2023 TRA Benefit Proposal - Funding

	Baseline 6/30/2022 (1)	Baseline Adjusted 6/30/2022 (2)	Full Benefits at Age 60 and 30 Yrs of Service Credit
Funded Ratio, market value (assets ÷ liabilities)	**80.95%**	**76.17%**	**72.95%**
(a) Statutory rate, with future increases (3)	17.27%	17.27%	17.27%
(b) Actuarially required contribution rate	16.08%	18.32%	20.73%
Contribution Sufficiency (a - b)	**1.19%**	**-1.05%**	**-3.46%**
Covered Payroll FY2023 (4)		$5,900,000,000	$5,900,000,000
Amount required year 1 to eliminate the contribution deficiency		**$61,950,000**	**$204,140,000**

Contribution Rate Increases (25% employee, 75% employer)	Employee	Employer
Current contribution rates (3)	7.75%	8.75%
Contribution increases needed for new benefits. Employer share funded by the State	0.87%	2.60%
New contribution rates	8.62%	11.35%

Contribution Increases, in Dollars	Employee	Employer
Covered Payroll FY 2023 (4)	$5,900,000,000	$5,900,000,000
Contribution increases needed for new benefits. Employer share funded by the State	0.87%	2.60%
First year amount, ongoing & increasing 3% per year	$51,035,000	$153,105,000
State funding for one-time 2.5% compounded COLA		**$315,814,766**
Total TRA Legislative Package 2023	**$51,035,000**	**$468,919,766**

Notes:

(1) Baseline is current law: investment return assumption is 7.5%; the statutory full-funding deadline is 2048.

(2) Baseline adjusted uses an investment return assumption of 7.0% and extends the funding deadline to 2053.

(3) This analysis assumes a full phase-in of scheduled contribution rate increases in 2018 pension bill.

(4) Covered payroll in fiscal year 2023 is $5.9 billion, and is assumed to increase 3.0% per year