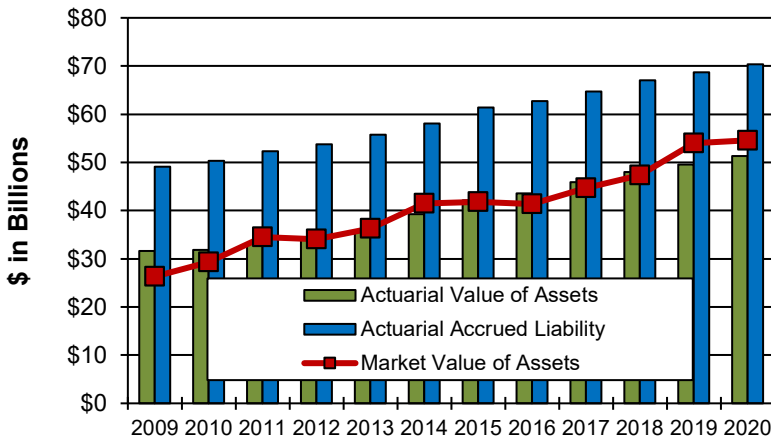


State Plans' Pension Assets, Liabilities, and Market Value: Fiscal 2009-2020



- The difference between the actuarial value of assets and the actuarial accrued liability each year is the unfunded actuarial liability.

- In fiscal 2009, the gap was \$17.5 billion, a funded status of 64%. By 2020, the gap had grown to \$19.1 billion, but slower growth of liabilities relative to assets resulted in a funded status of 72.3%.

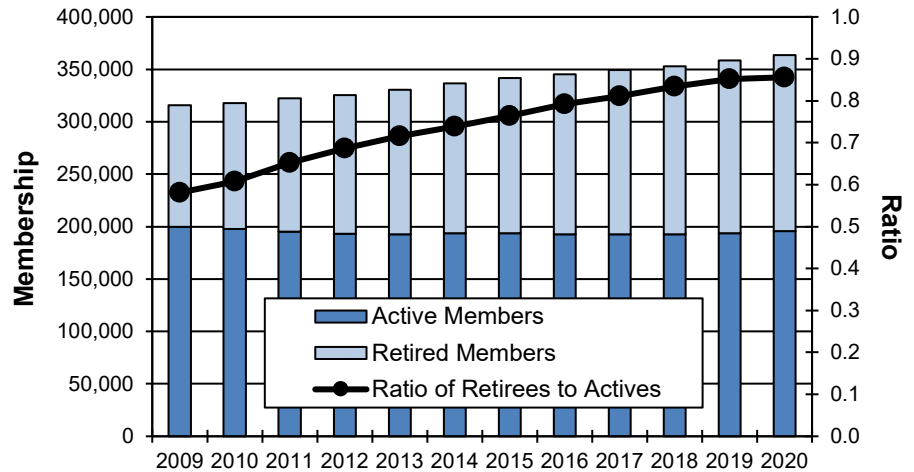
- The end of fiscal 2020 valuation indicated that the funded status would reach 80% by fiscal 2026. In fiscal 2020, the funded ratio is 72.3%.

Pension System Membership: Fiscal 2009-2020

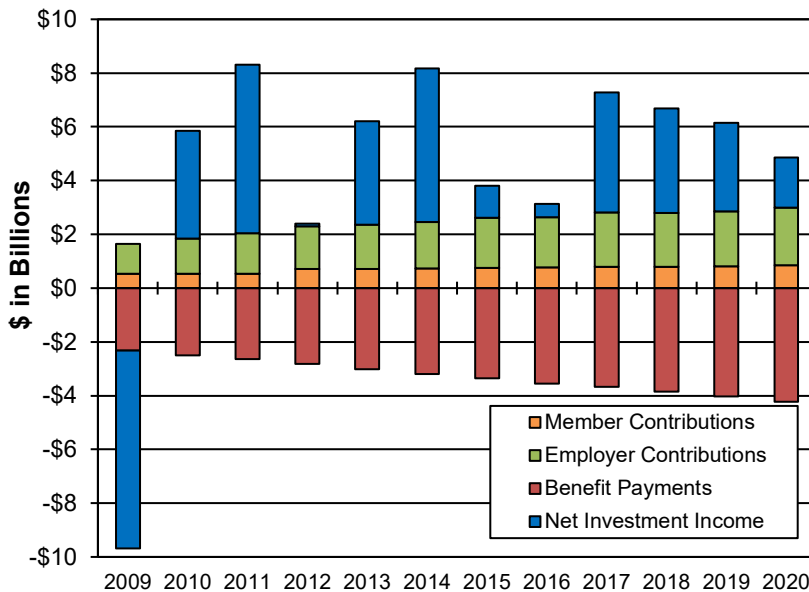
- The membership of the State pension system is maturing.

- In fiscal 2009, there were approximately 58 retirees for every 100 active employees contributing into the system. In fiscal 2020, there were 86 retirees for every 100 active employees.

- While this ratio has been increasing for some time, the rate of increase slowed in fiscal 2020.



Pension Trust Cash Flow: Fiscal 2009-2020



- The three predictable pieces of the cash flow puzzle – State employer contributions, employee contributions, and retiree benefit payments – all have increased steadily since fiscal 2009.

- State employer contributions increased from \$1,110 million in fiscal 2009 to \$2,144 million in fiscal 2020.

- Employee contributions grew from \$532 million in fiscal 2009 to \$850 million in fiscal 2020. Required contributions for employees gradually increased from 3% in fiscal 2007 to 7% in fiscal 2012.

- Benefit payments to retirees increased from \$2.3 billion to \$4.2 billion, as the number of retirees grew.

- The unstable portion has been investment income (or loss). When not achieving the assumed return, this amount is covered by increased but smoothed State employer contributions as has been the case since combined fiscal 2008 and 2009 losses of \$8.7 billion.

Note: Membership and cash flow graphs include State and municipal plans.

Prepared by: Maryland Department of Legislative Services

Source: Maryland State Retirement Agency

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