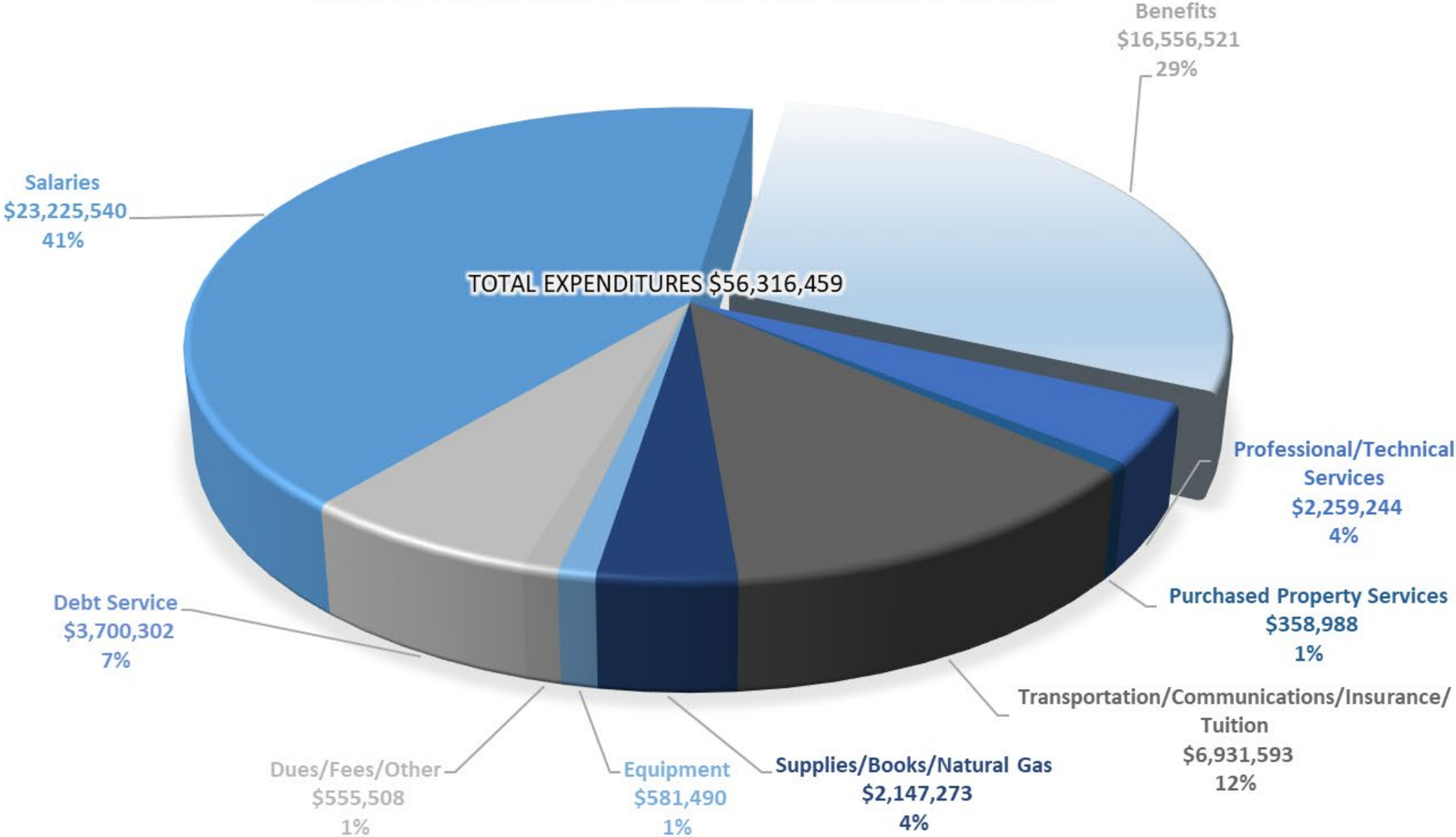


HOLLIDAYSBURG AREA SCHOOL DISTRICT

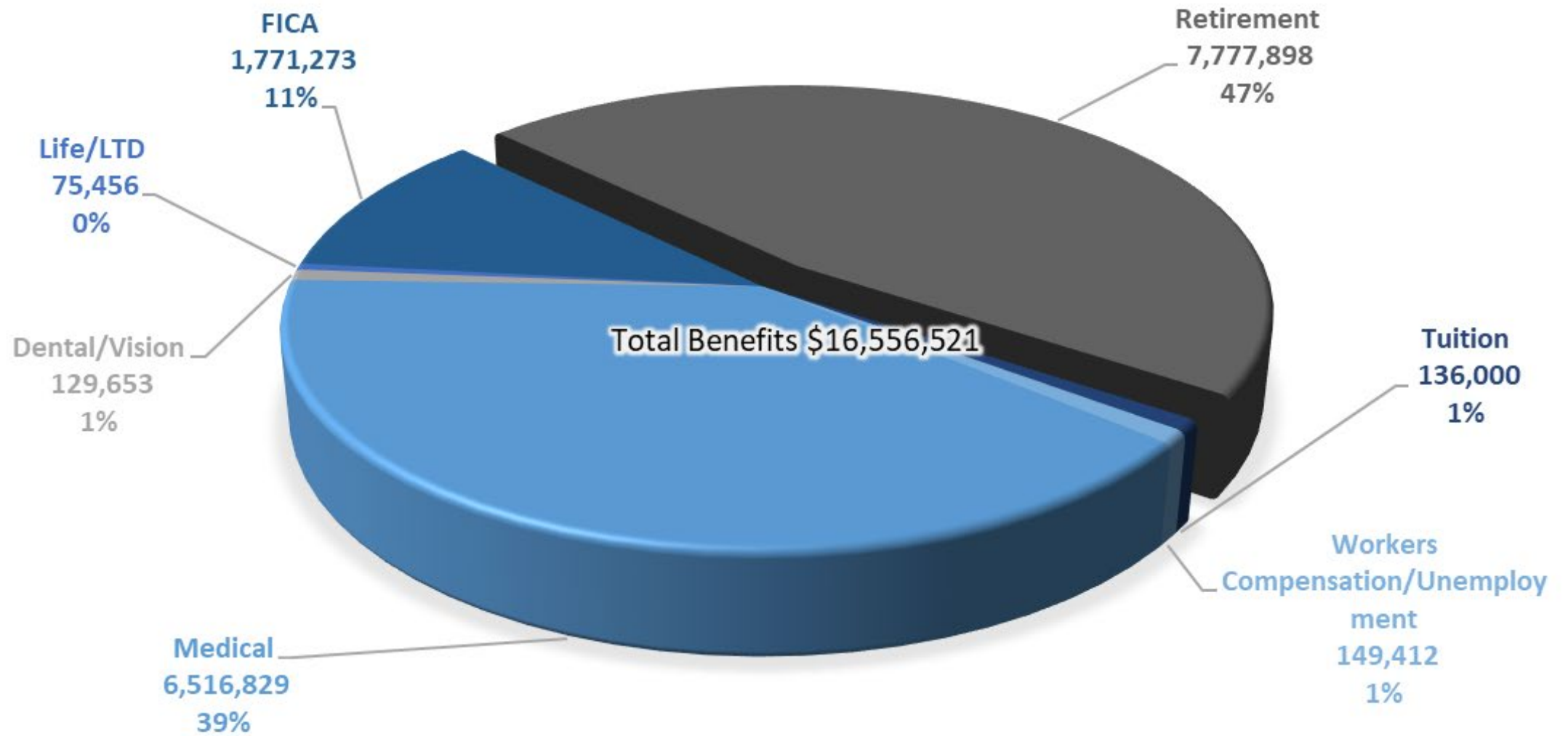
2024-25 BUDGET INFORMATION SESSIONS

#2 Retirement

2023-24 GENERAL FUND EXPENDITURE BUDGET



2023-24 GENERAL FUND BENEFITS



FY 2024-2025 Employer Contribution Rate

What is the FY 2024-25 Employer Contribution Rate?

On December 15, 2023, the Public School Employees' Retirement System (PSERS) Board of Trustees certified the FY 2024-25 employer contribution rate (ECR) at 33.90%. The ECR is the percentage of payroll that local school employers and the Commonwealth share and pay toward retired and current school employees' benefits.

The 33.90% ECR represents the second year-to-year decline for school employers and the Commonwealth in more than a decade.

- The FY 2024-25 ECR is 0.29% lower than the current FY 2024-25 rate of 34.00%.
- Despite the slightly lower rate, higher than expected payroll growth will cause total employer contributions projections to rise by \$ 96.6 million (\$5.29 billion) in FY 2024-25 compared to FY 2023-24 (\$5.19 billion).
- School boards set their budgets based on the ECR percentage rate, and a lower ECR will equal real multi-year budgetary savings for their local taxpayers.

