

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
INDEPENDENT AUDITORS' REPORT ON PENSION PLAN SCHEDULES
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

Report on the Audit of the Schedules

Opinions

We have audited the accompanying schedule of employer and nonemployer allocations of the Massachusetts State Employees' Retirement System (MSERS) as of and for the year ended June 30, 2024, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals), included in the accompanying schedule of pension amounts by employer and nonemployer of MSERS as of and for the fiscal year ended June 30, 2024, and the related notes.

In our opinion, the schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of MSERS as of and for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of MSERS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer.

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule of employer and nonemployer allocations and the specified totals included in the schedule of pension amounts by employer and nonemployer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MSERS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Commonwealth of Massachusetts as of and for the year ended June 30, 2024, and our report thereon, dated April 29, 2025, expressed an unmodified opinion on those financial statements. MSERS is reported as a pension trust fund in the financial statements of the Commonwealth of Massachusetts.

Restriction on Use

Our report is intended solely for the information and use of MSERS management, the MSERS Board of Trustees, Retirement Board, MSERS employers and their auditors, and the Commonwealth of Massachusetts and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Boston, Massachusetts
June 11, 2025

**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
<u>Non Special Funding Situations:</u>		
9045 - Commonwealth of Massachusetts:		
Employer contributions.....	\$ 1,371,687,079	
Total Commonwealth of Massachusetts.....	1,371,687,079	90.78061 %
6070 - Massachusetts State College Building Authority:		
Employer contributions.....	770,723	
Nonemployer contributions.....	(369,986)	
Total Massachusetts State College Building Authority.....	400,737	0.02652 %
6090 - Massachusetts Convention Center Authority:		
Employer contributions.....	1,525,520	
Nonemployer contributions.....	3,130,539	
Total Massachusetts Convention Center Authority.....	4,656,059	0.30815 %
9045 - Massachusetts Department of Transportation:		
Employer contributions.....	65,547,597	
Nonemployer contributions.....	17,689,182	
Total Massachusetts Department of Transportation.....	83,236,779	5.50875 %
8060 - Assabet Valley Regional Vocational School District:		
Employer contributions.....	772,499	
Nonemployer contributions.....	-	
Total Assabet Valley Regional Vocational School District.....	772,499	0.05113 %
8100 - Blackstone Valley Regional Vocational School District:		
Employer contributions.....	841,319	
Nonemployer contributions.....	2,587	
Total Blackstone Valley Regional Vocational School District.....	843,906	0.05585 %
8080 - Bristol/Plymouth Regional Vocational Technical School District.....		
Employer contributions.....	945,741	
Nonemployer contributions.....	(426,408)	
Total Bristol/Plymouth Regional Vocational Technical School District.....	519,333	0.03437 %
8160 - Central Massachusetts Regional Planning Commission:		
Employer contributions.....	-	
Nonemployer contributions.....	670,397	
Total Central Massachusetts Regional Planning Commission.....	670,397	0.04437 %
8020 - Merrimack Valley Planning Commission:		
Employer contributions.....	-	
Nonemployer contributions.....	313,731	
Total Merrimack Valley Planning Commission.....	313,731	0.02076 %

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**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
8010 - Montachusett Regional Planning Commission:		
Employer contributions.....	\$ -	
Nonemployer contributions.....	274,334	
Total Montachusett Regional Planning Commission.....	274,334	0.01816%
8090 - Montachusett Regional Vocational Technical School District:		
Employer contributions.....	437,960	
Nonemployer contributions.....	620,739	
Total Montachusett Regional Vocational Technical School District.....	1,058,699	0.07007%
8070 - Nashoba Associated Boards of Health:		
Employer contributions.....	-	
Nonemployer contributions.....	324,916	
Total Nashoba Associated Boards of Health.....	324,916	0.02150%
8040 - Northern Middlesex Council of Governments:		
Employer contributions.....	-	
Nonemployer contributions.....	253,942	
Total North Middlesex Council of Governments.....	253,942	0.01681%
8030 - Northeast Metropolitan Regional Vocational School District		
Employer contributions.....	768,390	
Nonemployer contributions.....	-	
Total Northeast Metropolitan Regional Vocational School District.....	768,390	0.05085%
8170 - Old Colony Planning Council:		
Employer contributions.....	-	
Nonemployer contributions.....	399,058	
Total Old Colony Planning Council.....	399,058	0.02641%
8180 - Old Colony Regional Vocational Technical School District:		
Employer contributions.....	250,685	
Nonemployer contributions.....	95,134	
Total Old Colony Regional Vocational Technical School District.....	345,819	0.02289%
8110 - Pioneer Valley Planning Commission:		
Employer contributions.....	-	
Nonemployer contributions.....	702,357	
Total Pioneer Valley Planning Commission.....	702,357	0.04648%
8140 - Southeastern Regional Planning & Economic Development District:		
Employer contributions.....	-	
Nonemployer contributions.....	484,645	
Total Southeastern Regional Planning & Economic Development District.....	484,645	0.03207%

