

## **2007 Census of State and Local Public Employee Retirement Systems Methodology**

The U.S. Census Bureau sponsors and conducts a Census of Governments at 5-year intervals, as required by law under Title 13, United States Code, Section 161.

The 2007 Census of State and Local Public Employee Retirement Systems, similar to those conducted every five years since 1957, provides revenues, expenditures, financial assets, and membership information for public employee retirement systems that are defined benefit plans. Data are shown for individual retirement systems as well as at the national, state, and local government level. The Census Bureau provides a series of tables and files with comprehensive statistical information about the financial activity and the membership of state and local government employee retirement systems. In non-census years the [Annual Survey of State and Local Public Employee Retirement Systems](#) is conducted covering equivalent data detail.

### **Population of Interest**

The population of interest for this survey contains 218 state government employee retirement systems and 2,329 local government employee retirement systems. Retirement systems were only included if they met the following two criteria: (1) they were sponsored by a recognized unit of government as defined by the Census Bureau and (2) their membership was comprised of public employees compensated with public funds. These retirement systems consist of defined benefit plans – not defined contribution plans, post-employment healthcare plans, or other post employment benefits (OPEB). In years ending in '2' and '7' the entire universe is canvassed. In intervening years, a sample of the population of interest is surveyed.

### **Content of the Survey**

A retirement system is a pension plan in which investments, contributions, and benefits are administered as a separate entity independent of the parent government's general fund. Assets are accumulated and benefits paid under a particular set of actuarial assumptions, including employee age, compensation, and service credits. They include single employer systems, in which one government is the sole sponsor of the pension plan, as well as multiple employer systems, where two or more governments maintain membership on behalf of their employees.

For both the Census of Governments and the annual sample survey, the detail of the data is equivalent, encompassing the entire range of financial activity for government employee retirement systems – benefits paid, government contributions, employee contributions, and total holdings and investments. Total holdings and investments data include securities and other assets, such as cash

and short-term investments, corporate bonds and stocks, and mortgages held directly.

The forms listed below are used to collect the data. The variables collected on these forms are explained in detail in the [2006 Government Finance and Employment Classification Manual](#).

Form Number	Survey Name
<a href="#">F11 FY2007</a>	Locally Administered Employee Retirement Systems
<a href="#">F12 FY2007</a>	State Administered Employee Retirement Systems

### Data Collection

Data collected for the Census of State and Local Public Employee Retirement Systems are a matter of public record and are not confidential, as authorized by Title 13, United States Code, Section 9. Data for this survey were collected using the F-11 and F-12 forms listed in the [Content of the Survey](#) section above.

The disseminated data are based on information obtained for the Census of Governments. Forms were mailed to the 218 state retirement systems and 2,329 local retirement systems in the 2007 public employee retirement universe. Staff contacted nonrespondents through a follow-up mailing and by way of follow-up telephone calls. When a system returned its Comprehensive Annual Financial Report (CAFR) instead of completing the form, Census Bureau staff compiled the data using the report. Staff also used CAFRs available on the Internet to compile data for nonrespondents. All respondents had the option of returning their survey form by mail or reporting their data on-line through the Census Bureau's Internet collection instruments. Approximately 34.0 percent of the state and local government employee retirement system respondents chose to submit their data via the Internet.

The data collection schedule used for the 2007 Census of State and Local Public Employee Retirement Systems follows:

Initial mail-out	10/2007
Follow-up mail-out	01/2008
Telephone follow-up	02/2008 - 04/2008

### Data Processing

#### Editing

Editing is a process that ensures survey data are accurate, complete, and consistent. Efforts are made at all phases of collection, processing, and

tabulation to minimize errors. Although some edits are built into the Internet data collection instrument and the data entry programs, the majority of the edits are performed post collection. Edits consist primarily of two types: consistency edits and historical ratio edits of the current year's reported value to the prior year's value.

The consistency edits check the logical relationships of data items reported on the form. For example, if a value exists for the number of retirees receiving benefits because of age or length of service then there must be a value reported for the amount of benefits paid.

The historical ratio edits compare by item code the data reported for the current year with data reported for the prior year. If data fall out of acceptable tolerance levels, the item is flagged for review.

For both types of edits, the edit results are reviewed by analysts and adjusted when needed. When analysts are unable to resolve or accept an edit failure, contact is made with the respondent to verify or correct the reported data.

#### Imputation

Not all respondents answer every item on the questionnaire. There are also questionnaires that are not returned despite efforts to gain a response. Imputation is the process of filling in missing or invalid data with reasonable values in order to have a complete data set for analytical purposes. For census years, the complete data set is also needed for sample design purposes.

For both state and local government employee retirement systems the imputations were based on either a prior year annual survey or the most recent Census of Governments. All but six missing variables (Z90, Z95, and four relatively new variables: Z13, Z14, Z15, and Z16) were imputed using one of the following methods: cell median or donor distribution of Z81, cell mean, or reported prior year or census year data that were multiplied by a growth factor. If the respondent does not write in anything in the "other" categories of Z90 and Z95, we impute those variables to be zero.

**Note:** Between years 2002 through 2007, individual government imputed data were not released to the public.

#### Sampling Error

The data for the census year are not subject to sampling and do not contain sampling error. The user should be mindful that the data for years not ending in '2' or '7' are from sample surveys and are subject to sampling error. Discussions of sampling error are available in the survey methodology descriptions for those years.

## **Nonsampling Error**

Although every effort (as described in the [Data Processing](#) section above) is made in all phases of collection, processing, and tabulation to minimize errors, the data are subject to nonsampling errors such as the inability to obtain data for every variable from all units in the census, inaccuracies in classification, response errors, misinterpretation of questions, mistakes in keying and coding, and coverage errors.

### Overall Unit Response Rate

The overall unit response rate for the 2007 Census of State and Local Public Employee Retirement Systems was 88.8 percent. The response rate was calculated as the number of responses received divided by the number of parent governments mailed minus the number of governments that were determined to be out of scope.

### Total Quantity Response Rate

The Total Quantity Response Rate for Total Holdings and Investments (Z81) was 99.8 percent. This response rate was calculated as the reported value of Total Holdings and Investments divided by the estimated total value of Total Holdings and Investments of those units mailed minus those governments that were determined to be out of scope.

### Response Rate Tables

Quantity response rates for 2007 are available in downloadable Excel files on the Website: <http://www.census.gov/govs/estimate>