5,533,887.66
(b) 5120 Benefits	2,915,487.31	2,377,299.39	2,171,204.65
(c) 5304 Management Fees	153,856,540.94	140,605,446.96	164,387,885.19
(d) 5305 Custodial Fees	28,319,815.58	24,698,905.33	22,806,240.81
(e) 5308 Legal Expenses	50,280.69	63,933.46	18,619.68
(f) 5310 Fiduciary Insurance	58,955.79	0.00	0.00
(g) 5311 Service Contracts	1,240,806.70	272,429.04	372,697.58
(h) 5312 Rent Expense	907,158.13	889,181.39	870,668.11
(i) 5315 Professional Services	4,471,046.23	5,118,948.25	4,593,964.86
(j) 5320 Education And Training	17,633.55	26,443.71	16,180.25
(k) 5588 Miscellaneous Expense	0.00	0.00	0.00
(l) 5589 Administrative Expenses	967,999.67	1,148,328.35	733,340.09
(m) 5599 Furniture and Equipment	47,726.70	88,039.52	37,232.37
(n) 5719 Travel Expenses	3,191.97	10,409.86	36,221.64
Subtotal:	199,576,455.08	181,208,527.30	201,578,142.89
TOTAL DISBURSEMENTS	3,285,639,629.49	3,169,298,839.80	3,024,292,977.50

Investment Income

Investment Income received from:	FY 2024	FY 2023	FY 2022
(a) Pooled Funds (from Schedule 5)	966,646,922.36	903,727,566.27	883,239,962.09
(b) MMDT Investment Income	1,233,515.04	855,355.19	82,353.89
4821 TOTAL INVESTMENT INCOME	967,880,437.40	904,582,921.46	883,322,315.98
Plus:			
4884 Realized Gains	885,836,873.48	306,059,023.37	1,558,815,702.89
4886 Unrealized Gains	4,715,470,113.58	5,382,742,274.88	2,191,970,894.99
Less:			
4885 Realized Losses	34,209,332.64	101,314,711.52	0.00
4887 Unrealized Losses	3,059,091,730.36	4,419,384,384.85	5,738,662,161.62
NET INVESTMENT INCOME	3,475,886,361.46	2,072,685,123.34	-1,104,553,247.76
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	10,177,715.68	9,638,597.77	8,742,924.34
Annuity Reserve Fund	51,631,774.13	55,469,046.14	56,814,718.93
Expense Fund	199,576,455.08	181,208,527.30	201,578,142.89
Military Service Fund	33.77	33.70	33.66
TOTAL INCOME REQUIRED	261,385,978.66	246,316,204.91	267,135,819.82
EXCESS INCOME TO PENSION RESERVE FUND	3,214,500,382.80	1,826,368,918.43	-1,371,689,067.58

Membership Information for Fiscal Year 2024

Active Members

An active member is a participating employee of the MSERS who is currently employed and making retirement contributions

Annual Statement of the Massachusetts Retirement System for the Year Ended 06/30/2024

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	Group 3	TOTAL
Active Membership, 6/30, Previous Year	80,765	8,622	2,352	91,739
Inactive Membership, 6/30, Previous Year	73,554	8,422	737	82,713
Vested	5,100	541	56	5,697
Non Vested	68,454	7,881	681	77,016
Enrolled During Current Year	10,362	486	196	11,044
Transfers Between Groups	0	0	0	0
Reinstatements of Disabled Members	0	0	0	0
SUBTOTAL	10,362	486	196	11,044
Deduct:				
Death	186	26	8	220
Withdrawals	4,025	342	40	4,407
Retirements	1,952	488	51	2,491
SUBTOTAL	6,163	856	99	7,118
Active Membership, 6/30, Current Year	83,455	8,255	2,564	94,274
Inactive Membership, 6/30, Current Year	75,978	8,390	828	85,196
Vested	4,979	519	44	5,542
Non Vested	70,999	7,871	784	79,654

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary and Survivor Membership, 06/30, Previous Year	51,442	14,534	2,606	68,582
Retirements During the Year				
Superannuation	1,901	458	34	2,393
Ordinary Disability	9	5	0	14
Accidental Disability	35	24	17	76
Termination Retirement Allowance	7	1	0	8
Beneficiary of Deceased Retiree	232	60	15	307
Survivor Benefits from Active Membership	74	14	7	95
SUBTOTAL	2,258	562	73	2,893
Deduct:				
Deaths of Retired Members	1,482	320	48	1,848
Termination of Survivor Benefits	260	30	8	298
Reinstatements of Disabled Pensions	3	0	0	3
SUBTOTAL	1,745	350	54	2,149
Retired Membership, 6/30, Current Year				
Superannuation	42,457	12,775	1,765	56,997
Ordinary Disability	377	140	6	523
Accidental Disability	1,976	882	546	3,404
Termination Retirement Allowance	1,748	5	0	1,753
Beneficiaries from Accidental Deaths	135	9	0	144
Beneficiaries from Section 100	1	0	13	14
Beneficiaries from Section 101	206	29	80	315
Beneficiaries under Option (C)	2,998	560	102	3,660
Option (D) Survivor Allowance	2,040	329	39	2,408
Section 12B Survivor Allowance	0	0	0	0
Total Retired, Beneficiary and Survivor Membership, 06/30, Current Year	51,878	14,729	2,611	69,218
TOTAL MEMBERSHIP:				
Active, Inactive, Retired, Beneficiary and Survivor, 06/30, Current Year	211,311	31,374	6,003	248,688

