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# Latest Investment Return Assumptions

## INVESTMENT RETURN ASSUMPTION BY PLAN

Rates reflect all known announced rates as of May 2020. The footnotes at the bottom of the page, which reflect additional explanations, qualifications, and scheduled future developments for certain plans, are a critical component of this data set.

Plan	Rate (%)	Plan	Rate (%)
Alabama ERS	7.70	Missouri Teachers	7.50
Alabama Teachers	7.70	Montana PERS	7.65
Alaska PERS	7.38	Montana Teachers	7.50
Alaska Teachers	7.38	Nebraska Schools	7.50
Arizona Public Safety Personnel	7.30	Nevada Police Officer and Firefighter	7.50
Arizona SRS	7.50	Nevada Regular Employees	7.50
Arkansas PERS	7.15	New Hampshire Retirement System	7.25
Arkansas State Highway ERS	8.0	New Jersey PERS <sup>8</sup>	7.50
Arkansas Teachers	7.50	New Jersey Police & Fire <sup>8</sup>	7.50
California PERF <sup>1</sup>	7.0	New Jersey Teachers <sup>8</sup>	7.50

## NASRA RESOURCES

- [Chart: Latest distribution of investment return assumptions](#)
- [Chart: Historical distribution of investment return assumptions](#)
- [Chart: Historical change in median and average investment return assumption](#)
- [Issue Brief: Investment Return Assumptions](#)

Plan	Rate (%)	Plan	Rate (%)
California Teachers	7.0	New Mexico PERA	7.25
Chicago Teachers	7.0	New Mexico Teachers	7.25
City of Austin ERS	7.0	New York City ERS	7.0
Colorado Affiliated Local	7.0	New York City Teachers	7.0
Colorado Fire & Police Statewide	7.0	New York State Teachers	7.10
Colorado Municipal	7.25	North Carolina Local Government	7.0
Colorado School	7.25	North Carolina Teachers and State Employees	7.0
Colorado State	7.25	North Dakota PERS	7.50
Connecticut SERS	6.90	North Dakota Teachers	7.75
Connecticut Teachers	6.90	NY State & Local ERS <sup>9</sup>	6.80
Contra Costa County	7.0	NY State & Local Police & Fire <sup>9</sup>	6.80
DC Police & Fire	6.50	Ohio PERS	7.20
DC Teachers	6.50	Ohio Police & Fire	8.0
Delaware State Employees	7.0	Ohio School Employees	7.50
Denver Employees	7.50	Ohio Teachers	7.45
Denver Public Schools	7.25	Oklahoma PERS	7.0
Fairfax County Schools	7.50	Oklahoma Teachers	7.50
Florida RS	7.20	Orange County ERS	7.0
Georgia ERS <sup>2</sup>	7.40	Oregon PERS	7.20
Georgia Teachers	7.50	Pennsylvania School Employees	7.25
Hawaii ERS	7.0	Pennsylvania State ERS	7.125
Houston Firefighters	7.0	Phoenix ERS	7.50
Idaho PERS	7.0	Rhode Island ERS	7.0
Illinois Municipal	7.25	Rhode Island Municipal	7.0
Illinois SERS	7.0	Richmond Retirement System	7.0
Illinois Teachers	7.0	San Diego County	7.25
Illinois Universities	6.75	San Francisco City & County	7.4
Indiana PERF	6.75	South Carolina Police	7.25
Indiana Teachers	6.75	South Carolina RS	7.25
Iowa PERS	7.0	South Dakota RS	6.50
Kansas PERS	7.75	St. Louis School Employees	7.50
Kentucky County	6.25	St. Paul Teachers	7.50
Kentucky ERS <sup>3</sup>	5.25	Texas County & District	8.0
Kentucky Teachers	7.50	Texas ERS	7.0
LA County ERA	7.0	Texas LECOS	7.0
Louisiana Parochial Employees	6.50	Texas Municipal	6.75
Louisiana SERS <sup>4</sup>	7.65	Texas Teachers	7.25
Louisiana Teachers <sup>4</sup>	7.65	TN Political Subdivisions	7.25
Maine Local	6.75	TN State and Teachers	7.25
Maine State and Teacher	6.75	University of California	6.75
Maryland PERS	7.40	Utah Noncontributory	6.95
Maryland Teachers	7.40	Vermont State Employees	7.50
Massachusetts SERS	7.25	Vermont Teachers	7.50
Massachusetts Teachers	7.25	Virginia Retirement System	6.75

Plan	Rate (%)	Plan	Rate (%)
Michigan Municipal	7.75	Washington LEOFF Plan 1	7.50
Michigan Public Schools <sup>5,6</sup>	6.80	Washington LEOFF Plan 2	7.40
Michigan SERS <sup>6</sup>	6.70	Washington PERS 1	7.50
Minnesota PERF	7.50	Washington PERS 2/3	7.50
Minnesota State Employees	7.50	Washington School Employees Plan 2/3	7.50
Minnesota Teachers	7.50	Washington Teachers Plan 1	7.50
Mississippi PERS	7.75	Washington Teachers Plan 2/3	7.50
Missouri DOT and Highway Patrol	7.0	West Virginia PERS	7.50
Missouri Local	7.25	West Virginia Teachers	7.50
Missouri PEERS	7.50	Wisconsin Retirement System	7.0
Missouri State Employees <sup>7</sup>	7.10	Wyoming Retirement System	7.0

- In February 2017 the CalPERS Board adopted a risk mitigation policy, effective beginning FY 2021, that calls for a reduction in the system's investment return assumption commensurate with the pension fund achieving a specified level of investment return. Details are available online: <https://www.calpers.ca.gov/docs/board-agendas/201702/financeadmin/item-9a-02.pdf>.
- For each year in which the actual rate of investment return exceeds the target rate of return, the Georgia ERS will reduce its investment return assumption by 0.1% (10 basis points) until a target rate of return assumption of 7.0% is reached.
- The Kentucky ERS is composed of two plans: Hazardous and Non-Hazardous. The rate shown applies to the plan's Non-Hazardous plan, which accounts for more than 90 percent of the Kentucky ERS plan liabilities. The investment return assumption used for the Hazardous plan is 6.25 percent.
- The Louisiana State Employees' Retirement System and Teachers' Retirement System are reducing their discount rate from 7.75 percent to 7.50 percent by 2021 in annual increments of 0.05 percent. The discount rate used to determine the FY 2018/2019 funding requirement is 7.65%, which is net of gain-sharing. The investment return assumption, which includes gain-sharing, is reducing incrementally to 7.90% by 2021.
- The Michigan Public School Employees' Retirement System administers three plans: a defined benefit plan and two hybrid plans (Pension Plus and Pension Plus 2). The rate shown applies to the defined benefit plan and the Pension Plus Plan. The investment return assumption used for the Pension Plus 2 plan is 6.0 percent.
- Rates for the Michigan PSERS and SERS plans are subject to the Dedicated Gains Policy, a method for reducing the investment return assumption when actual investment returns exceed the assumed rate of return.
- The MOSERS Board has indicated an intention to reduce the ARR to 6.95%, effective 6/30/20.