Pennsylvania Public School Employees' Retirement System Projection of Contribution Rates and Funded Ratios As of June 30, 2023 Assumes a 7.00% Annual Market Rate of Return

Fiscal Year Ending June 30	Total Payroll (\$ Thousands)	Member Contribution Rate	Employer Normal Cost Rate DB Plan	Employer Unfunded Liability Rate	A Preliminary Employer Pension Rate	B Health Care Contribution Rate	C *DC Plan	D = A + B + C Total Employer Contribution Rate	**Total Employer Contribution (\$ Thousands)	Actuarial Funded Ratio	Unfunded Accrued Liability (\$ Millions)
2022										61.6 %	\$ 43,965.5
2023	\$ 14,497,000	7.52 %	6.07 %	28.24 %	34.31 %	0.75 %	0.20 %	35.26 %		63.6	42,339.8
2024	15,260,000	7.44	5.86	27.23	33.09	0.64	0.27	34.00		64.8	41,771.6
2025	15,590,000	7.37	5.68	27.24	32.92	0.63	0.35	33.90	5,285,010	66.3	40,816.2
2026	15,742,025	7.29	5.46	28.13	33.59	0.70	0.43	34.72	5,465,631	68.2	39,240.0
2027	15,892,933	7.22	5.28	28.93	34.21	0.70	0.50	35.41	5,628,241	70.2	37,476.0
2028	16,044,830	7.15	5.09	29.59	34.68	0.70	0.56	35.94	5,766,356	72.3	35,501.7
2029	16,198,131	7.09	4.90	30.30	35.20	0.70	0.63	36.53	5,917,054	74.5	33,175.7
2030	16,352,636	7.03	4.71	31.05	35.76	0.69	0.70	37.15	6,075,388	77.2	30,179.4
2031	16,505,002	6.97	4.51	31.81	36.32	0.70	0.76	37.78	6,235,005	79.3	27,822.0
2032	16,654,259	6.91	4.31	32.45	36.76	0.68	0.82	38.26	6,371,097	81.9	24,651.1

* Estimated average DC contribution rate. The actual employer DC contribution rate will be based on each employer's Class T-G, Class T-H and Class DC-only membership.

** Actuarial Disclaimer

The resulting contributions for each fiscal year may be different from actual results that will be determined in future actuarial valuations due to demographic and financial experience different than assumed. Accordingly, these results should not be used for any purpose other than providing the user with an estimate of future employer pension cost obligations.

Retirement Expense History and Outlook



HOLLIDAYSBURG AREA SCHOOL DISTRICT RETIREMENT RATE STABILIZATION FUND (RRSF) UTILIZATION PLAN

CURRENT BALANCE IN RETIREMENT RATE STABILIZATION FUND \$2,972,941								
	Budgeted Retirement Wages Projected @ 3% Increase	Projected PSERS Rate as of Dec, 2023	Total Retirement Costs	State Reimbursement Rate	Net Retirement Costs	USE OF RETIREMENT RATE STABILIZATION FUNDS		
						Increase in Net Retirement From Prev Year	Total Committed RRSF \$2,972,941 Less <u>\$1,077,807</u> \$1,895,134	TOTAL USE OF RRSF
2023-24	\$23,225,207	34.00%	\$7,896,570	50.00%	\$3,948,285	-\$125,148	\$270,733	\$145,585
2024-25	\$23,921,963	33.90%	\$8,109,546	50.00%	\$4,054,773	\$106,488	\$270,733	\$377,221
2025-26	\$24,639,622	34.72%	\$8,554,877	50.00%	\$4,277,438	\$222,666	\$270,733	\$493,399
2026-27	\$25,378,811	35.41%	\$8,986,637	50.00%	\$4,493,318	\$215,880	\$270,733	\$486,613
2027-28	\$26,140,175	35.94%	\$9,394,779	50.00%	\$4,697,389	\$204,071	\$270,733	\$474,804
2028-29	\$26,924,380	36.53%	\$9,835,476	50.00%	\$4,917,738	\$220,349	\$270,733	\$491,082
2029-30	\$27,732,112	37.15%	\$10,302,480	50.00%	\$5,151,240	\$233,502	\$270,733.43	\$504,235
TOTALS						\$1,077,807	\$1,895,134	\$2,972,941