Schedule A: Detail of Accounts Receivable and Accounts Payable

1397-ACCOUNTS RECEIVABLE ON DEATHS

1397	Accounts Receivable on Deaths		3,826,904.09
TOTAL ACCOUNTS RECEIVABLE		\$	3,826,904.09

1398-ACCOUNTS RECEIVABLE

	Prior Year Balance	\$	55,190,600.03
4891	Members Deductions		1,295,353.40
4892	Transfers In		316,146.21
4893	Makeups & Buybacks		9,250.52
4897	Employer Reimbursements		684,452.30
5757	Cancelled Refunds		27,460.14
4898	3(8)(c) Reimbursements From Other Systems		12,376,286.86
TOTAL ACCOUNTS RECEIVABLE		\$	69,899,549.46

1399-ACCOUNTS RECEIVABLE FOR YEARLY EMPLOYER PENSION REIMBURSEMENTS

	Prior Year Balance	\$	16,059,113.83
4825	Miscellaneous Income		8,440,769.48
TOTAL ACCOUNTS RECEIVABLE		\$	24,499,883.31

2020-ACCOUNTS PAYABLE

	Prior Year Balance	\$	33,540,591.22
5308	Legal Expenses	\$	612.00
5311	Service Contracts	\$	51,412.74
5315	Op. Expense-Professional Services	\$	616,308.27
5320	Education and Training	\$	1,344.50
5589	Administrative Expenses	\$	206,338.39
5700	3(8)(c) Reimbursements To General Fund	\$	12,376,286.86
5755	3(8)(c) Reimbursements To Other Systems	\$	14,337,796.76
TOTAL ACCOUNTS PAYABLE		\$	61,130,690.74

Schedule No. 1 - Cash Account Activity During Year

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Description	Book Value at the End of the Previous Year	Total Deposits This Year	Redeposited Into Account	Withdrawals During This Year	Book Value June 30 This Year	System Not Reinvested or Redeposited	Interest Due and Accrued June 30th
1040-0000 Cash Annuity - MMARS	\$ 55,724,939.48	-	\$ 714,944,499.99	\$ 714,488,258.78	\$ 56,181,180.69	-	-
1042-0000 BNY Mellon Bank	\$ 79,277.38	-	\$ 841,809,895.21	\$ 841,855,857.71	\$ 33,314.88	-	-
1050-0000 Pension Payments and Receipts - MMARS	\$ 38,531,696.99	-	\$ 2,395,681,390.46	\$ 2,390,831,054.66	\$ 43,382,032.79	-	-
1051-0000 Returned Pensions & Annuities - M&T Bank			\$ 2,726,502.25	\$ 2,726,502.25	\$ -	-	-
1052-0000 3(8)(c) & 59A Receipts - M&T Bank			\$ 28,209,584.19	\$ 28,209,584.19	\$ -	-	-
1053-0000 COLA Payments	\$ 22,634,896.26	-	\$ 11,676,287.22	\$ 10,837,224.71	\$ 23,473,958.77	-	-
1054-0000 Capital Gains Tax Revenue Transfer	\$ 17,075,691.19	-	\$ 18,830,161.98	\$ 28,440,908.51	\$ 7,464,944.66	-	-
1062-0000 Operating Expenses - MMARS	\$ 3,550,755.07	-	\$ 17,000,864.53	\$ 17,209,234.20	\$ 3,342,385.40	-	-
1063-0000 Capital Expenses - MMARS	\$ 2,126,377.75	-	\$ -	\$ 112,500.00	\$ 2,013,877.75	-	-
1070-0000 COLA Repayment Credits	\$ 9,224,341.56	-	\$ -	\$ -	\$ 9,224,341.56	-	-
1040-1070 Subtotal	\$ 148,947,975.68	\$ -	\$ 4,030,879,185.83	\$ 4,034,711,125.01	\$ 145,116,036.50	-	-
1198-0000 PRIT Cash	\$ 8,608,019.14	-	\$ 1,608,986,873.19	\$ 1,608,878,644.22	\$ 8,716,248.11	-	-