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**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
8120 - Southeastern Regional School District:		
Employer contributions.....	884,692	
Nonemployer contributions.....	447,645	
Total Southeastern Regional School District.....	1,332,337	0.08818%
8200 - Tri-County Regional Vocational Technical School District:		
Employer contributions.....	1,483,916	
Nonemployer contributions.....	(915,090)	
Total Tri-County Regional Vocational Technical School District.....	568,826	0.03765%
8190 - Upper Blackstone Water Pollution Abatement District:		
Employer contributions.....	573,999	
Nonemployer contributions.....	577,288	
Total Upper Blackstone Water Pollution Abatement District.....	1,151,287	0.07619%
8130 - Upper Cape Cod Regional Vocational Technical School District:		
Employer contributions.....	272,024	
Nonemployer contributions.....	260,318	
Total Upper Cape Cod Regional Vocational Technical School District.....	532,342	0.03523%
Special Funding Situations (Educational Collaboratives):		
6013 - ACCEPT Education Collaborative:		
Employer contributions.....	383,945	
Nonemployer contributions.....	1,228,270	
Total ACCEPT Education Collaborative.....	1,612,215	0.10670%
6022 - Assabet Valley Collaborative:		
Employer contributions.....	162,858	
Nonemployer contributions.....	433,718	
Total Assabet Valley Collaborative.....	596,576	0.03948%
6004 - Bi-County Education Collaborative:		
Employer contributions.....	256,859	
Nonemployer contributions.....	689,357	
Total Bi-County Education Collaborative.....	946,216	0.06262%
6018 - C.A.S.E. Collaborative:		
Employer contributions.....	245,811	
Nonemployer contributions.....	700,293	
Total C.A.S.E. Collaborative.....	946,104	0.06261%
6016 - Cape Cod Collaborative:		
Employer contributions.....	342,217	
Nonemployer contributions.....	931,904	
Total Cape Cod Collaborative.....	1,274,121	0.08432%

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**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
6010 - CAPS Education Collaborative:		
Employer contributions.....	232,488	
Nonemployer contributions.....	677,167	
Total CAPS Education Collaborative.....	909,655	0.06020%
6035 - Central Massachusetts Special Education Collaborative:		
Employer contributions.....	151,949	
Nonemployer contributions.....	377,968	
Total Central Massachusetts Special Education Collaborative.....	529,917	0.03507%
6017 - Collaborative for Educational Services:		
Employer contributions.....	168,186	
Nonemployer contributions.....	1,562,194	
Total Collaborative for Educational Services.....	1,730,380	0.11452%
6021 - CREST Collaborative:		
Employer contributions.....	483,413	
Nonemployer contributions.....	1,208,782	
Total CREST Collaborative.....	1,692,195	0.11199%
6019 - Keystone Educational Collaborative:		
Employer contributions.....	220,219	
Nonemployer contributions.....	555,852	
Total Keystone Educational Collaborative.....	776,071	0.05136%
6034 - LABBB Collaborative:		
Employer contributions.....	382,154	
Nonemployer contributions.....	999,232	
Total LABBB Collaborative.....	1,381,386	0.09142%
6011 - Lower Pioneer Valley Education Collaborative:		
Employer contributions.....	606,250	
Nonemployer contributions.....	1,570,555	
Total Lower Pioneer Valley Education Collaborative.....	2,176,805	0.14406%
6014 - North River Collaborative:		
Employer contributions.....	253,518	
Nonemployer contributions.....	672,363	
Total North River Collaborative.....	925,881	0.06128%

