



Date: June 12, 2025
To: PERA Board of Trustees
From: Doug Anderson, Executive Director
Don Haller, Chief Operating Officer
Subject: Industry Administrative Cost Benchmark Data

In response to the discussion at the May board meeting, staff is providing industry administrative cost-per-member (CPM) benchmark data from peer retirement systems. Data was obtained from the Public Plans Data Base (PPDB) made available by a partnership between the Center for Retirement Research at Boston College (CRR) and the MissionSquare Research Institute.

According to their website, the National Association of State Retirement Administrators (NASRA) supports the partnership by providing review and assistance on the development of data models, validation of data, and development and administration of surveys. The Government Finance Officers Association (GFOA) supports the partnership by overseeing and administering the financial support for updates and enhancements to the PPDB, as well as providing review and feedback on research and data presentation. Staff believes the PPDB to be a reliable data resource.

The information available comes from Annual Comprehensive Financial Reports (ACFRs) for the period from 2013 to 2023. PERA's data includes information for the General Employees Retirement Plan and the Police & Fire Plan. Correctional Plan information was not included. We have combined the data results for General and Police & Fire Plans. Results for MSRS only include the State Employees Retirement Fund.

The benchmark metrics focus on actual (not budgeted) administrative costs reported in the ACFRs. Cost per member (CPM) is the annual administrative cost divided by the membership number. Membership totals only include active and retired members (deferred vested members are excluded). The presentation will highlight the following key areas:

1. **PERA Annual Administrative Cost and Membership:** The graph provides annual administrative cost and membership from 2013 to 2023. The compounded annual growth rate of administrative costs during this period was 4.0%. The membership growth rate was 2.2%. Also shown is the 2013 administrative cost increased by inflation during this period. The annualized inflation rate during this period was 2.7%. This data shows how actual administrative cost increased in comparison to inflation during the last decade.
2. **Minnesota Retirement Systems Cost Per Member (CPM):** The graph provides a 10-year review of CPM trends specific to Minnesota State Retirement System (MSRS) and Teachers Retirement Association (TRA). Results for 2023 were:

System	Administrative Costs	Membership (Active + Retirees)	Cost per Member
PERA (General and P&F)	\$15.7M	297,577	\$53
MSRS (General)	\$10.7M	100,512	\$106
TRA	\$16.5M	155,327	\$106

3. **2023 National Systems Cost Per Member (CPM):** This graph shows how PERA compares to 61 similarly sized retirement systems across the US. The sample only includes systems with over 100,000 members. Please note that not all system names are visible on the graph. The complete list with membership counts is shown below.

The national retirement systems data below is intended to provide a sense of how PERA compares to other organizations. Staff will share additional observations at the board meeting.

Retirement System	Membership Count	Cost Per Member
LA County ERS	169,913	\$660
New York City Teachers	213,208	\$346
University of California	228,698	\$335
New York City ERS	346,227	\$306
California Teachers	787,577	\$281
Ohio Teachers	331,543	\$222
Oregon PERS	346,838	\$195
NY State & Local ERS	956,108	\$193
California PERF	1,713,078	\$189
New York State Teachers	448,785	\$177
Illinois Universities	147,225	\$161
Texas ERS	264,462	\$160
Kentucky County	170,550	\$154
Illinois SERS	139,840	\$132
Maryland Teachers	196,950	\$131
Colorado School	208,353	\$129
Texas Municipal	208,648	\$126
Massachusetts Teachers	172,055	\$124
Maryland PERS	165,964	\$115
Ohio PERS	519,464	\$113
New Mexico Educational	116,277	\$108
Illinois Teachers	296,765	\$108
Pennsylvania School Employees	500,544	\$108
Kentucky Teachers	135,203	\$107
Minnesota Teachers	155,327	\$106
Minnesota State Employees	100,512	\$106
Alabama Teachers	245,714	\$105
Texas County & District	237,715	\$103
Massachusetts SRS	156,721	\$103
Pennsylvania State ERS	235,087	\$103
Illinois Municipal	334,836	\$102
Indiana PERF	219,033	\$99
Virginia RS	613,601	\$98
TN State and Teachers	258,460	\$97
Indiana Teachers	129,753	\$93
Alabama ERS	144,138	\$92
Kansas PERS	265,015	\$92