Schedule No. 5 - Schedule of Pooled Funds

PERAC Account Number	Description	(A) Market Value at the End of the Previous Year	(B) Contributions	(C) Reinvested Investment Income	(D) Realized Gain	(E) Realized Loss	(F) Unrealized Gain
1198-0000	PRIT Cash	\$ 8,608,019.15	\$ 902,529,080.29	\$ 4,285,214.97	\$ -	\$ -	\$ -
1199-0000	PRIT Capital Fund	<u>\$ 34,960,253,645.49</u>	<u>\$ -</u>	<u>\$ 962,361,707.39</u>	<u>\$ 885,836,873.48</u>	<u>\$ 34,209,332.64</u>	<u>\$ 4,715,470,113.58</u>
Total Pooled Funds:		<u>\$ 34,968,861,664.64</u>	<u>\$ 902,529,080.29</u>	<u>\$ 966,646,922.36</u>	<u>\$ 885,836,873.48</u>	<u>\$ 34,209,332.64</u>	<u>\$ 4,715,470,113.58</u>

PERAC Account Number	Description	(G) Unrealized Loss	(H) Exchanges from (to) the Cash Fund	(I) Redemptions	(J) Net Fees Paid	(K) Market Value at the End of the Year
1198-0000	PRIT Cash	\$ -	\$ (702,151,197.64)	\$ 1,608,857,263.94	\$ -	\$ 8,716,248.11
1199-0000	PRIT Capital Fund	<u>\$ 3,059,091,730.36</u>	<u>\$ 702,151,197.64</u>	<u></u>	<u>\$ 182,176,356.52</u>	<u>\$ 37,546,293,722.78</u>
Total Pooled Funds:		<u>\$ 3,059,091,730.36</u>	<u>\$ -</u>	<u>\$ 1,608,857,263.94</u>	<u>\$ 182,176,356.52</u>	<u>\$ 37,555,009,970.89</u>

Schedule No. 7 - Summary of Investment Related Fees

Manager	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Total Paid or Accrued in FY2024	Payment Method
5304 Management Fees:						
Pension Reserves Investment Trust Fund	<u>\$ 38,585,992.42</u>	<u>\$ 36,161,039.37</u>	<u>\$ 41,247,815.74</u>	<u>\$ 37,861,693.41</u>	<u>\$ 153,856,540.94</u>	Net
5304 Management Fees Total	<u>\$ 38,585,992.42</u>	<u>\$ 36,161,039.37</u>	<u>\$ 41,247,815.74</u>	<u>\$ 37,861,693.41</u>	<u>\$ 153,856,540.94</u>	
5305 Custodial Fees:						
BNY Mellon Bank	<u>\$ 6,239,840.01</u>	<u>\$ 8,592,386.00</u>	<u>\$ 5,985,077.48</u>	<u>\$ 7,502,512.09</u>	<u>\$ 28,319,815.58</u>	Net
5305 Custodial Fees Total	<u>\$ 6,239,840.01</u>	<u>\$ 8,592,386.00</u>	<u>\$ 5,985,077.48</u>	<u>\$ 7,502,512.09</u>	<u>\$ 28,319,815.58</u>	
NET TOTAL INVESTMENT RELATED FEES AND EXPENSES:					\$ 182,176,356.52	

Annuity Reserve Fund Interest Calculation

FY2024

	5750	5759	Transfers Out	Recovery from Reinstatement 4750	3294	Transfers In	Balance	Inrerst (Balance x .0025)
July 1st (2023)	-	-	-	-	-	-	\$ 1,816,851,613.73	\$ 4,542,129.03
August 1st	\$ 48,421,264.01	\$ 959,545.04	\$ -	\$ -	\$ 20,766,538.55	\$ -	\$ 1,788,237,343.23	\$ 4,470,593.36
September 1st	\$ 48,996,882.30	\$ 171,114.28	\$ -	\$ -	\$ 32,828,399.83	\$ -	\$ 1,771,897,746.48	\$ 4,429,744.37
October 1st	\$ 49,058,249.30	\$ 167,353.63	\$ -	\$ -	\$ 33,436,167.46	\$ -	\$ 1,756,108,311.01	\$ 4,390,270.78
November 1st	\$ 49,750,285.02	\$ 465,164.61	\$ -	\$ -	\$ 41,090,683.57	\$ -	\$ 1,746,983,544.95	\$ 4,367,458.86
December 1st	\$ 49,523,032.71	\$ 63,378.94	\$ -	\$ -	\$ 29,206,889.60	\$ -	\$ 1,726,604,022.90	\$ 4,316,510.06
January 1st	\$ 50,208,311.60	\$ 897,308.06	\$ -	\$ -	\$ 40,440,343.20	\$ -	\$ 1,715,938,746.44	\$ 4,289,846.87
February 1st	\$ 50,171,099.89	\$ 360,641.17	\$ -	\$ -	\$ 32,921,563.02	\$ -	\$ 1,698,328,568.40	\$ 4,245,821.42
March 1st	\$ 50,424,565.51	\$ 508,640.21	\$ -	\$ -	\$ 40,808,662.72	\$ -	\$ 1,688,204,025.40	\$ 4,220,510.06
April 1st	\$ 50,178,128.53	\$ 1,223,146.31	\$ -	\$ -	\$ 32,875,401.75	\$ -	\$ 1,669,678,152.31	\$ 4,174,195.38
May 1st	\$ 50,362,807.73	\$ 90,517.64	\$ -	\$ -	\$ 27,878,201.94	\$ -	\$ 1,647,103,028.88	\$ 4,117,757.57
June 1st	\$ 50,543,837.48	\$ 181,718.65	\$ -	\$ -	\$ 30,397,075.49	\$ -	\$ 1,626,774,548.24	\$ 4,066,936.37
June 30th (2024)								<u><u>51,631,774.13</u></u>