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**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
6006 - North Shore Education Consortium:		
Employer contributions.....	427,926	
Nonemployer contributions.....	1,026,313	
Total North Shore Education Consortium.....	1,454,239	0.09624%
6007 - Pilgrim Area Collaborative:		
Employer contributions.....	130,313	
Nonemployer contributions.....	401,751	
Total Pilgrim Area Collaborative.....	532,064	0.03521%
6031 - READS Collaborative:		
Employer contributions.....	214,607	
Nonemployer contributions.....	570,727	
Total READS Collaborative.....	785,334	0.05197%
6033 - SEEM Collaborative:		
Employer contributions.....	336,694	
Nonemployer contributions.....	994,524	
Total SEEM Collaborative.....	1,331,218	0.08810%
6009 - Shore Educational Collaborative		
Employer contributions.....	579,919	
Nonemployer contributions.....	1,483,135	
Total Shore Education Consortium.....	2,063,054	0.13654%
6015 - South Coast Education Collaborative:		
Employer contributions.....	317,407	
Nonemployer contributions.....	885,519	
Total South Coast Education Collaborative.....	1,202,926	0.07961%
6001 - South Shore Education Collaborative:		
Employer contributions.....	371,704	
Nonemployer contributions.....	975,999	
Total South Shore Education Collaborative.....	1,347,703	0.08919%
6003 - Southeastern Massachusetts Education Collaborative:		
Employer contributions.....	276,891	
Nonemployer contributions.....	699,331	
Total Southeastern Massachusetts Education Collaborative.....	976,222	0.06461%
6002 - Southern Worcester County Education Collaborative:		
Employer contributions.....	114,202	
Nonemployer contributions.....	308,861	
Total Southern Worcester County Education Collaborative.....	423,063	0.02800%

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**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
6027 - The Education Cooperative		
Employer contributions.....	148,641	
Nonemployer contributions.....	358,597	
Total The Education Cooperative.....	507,238	0.03357%
6020 - Valley Collaborative:		
Employer contributions.....	407,438	
Nonemployer contributions.....	1,275,589	
Total Valley Collaborative.....	1,683,027	0.11139%
<u>Special Funding Situations (Other than Educational Collaboratives):</u>		
8150 - Berkshire Regional Planning Commission:		
Employer contributions.....	-	
Nonemployer contributions.....	613,224	
Total Berkshire Regional Planning Commission.....	613,224	0.04058%
8250 - Devens Enterprise Commission:		
Employer contributions.....	-	
Nonemployer contributions.....	65,475	
Total Devens Enterprise Commission.....	65,475	0.00433%
6037 - Franklin Regional Council of Governments:		
Employer contributions.....	-	
Nonemployer contributions.....	867,919	
Total Franklin Regional Council of Governments.....	867,919	0.05744%
8210 - Massachusetts Development Finance Agency:		
Employer contributions.....	-	
Nonemployer contributions.....	455,817	
Total Massachusetts Development Finance Agency.....	455,817	0.03017%
6200 - Massachusetts Healthcare Connector Authority:		
Employer contributions.....	-	
Nonemployer contributions.....	2,112,111	
Total Massachusetts Healthcare Connector Authority.....	2,112,111	0.13978%
8211 - Massachusetts Life Sciences Center:		
Employer contributions.....	-	
Nonemployer contributions.....	269,615	
Total Massachusetts Life Sciences Center.....	269,615	0.01784%
6100 - Massachusetts PRIM Board:		
Employer contributions.....	-	
Nonemployer contributions.....	2,223,598	
Total Massachusetts PRIM Board.....	2,223,598	0.14716%

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**MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER AND NONEMPLOYER ALLOCATIONS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Employer/Nonemployer	Actual Contributions	Employer/ Nonemployer Allocation Percentage
6060 - Massachusetts School Building Authority:		
Employer contributions.....	-	
Nonemployer contributions.....	1,788,649	
Total Massachusetts School Building Authority.....	1,788,649	0.11838%
1080 - Massachusetts Water Resources Authority:		
Employer contributions.....	-	
Nonemployer contributions.....	367,770	
Total Massachusetts Water Resources Authority.....	367,770	0.02434%
8050 - Metropolitan Area Planning Commission:		
Employer contributions.....	-	
Nonemployer contributions.....	3,125,932	
Total Metropolitan Area Planning Commission.....	3,125,932	0.20688%
Total for all entities.....	\$ 1,510,991,192	100.00000%

See accompanying notes to schedules.