Georgia ERS	109,469	\$86
Louisiana Teachers	174,161	\$86
Missouri Teachers	151,976	\$85
Washington PERS Plan 2/3	254,208	\$85
Arizona SRS	386,436	\$81
Idaho PERS	131,348	\$76
Michigan Public Schools	378,323	\$71
Nevada Regular Employees	170,088	\$70
Mississippi PERS	261,875	\$63
Arkansas Teachers	126,033	\$63
TN Political Subdivisions	148,751	\$62
Georgia Teachers	384,021	\$61
Wisconsin RS	501,848	\$58
Minnesota PERA (Police & Fire & General)	297,577	\$53
New Jersey Teachers	273,104	\$50
Washington Teachers Plan 2/3	109,810	\$49
Texas Teachers	1,443,216	\$48
South Carolina RS	359,543	\$47
Iowa PERS	313,450	\$44
New Jersey PERS	438,312	\$44
Ohio School Employees	241,706	\$41
Oklahoma Teachers	170,391	\$40
North Carolina Teachers and State Employees	544,176	\$30
North Carolina Local Government	218,172	\$29
Florida RS	922,284	\$29

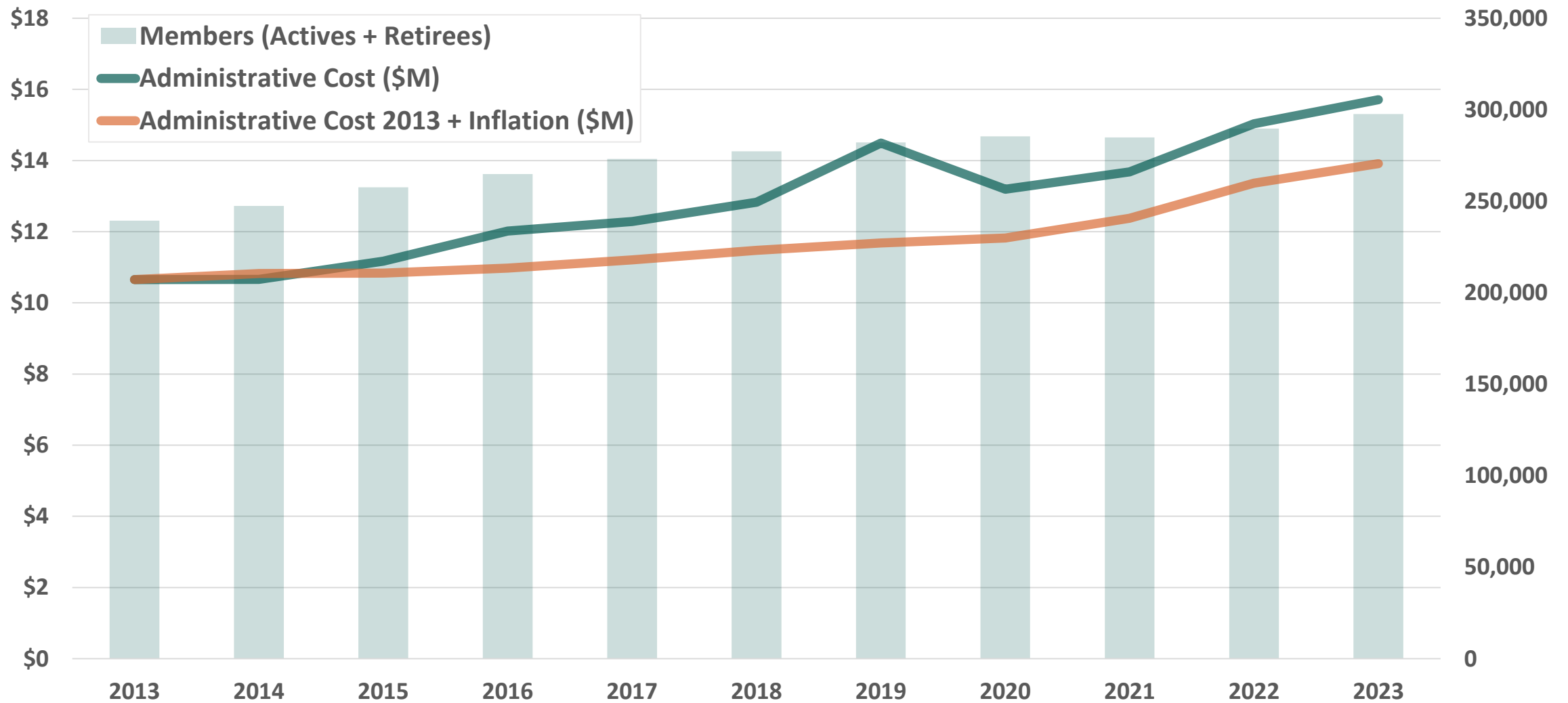
Industry Administrative Cost Benchmark Data