SECTION 3

*Financial Statements of the
Massachusetts Turnpike Authority
Employees' Retirement System*

Annual Statement for the Year Ended June 30, 2024 of the Conditions and Affairs of the MASSACHUSETTS TURNPIKE AUTHORITY

**Organized under the Laws of the Commonwealth of Massachusetts to the
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**

Date of Certificate: 11/01/2009

Administration Office

One Winter Street, 8th Floor Telephone Number: (617) 367-9333

We, the undersigned, members of the Massachusetts State Retirement Board certify under penalties of perjury, that we are the official board members of said retirement system, and that on the thirtieth date of June last, all of the herein- described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirtieth date of June last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Massachusetts State Retirement Board	Ex-officio Member Deborah B. Goldberg	_____ (Signature)
	Appointed Member Joanne Feinberg Goldstein Term Expires 01/24/2027	_____ (Signature)
	Elected Member Theresa McGoldrick Esq. Term Expires 04/30/2027	_____ (Signature)
	Elected Member Francis E Valeri Term Expires 01/01/2026	_____ (Signature)
	Member Appointed By Other Members Archibald Gormley, Jr. Term Expires 03/25/2027	_____ (Signature)
Investment Manager	Pension Reserves Investment Management Board 53 State Street, Suite 600, Boston, MA 02109	

Annual Statement Balance Tests

1. ASSET BALANCE

Assets Previous Year	164,111,127.52
Income Current Year	15,785,388.79
Disbursements Current Year	13,772,403.62
Assets Current Year	166,124,112.69

2. ASSET DIFFERENCE

Assets Current Year	166,124,112.69
Assets Previous Year	164,111,127.52
Difference	2,012,985.17

3. INCOME DIFFERENCE

Income Current Year	15,785,388.79
Disbursements Current Year	13,772,403.62
Difference	2,012,985.17

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	27,255,156.10
Total Fund Change Debits Current Year	-25,242,170.93
Difference	2,012,985.17

Note: The difference as a result of tests 2, 3 and 4 should be the same.

Assets and Liabilities

	FY 2024	FY 2023	FY 2022
1040 - 1070 Cash	2,385,436.41	5,708,206.93	7,490,759.50
8888 Accounting Software Offset Account	0.00	0.00	0.00
1198 PRIT Cash Fund	166,047.76	214,377.16	186,821.35
1199 PRIT Capital Fund	163,137,470.93	158,257,272.35	160,523,085.20
1350 Prepaid Expenses	0.00	0.00	0.00
1397 Accounts Receivable (A)	0.00	0.00	0.00
1398 Accounts Receivable (A)	451,080.33	458,225.55	186,329.46
1399 Accounts Receivable (A)	0.00	0.00	0.00
2020 Accounts Payable (A)	(-15,922.74)	(-526,954.47)	(-114,128.61)
TOTAL:	<u>166,124,112.69</u>	<u>164,111,127.52</u>	<u>168,272,866.90</u>

Funds

	FY 2024	FY 2023	FY 2022
3293 Annuity Savings Fund	41,062,135.35	41,051,478.37	41,010,453.71
3294 Annuity Reserve Fund	25,136,130.29	26,209,738.46	27,329,392.43
3295 Special Military Service Credit Fund	438.33	437.89	437.45
3296 Pension Fund	0.00	0.00	121.75
3298 Expense Fund	0.00	0.00	0.00
3297 Pension Reserve Fund	99,925,408.72	96,849,472.80	99,932,461.56
TOTAL ASSETS AT MARKET VALUE:	<u>166,124,112.69</u>	<u>164,111,127.52</u>	<u>168,272,866.90</u>

(A) Refer to Schedule A for Detail of Accounts Receivable and Accounts Payable.

