

Finances of Selected Public Employee Retirement Systems



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Major retirement systems covering employees of State and local governments held \$162.4 billion in cash and investment securities as of September 30, 1980. This amount represents an increase of 2.1 percent over the June 30, 1980 holdings of \$159.1 billion.

More than 40 percent, \$66.5 billion, of this sum is in corporate bonds. Other major holdings include \$34.6 billion invested in corporate stocks and \$11.9 billion in mortgages. Corporate stocks are generally reported at cost; therefore, the amounts shown do not reflect stock market fluctuations.

Beginning with the March 31, 1978 report, holdings of Federal securities include both United States Treasury obligations and Federal agency securities. In prior reports Federal agency securities were included under "Other securities." As of September 30, 1980, U.S. Treasury obligations amounted to \$16.6 billion and Federal agency securities \$14.0 billion. State and local government securities totaled \$3.9 billion.

The total cash balance of \$1.8 billion includes interest-earning time deposits as well as demand accounts; therefore, this amount does not entirely represent uninvested funds.

Detailed data for receipts and benefit and withdrawal payments are presented by quarter in table 2. In the quarter ending September 30, 1980, receipts totaled \$10.0 billion. Of this total \$5.2 billion were from government (employer) contributions, \$3.5 billion from earnings on investments, and \$1.3 billion from employee contributions. Benefit and withdrawal payments totaled \$3.1 billion. Of this total, benefit payments were \$2.7 billion and withdrawals \$.4 billion.

The current panel of 105 systems constitutes approximately 85 percent of total assets of the more than 3,000 public employee retirement systems identified in the 1977 Census of Governments. The proportionate share of nongovernmental securities (corporate bonds and stocks, mortgages, etc.) held by the selected funds is especially high.

The statistics in this report are based on a quarterly mail survey which covers the 105 public employee retirement systems in the United States with the largest amount of cash and security holdings. Usable replies are received each quarter from about nine-tenths of the systems canvassed. Estimates are developed for each of the remaining systems in the panel from the latest available data. Data in this report are subject to possible inaccuracies in classi-

fication, response, and processing. Every effort is made to keep such errors to a minimum through care in examining, editing, and tabulating the data submitted.

It should be noted that some systems report all or part of receipts and expenditures on an "accrued" basis, and in some

cases receipts are accrued but expenditures are on a cash basis. Therefore, the relationship between quarterly revenues and expenditures does not directly tie to an equivalent change in "Cash and security holdings." However, these differences in the quarterly series will generally be resolved in the course of the fiscal year.

Table 1. Cash and Security Holdings of Major Public-Employee Retirement Systems as of September 30, 1980 and Prior Periods

(Millions of dollars)

Date	Cash and security holdings									
	Total ¹	Corporate bonds	Corporate stocks	Federal securities ¹			Mortgages	State and local government securities	Cash and deposits	Other securities
				Total ¹	United States Treasury	Federal agency				
September 30, 1980..	162,378	66,529	34,574	30,589	16,592	13,997	11,945	3,933	1,836	12,972
June 30, 1980.....	159,068	65,176	33,290	28,085	14,520	13,565	11,927	4,020	1,815	14,755
March 31, 1980.....	152,660	63,435	32,360	26,277	13,659	12,618	11,617	4,084	1,814	13,073
December 31, 1979..	147,466	62,333	30,872	24,569	13,007	11,562	11,135	3,915	1,839	12,803
September 30, 1979..	143,558	61,357	29,815	22,564	12,363	10,201	10,857	3,885	1,622	13,458
June 30, 1979.....	140,275	58,231	28,096	22,671	12,851	9,820	10,528	3,876	1,517	15,356
March 31, 1979.....	134,671	57,179	27,405	19,903	10,296	9,607	10,295	4,085	1,459	14,345
December 31, 1978..	130,974	56,713	26,983	18,739	9,511	9,228	10,097	3,963	1,229	13,250
September 30, 1978..	126,205	57,032	26,389	15,791	8,392	7,399	9,815	3,691	1,270	12,217
June 30, 1978.....	123,015	56,506	25,796	14,614	7,555	7,059	9,669	3,741	1,082	11,607
March 31, 1978.....	118,329	55,881	25,347	13,179	6,203	6,976	9,220	3,378	912	10,412
December 31, 1977..	115,727	55,540	24,972	11,764	5,584	6,180	9,090	3,483	743	10,135
September 30, 1977..	112,725	54,622	24,629	11,773	5,767	6,006	8,912	3,448	771	8,930
June 30, 1977.....	109,768	53,816	23,490	11,388	5,690	5,698	8,523	3,489	716	8,344
March 31, 1977.....	105,812	53,424	22,966	10,008	4,161	5,847	8,148	2,967	564	7,735

Note: Data based on a panel of large systems; see text.

¹Prior to the March 31, 1978 report, Federal agency securities were included under "Other securities."

Table 2. Receipts, Benefits, and Withdrawal Payments of Major Public-Employee Retirement Systems: Quarter Ended September 30, 1980 and Prior Periods

(Millions of dollars)

Date	Receipts				Benefit and withdrawal payments		
	Total	Government contributions	Earnings on investments	Employee contributions	Total	Benefits	Withdrawals
September 30, 1980.....	10,043	5,227	3,493	1,323	3,106	2,665	441
June 30, 1980.....	10,769	5,423	3,758	1,588	2,902	2,523	379
March 31, 1980.....	9,487	4,680	3,290	1,517	2,845	2,498	347
December 31, 1979.....	9,385	4,695	3,225	1,465	2,803	2,411	392
September 30, 1979.....	8,050	4,255	2,651	1,144	2,791	2,332	459
June 30, 1979.....	8,748	4,428	2,822	1,498	2,568	2,247	321
March 31, 1979.....	7,537	3,696	2,475	1,366	2,481	2,170	311
December 31, 1978.....	7,101	3,336	2,460	1,305	2,541	2,138	403
September 30, 1978.....	7,247	3,714	2,337	1,196	2,444	2,072	372
June 30, 1978.....	7,493	3,736	2,380	1,377	2,268	1,989	279
March 31, 1978.....	6,507	3,206	2,008	1,293	2,227	1,948	279
December 31, 1977.....	6,236	2,852	2,098	1,286	2,269	1,953	316
September 30, 1977.....	6,215	3,194	1,836	1,185	2,306	1,971	335
June 30, 1977.....	6,422	3,336	1,868	1,218	2,083	1,828	255
March 31, 1977.....	5,370	2,513	1,659	1,198	2,009	1,732	277

Note: Data based on a panel of large systems; see text.