Doug Anderson, ASA, MAAA, Executive Director | June 2025

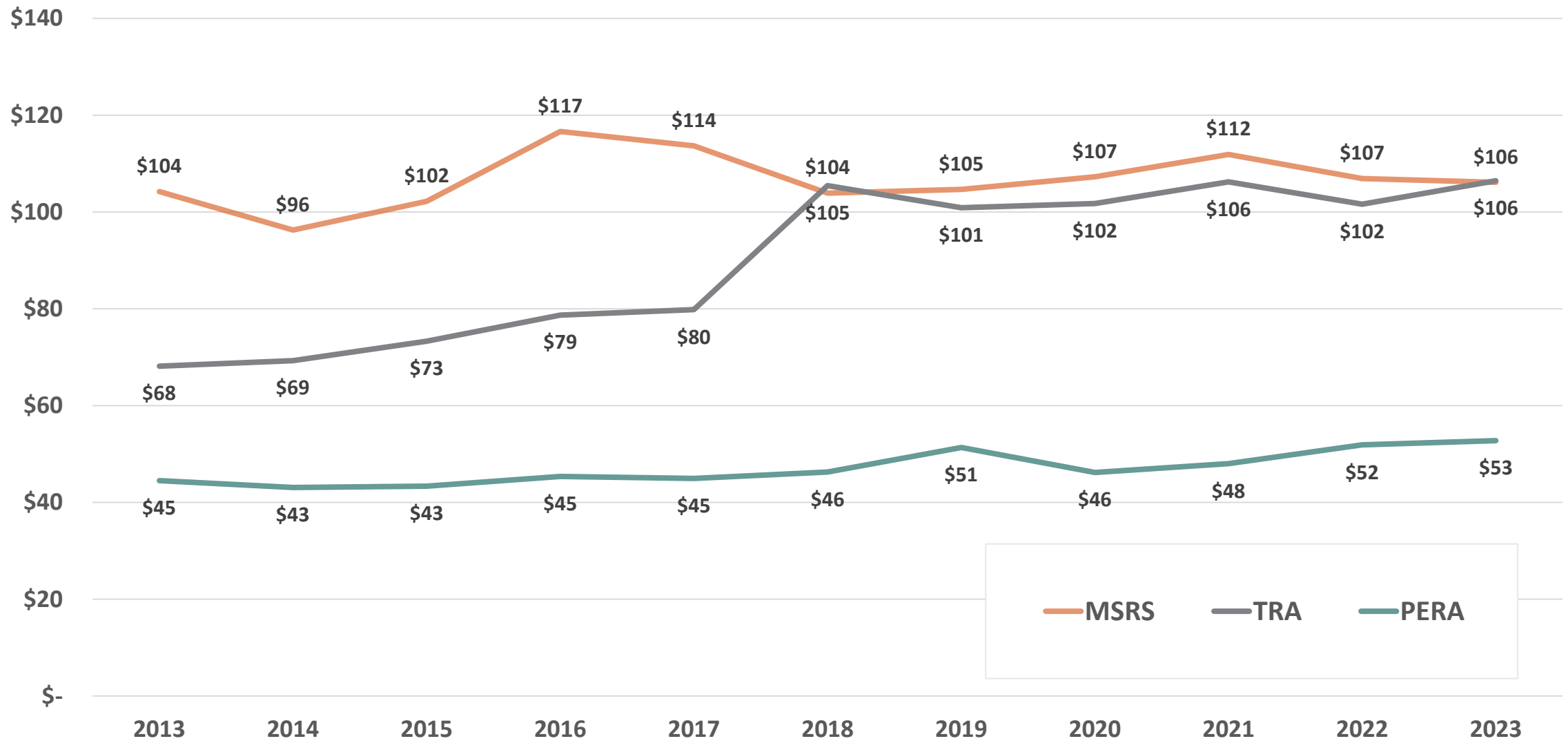
Don Haller, Chief Operating Officer



PERA Annual Administrative Cost and Membership



Minnesota Retirement Systems Cost Per Member (CPM)



2023 National Systems Cost Per Member (CPM)