Statement of Funds Flow

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	41,051,478.37	41,010.45	0.00	-30,353.47	41,062,135.35
Annuity Reserve Fund	26,209,738.46	760,925.68	0.00	-1,834,533.85	25,136,130.27
Pension Fund	0.00	370,748.17	10,728,270.97	-11,099,019.14	0.00
Military Service Fund	437.89	0.44	0.00	0.00	438.33
Expense Fund	0.00	808,497.16	0.00	-808,497.16	0.00
Pension Reserve Fund	96,849,472.80	13,845,217.36	-10,728,270.97	0.00	99,966,419.19
Total All Funds	164,111,127.52	15,785,388.79	- 0 -	-13,772,403.62	166,124,112.69

List below all transfers:

Xfer from	Pension Reserve Fund	to MTA Pension Fund	in the amt of	10,728,270.97	on acct of	Funding Schedule
	Fund	Control Account				

Receipts

	FY 2024	FY 2023	FY 2022
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	0.00	0.00	0.00
(b) 4892 Transfers from Other Systems	0.00	0.00	0.00
(c) 4893 Member Make Up Payments and Redeposits	0.00	0.00	0.00
(d) 4900 Member Payments from Rollovers	0.00	0.00	0.00
(e) Investment Income Credited to Members' Accounts	<u>41,010.45</u>	<u>41,024.66</u>	<u>41,040.81</u>
Subtotal:	41,010.45	41,024.66	41,040.81
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatements	0.00	0.00	0.00
(b) 4752 Recovered Annuities Death	0.00	0.00	0.00
(c) Investment Income Credited to Annuity Reserve Fund	<u>760,925.68</u>	<u>793,326.49</u>	<u>827,590.74</u>
Subtotal:	760,925.68	793,326.49	827,590.74
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	370,748.17	759,484.72	451,359.14
(b) 4894 Pension Fund Appropriation	0.00	0.00	0.00
(c) 4840 Workers' Compensation Settlements	0.00	0.00	0.00
(d) 4841 Recovery of 91A Overearnings	0.00	0.00	0.00
(e) 4753 Recovered Pensions Death	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal:	370,748.17	759,484.72	451,359.14
4. Military Service Fund:			
(a) Investment Income Credited to Military Service Fund	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>
Subtotal:	0.44	0.44	0.44
5. Expense Fund:			
(a) Investment Income Credited to Expense Fund	<u>808,497.16</u>	<u>762,970.43</u>	<u>914,992.26</u>
Subtotal:	808,497.16	762,970.43	914,992.26
6. Pension Reserve Fund:			
(a) 4830 ORP Employer Reimbursements	0.00	0.00	0.00
(b) 4895 Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4897 Federal Grant Reimbursement	0.00	0.00	0.00
(d) 4822 Interest Not Refunded	0.00	0.00	0.00
(e) 4825 Miscellaneous Income	28.40	0.00	0.00
(f) Excess Investment Income Credited to Pension	<u>13,804,178.49</u>	<u>7,863,754.85</u>	<u>-6,677,583.79</u>
Subtotal:	13,804,206.89	7,863,754.85	-6,677,583.79
TOTAL RECEIPTS	<u>15,785,388.79</u>	<u>10,220,561.59</u>	<u>-4,442,600.40</u>

Disbursements

	FY 2024	FY 2023	FY 2022
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	30,353.47	0.00	55,245.03
(b) 5756 Transfers to Other Systems	0.00	0.00	0.00
Subtotal:	30,353.47	0.00	55,245.03
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	1,834,533.85	1,912,980.46	2,022,657.00
(b) 5759 Option B Refunds	0.00	0.00	0.00
Subtotal:	1,834,533.85	1,912,980.46	2,022,657.00
3. Pension Fund:			
(a) 5751 Pensions Paid	10,761,255.35	11,179,395.61	11,650,010.77
Regular Pension Payments	8,270,679.94	8,616,527.76	9,015,263.70
Survivorship Payments	127,874.67	125,716.29	125,798.32
Ordinary Disability Payments	229,304.52	246,557.45	279,741.00
Accidental Disability Payments	1,575,507.69	1,621,143.98	1,664,457.94
Accidental Death Payments	452,636.60	473,452.53	476,009.18
Section 101 Benefits	105,251.93	95,997.60	88,740.63
(b) 5755 3(8)(c) Reimbursements To Other Systems	337,763.79	526,954.47	350,700.15
(c) 5752 COLAs Paid	0.00	0.00	0.00
(d) 5600 Bad Debt Expense	0.00	0.00	0.00
(e) 5700 3(8)(c) Reimbursements To General Fund	0.00	0.00	0.00
Subtotal:	11,099,019.14	11,706,350.08	12,000,710.92
4. Expense Fund:			
(a) 5119 Staff Salaries	0.00	0.00	0.00
(b) 5120 Benefits	0.00	0.00	0.00
(c) 5304 Management Fees	682,965.21	649,127.53	803,548.09
(d) 5305 Custodial Fees	125,531.95	113,842.90	111,444.17
(e) 5308 Legal Expenses	0.00	0.00	0.00
(f) 5310 Fiduciary Insurance	0.00	0.00	0.00
(g) 5311 Service Contracts	0.00	0.00	0.00
(h) 5312 Rent Expense	0.00	0.00	0.00
(i) 5315 Professional Services	0.00	0.00	0.00
(j) 5320 Education And Training	0.00	0.00	0.00
(k) 5588 Miscellaneous Expense	0.00	0.00	0.00
(l) 5589 Administrative Expenses	0.00	0.00	0.00
(m) 5599 Furniture and Equipment	0.00	0.00	0.00
(n) 5719 Travel Expenses	0.00	0.00	0.00
Subtotal:	808,497.16	762,970.43	914,992.26
TOTAL DISBURSEMENTS	13,772,403.62	14,382,300.97	14,993,605.21

Investment Income

Investment Income received from:	FY 2024	FY 2023	FY 2022
(a) Pooled Funds (from Schedule 5)	4,312,833.37	4,193,663.53	4,322,247.98
(b) MMDT Investment Income	12,459.77	10,971.65	877.82
4821 TOTAL INVESTMENT INCOME	4,325,293.14	4,204,635.18	4,323,125.80
Plus:			
4884 Realized Gains	3,921,939.01	1,412,872.19	7,735,334.87
4886 Unrealized Gains	20,972,544.53	24,973,655.46	10,808,795.32
Less:			
4885 Realized Losses	153,639.98	472,559.65	0.00
4887 Unrealized Losses	13,651,524.48	20,657,526.31	27,761,215.53
NET INVESTMENT INCOME	15,414,612.22	9,461,076.87	-4,893,959.54
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	41,010.45	41,024.66	41,040.81
Annuity Reserve Fund	727,336.04	793,326.49	827,590.74
Expense Fund	808,497.16	762,970.43	914,992.26
Military Service Fund	0.44	0.44	0.44
TOTAL INCOME REQUIRED	1,576,844.09	1,597,322.02	1,783,624.25
EXCESS INCOME TO PENSION RESERVE FUND	13,837,768.13	7,863,754.85	-6,677,583.79

Schedule A: Detail of Accounts Receivable and Accounts Payable

1398-ACCOUNTS RECEIVABLE

4898 - 2000 3(8)(c) Reimbursements From Other System;

370,748.17

TOTAL ACCOUNTS RECEIVABLE

451,080.33

2020-ACCOUNTS PAYABLE

5755 - 2000 3(8)(c) Reimbursements To Other System;

17,843.87

TOTAL ACCOUNTS PAYABLE

-15,922.74

Schedule No. 1 - Cash Account Activity During Year

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Description	Book Value at the End of the Previous Year	Total Deposits This Year	Redeposited Into Account	Withdrawals During This Year	Book Value June 30 This Year	System Not Reinvested or Redeposited	Interest Due and Accrued June 30th
1040-0000 Cash Annuity - MMARS	\$ 6.93	-	\$ 1,864,887.32	\$ 1,864,887.32	\$ 6.93	-	-
1050-0000 Pension Payments and Receipts - MMARS	\$ 5,688,207.21	-	\$ 8,262,488.16	\$ 11,585,258.69	\$ 2,365,436.68	-	-
1052-0000 3(8)(c) & 59A Receipts - M&T Bank			\$ 1,226,688.91	\$ 1,226,688.91	\$ -	-	-
1062-0000 Operating Expenses - MMARS	\$ 19,992.78	-	\$ -	\$ -	\$ 19,992.78	-	-
1040-1070 Subtotal	\$ 5,708,206.92	-	\$ 11,354,064.39	\$ 14,676,834.92	\$ 2,385,436.39	-	-
1198-0000 PRIT Cash	\$ 214,377.16	-	\$ 10,091,378.51	\$ 10,013,707.91	\$ 2,551,484.15	-	-
Schedule Totals	\$ 5,922,584.08	-	\$ 21,445,442.90	\$ 24,690,542.83	\$ 4,936,920.54	-	-

Schedule No. 5 - Schedule of Pooled Funds

PERAC Account Number	Description	(A) Market Value at the End of the Previous Year	(B) Contributions	(C) Reinvested Investment Income	(D) Realized Gain	(E) Realized Loss	(F) Unrealized Gain
1198-0000	PRIT Cash	\$ 214,377.16	\$ 377,921.79	\$ 44,100.00	\$ -	\$ -	\$ -
1199-0000	PRIT Capital Fund	<u>\$ 158,257,272.35</u>	<u>\$ -</u>	<u>\$ 4,268,733.37</u>	<u>\$ 3,921,939.01</u>	<u>\$ 153,639.98</u>	<u>\$ 20,972,544.53</u>
Total Pooled Funds:		<u>\$ 158,471,649.51</u>	<u>\$ 377,921.79</u>	<u>\$ 4,312,833.37</u>	<u>\$ 3,921,939.01</u>	<u>\$ 153,639.98</u>	<u>\$ 20,972,544.53</u>

PERAC Account Number	Description	(G) Unrealized Loss	(H) Exchanges from (to) the Cash Fund	(I) Redemptions	(J) Net Fees Paid	(K) Market Value at the End of the Year
1198-0000	PRIT Cash	\$ -	\$ (9,669,356.71)	\$ 10,013,707.91	\$ -	\$ 166,047.75
1199-0000	PRIT Capital Fund	<u>\$ 13,561,524.48</u>	<u>\$ 9,669,356.71</u>	<u></u>	<u>\$ 808,497.16</u>	<u>\$ 163,137,470.93</u>
Total Pooled Funds:		<u>\$ 13,561,524.48</u>	<u>\$ -</u>	<u>\$ 10,013,707.91</u>	<u>\$ 808,497.16</u>	<u>\$ 163,303,518.68</u>

Schedule No. 7 - Summary of Investment Related Fees

Manager	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Total Paid or Accrued in FY2024	Payment Method
5304 Management Fees:						
Pension Reserves Investment Trust Fund	<u>\$ 173,816.18</u>	<u>\$ 161,922.83</u>	<u>\$ 182,379.02</u>	<u>\$ 164,847.18</u>	<u>\$ 682,965.21</u>	Net
5304 Management Fees Total	<u>\$ 173,816.18</u>	<u>\$ 161,922.83</u>	<u>\$ 182,379.02</u>	<u>\$ 164,847.18</u>	<u>\$ 682,965.21</u>	
5305 Custodial Fees:						
BNY Mellon Bank	<u>\$ 28,078.98</u>	<u>\$ 38,424.48</u>	<u>\$ 26,402.25</u>	<u>\$ 32,626.24</u>	<u>\$ 125,531.95</u>	Net
5305 Custodial Fees Total	<u>\$ 28,078.98</u>	<u>\$ 38,424.48</u>	<u>\$ 26,402.25</u>	<u>\$ 32,626.24</u>	<u>\$ 125,531.95</u>	
NET TOTAL INVESTMENT RELATED FEES AND EXPENSES:					\$ 808,497.16	

Annuity Reserve Fund Interest Calculation

FY2024

	5750	5759	Transfers Out	Recovery from Reinstatement 4750	3294	Transfers In	Balance	Interest (Balance x .0025)
July 1st (2023)	-	-	-	-	-	-	\$ 26,209,738.46	\$ 65,524.36
August 1st	\$ 155,784.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,053,953.91	\$ 65,134.88
September 1st	\$ 155,171.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,898,782.79	\$ 64,746.96
October 1st	\$ 154,936.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,743,846.73	\$ 64,359.62
November 1st	\$ 154,370.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,589,476.11	\$ 63,973.69
December 1st	\$ 153,180.59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,436,295.52	\$ 63,590.74
January 1st	\$ 152,108.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,284,187.32	\$ 63,210.47
February 1st	\$ 152,552.71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,131,634.61	\$ 62,829.09
March 1st	\$ 151,122.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,980,512.08	\$ 62,451.28
April 1st	\$ 150,596.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,829,916.05	\$ 62,074.79
May 1st	\$ 149,434.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,680,481.98	\$ 61,702.21
June 1st	\$ 149,045.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,531,436.71	\$ 61,328.59
June 30th (2024)								<u><u>760,926.68</u></u>

Notes on Financial Statements

Significant Accounting Policies

The accounting records of the MSERS and MTAERS are maintained on a fiscal year basis beginning January 1, 2013, under M.G.L. Chapter 32, Sec. 20, paragraph(h) in accordance with the standards and procedures established by the Executive Director of the Public Employees Retirement Administration Commission.

Annuity Savings Fund

The Annuity Savings Fund is the fund to which all members' contributions are deposited. Members withdrawing from the MSERS or MTAERS receive a refund of their total accumulated contributions and a required amount of interest. Refunds-To-Members for fiscal year 2024 were \$106.5 million. The value of the Annuity Savings Fund was \$7.69 billion as of the end of the fiscal year.

Annuity Reserve Fund

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and the Special Fund for Military Service Credit. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance. The number of new retirees for July 1, 2023 to June 30, 2024 was over 2,600 and an amount of \$396 million was transferred from the Annuity Savings Fund to the Annuity Reserve Fund. The value of the Annuity Reserve Fund was \$1.6 billion as of the end of the fiscal year.

Pension Fund

The Pension Fund maintains the amounts appropriated by the Commonwealth of Massachusetts to pay the pension portion of each retirement allowance.

Pension Reserve Fund

The Pension Reserve Fund is administered by the Pension Reserves Investment Management Board ("PRIM Board"). This Fund contains amounts appropriated by the Commonwealth of Massachusetts for the purpose of funding future retirement benefits. Any investment income in excess of the amount required to credit the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund and the Special Military Credit Fund is credited to the Pension Reserve Fund. On November 7, 1996, the Massachusetts State Teachers' and Employees' Retirement Systems Trust ("MASTERS") was merged into the Pension Reserves Investment Trust ("PRIT") Fund to form a consolidated pension fund under the management of the Pension Reserves Investment Management Board. Inactive member account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity. The value of the Pension Reserve Fund was \$28.4 billion as of the end of the fiscal year.

Military Service Fund

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces and who receive creditable service for the period of that leave. On March 10, 1993, the Military Service Fund received a

state appropriation of \$117,206.94 for military service credit for the 81 members of the State Employees' Retirement System who participated in Operation Desert Storm.

Interest income credited to the Military Service Fund was \$33.77. The balance in the Military Service Fund on June 30, 2024 was \$33,799.59.

Expense Fund

The Expense Fund contains amounts transferred from investment income for the purpose of administering the State Employees' Retirement System. Remaining account balances are expended in the following month.

Retirement Board Operating and Capital Spending Plans

On April 27, 2023 the State Retirement Board ("Board") unanimously approved its Operating Spending Plan for FY 2024 in the amount of \$21,876,468 to pay for operating expenses during FY 2024. The Board also approved the Capital Spending Plan for FY 2024 in the amount of \$2,900,000 to pay for capital expenses.

The operating and capital spending reports have been presented to the Board each month of fiscal year 2024.

Interest Not Refunded

Interest Not Refunded is interest forfeited by members upon withdrawal from the System prior to becoming fully vested. The interest forfeiture applies to members who commenced employment on or after January 1, 1984. The total interest not refunded transferred to Pension Reserve Fund for FY 2024 was \$106,579.68.

3(8)(c) and 59A Receipts and Disbursements

A 3(8)(c) reimbursement is the pension benefit reimbursement paid by other Massachusetts public retirement systems to MSRB for the portion of creditable service attained by a retiree who formerly contributed to another retirement system. A 59A reimbursement is similar, except such receipts represent creditable service of retired former non-contributing members. The total 3(8)(c) and 59A reimbursements received in FY 2024 for report year 2023 were \$9.2 million. The reimbursements collected are transferred to the Commonwealth of Massachusetts General Fund for purposes of reducing the state's unfunded actuarial liability. The State Employees' Retirement System's 3(8)(c) and 59A payments to other systems were \$19.5 million.

MSRB administers the recordkeeping for the 3(8)(c) and 59A obligations. Annually, the Board issues invoices, collects receipts, and makes disbursements.

Legislative Funding for Pensions

The State Employees' Retirement System received \$1,511,891,324.19 in appropriation funds from the Commonwealth of Massachusetts for the fiscal year 2024. This amount includes \$1.44B for pension funding, 2015 Early Retirement Incentive Program ("ERIP") \$28.2M, and \$40.9M pursuant to Chapter 126 of the Acts of 2022 received in FY 2024 for FY 2023.

Under the Exclusive Benefit Rule as part of Chapter 5 section 8 of the Acts of 2017, the Commonwealth's appropriation funding schedule from the General Fund to the Pension Liability Fund includes the annual administrative expenses for PERAC.

Legislative Funding for COLA Reimbursements

The Commonwealth appropriated \$11,600,000.00 in order to set aside COLA (Cost of Living Adjustment) reimbursements to the other retirement systems in FY 2024.

COLA reimbursements to other retirement systems during fiscal year 2024 were \$10.8 million. A balance of approximately \$23.5 million remains as of June 30, 2024.

Bad Debt Expense

This represents the State Retirement Board's authority to write off outstanding pension receivables owed on behalf of deceased retirees and survivors deemed uncollectible after three years. At the November 2023 Board Meeting, the Board approved SRB to write off \$232,046.89 for 208 accounts deemed uncollectible based on members' dates of death as of June 30, 2020, and remained outstanding as of June 30, 2023.

Miscellaneous Income

Miscellaneous Income for this fiscal year is \$15,861,663.15, representing obligations assessed yearly for employer pension reimbursement revenues as authorized by M.G.L. c. 32, section 8(4)(a). This amount also includes \$7,464,944.66 transferred from the Commonwealth's Stabilization Fund (Capital Gains Tax Revenues). An additional \$3,900,272.66 was received late in FY 2025 for FY 2024 for a total of \$11,365,217.32.



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