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER AND NONEMPLOYER

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Employer/Nonemployee	Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense		
		Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Differences Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion	Total Pension Expense
Non Special Funding Situations:												
Employer:												
9045 - Commonwealth of Massachusetts.....	\$ 12,822,891,519	\$ 642,676,804	\$ 92,021,286	\$ -	\$ 734,698,090	\$ 164,284,769	\$ 166,729,128	\$ 82,410,607	\$ 413,424,504	\$ 1,218,938,819	\$ (37,717,101)	\$ 1,181,221,718
6070 - Massachusetts State College Building Authority.....	3,746,195	26,884	187,757	434,758	649,399	47,996	48,710	259,913	356,618	356,112	(26,473)	329,639
6090 - Massachusetts Convention Center Authority.....	43,526,064	2,181,504	312,357	4,873,522	7,367,383	557,649	565,946	1,610,423	2,734,018	4,137,570	466,084	4,603,654
9045 - Massachusetts Department of Transportation.....	778,119,298	38,998,944	5,584,040	72,425,509	117,008,493	9,969,136	10,117,465	-	20,086,601	73,967,702	34,463,574	108,431,276
8060 - Assabet Valley Regional Vocational School District.....	7,221,524	361,939	51,824	383,294	797,057	92,521	93,898	799,505	985,924	686,475	(109,014)	577,461
8100 - Blackstone Valley Regional Vocational School District.....	7,889,055	395,395	56,614	152,966	604,975	101,073	102,577	619,475	823,125	749,930	(62,812)	687,118
8080 - Bristol/Plymouth Regional Vocational Technical School District.....	4,854,861	243,323	34,840	354,312	632,475	62,200	63,125	323,079	448,404	461,501	(90,260)	371,241
8160 - Central Massachusetts Regional Planning Commission.....	6,267,047	314,101	44,974	989,605	1,348,680	80,292	81,487	-	161,779	595,743	413,063	1,008,806
8020 - Merrimack Valley Planning Commission.....	2,932,840	146,992	21,047	220,357	388,396	37,575	38,134	902	76,611	278,795	84,395	363,190
8010 - Montachusett Regional Planning Commission.....	2,564,546	128,534	18,404	209,427	356,365	32,857	33,345	55,452	121,654	243,785	69,120	312,905
8090 - Montachusett Regional Vocational Technical School District.....	9,896,997	496,032	71,024	527,646	1,094,702	126,799	128,685	372,581	628,065	940,804	289,937	1,230,741
8070 - Nashoba Associated Boards of Health.....	3,037,400	152,233	21,797	103,592	277,622	38,915	39,494	4,953,560	5,031,968	288,734	(1,243,460)	(954,726)
8040 - Northern Middlesex Council of Governments.....	2,373,917	118,979	17,036	328,281	464,296	30,414	30,867	91,826	153,107	225,664	53,933	279,597
8030 - Northeast Metro Regional Vocational Technical School District.....	7,183,112	360,014	51,548	525,172	936,734	92,029	93,398	232,966	418,393	682,824	89,806	772,630
8170 - Old Colony Planning Council.....	3,730,499	186,971	26,771	696,899	910,641	47,795	48,506	66,703	163,003	354,620	207,397	562,017
8180 - Old Colony Regional Vocational Technical School District.....	3,232,807	162,027	23,200	308,833	494,060	41,418	42,034	360,422	443,875	307,309	(61,207)	246,102
8110 - Pioneer Valley Planning Commission.....	6,565,818	329,075	47,118	155,208	531,401	84,120	85,572	649,050	818,542	624,144	(13,001)	611,143
8140 - Southeastern Regional Planning & Economic Development District.....	4,530,589	227,071	32,513	423,217	682,801	58,045	58,909	223,113	340,067	430,676	187,406	618,082
8120 - Southeastern Regional School District.....	12,455,037	624,240	89,381	1,354,005	2,067,626	159,572	161,946	1,150,821	1,472,339	1,183,971	(332,419)	851,552
8200 - Tri-County Regional Vocational Technical School District.....	5,317,535	266,512	38,160	82,728	387,400	68,127	69,141	362,574	499,842	505,483	(37,174)	468,309
8190 - Upper Blackstone Water Pollution Abatement District.....	10,762,534	539,413	77,235	930,796	1,547,444	137,888	139,939	39,702	317,529	1,023,082	331,260	1,354,342
8130 - Upper Cape Cod Regional Vocational Technical School District.....	4,976,473	249,418	35,713	87,517	372,648	63,758	64,706	503,599	632,063	473,061	6,573	479,634
Special Funding Situations:												
Nonemployer (Commonwealth) attributable to:												
6013 - ACCEPT Education Collaborative.....	15,071,410									1,432,682	123,083	1,555,765
6022 - Assabet Valley Collaborative.....	5,576,949									530,143	45,545	575,688
6004 - Bi-County Education Collaborative.....	8,845,476									840,847	72,238	913,085
6018 - C.A.S.E. Collaborative.....	8,844,429									840,748	72,229	912,977
6016 - Cape Cod Collaborative.....	11,910,818									1,132,238	97,271	1,229,509
6010 - CAPS Education Collaborative.....	8,503,694									808,358	69,447	877,805
6035 - Central Massachusetts Special Education Collaborative.....	4,953,803									470,907	40,456	511,363
6012 - CHARMS Collaborative.....	-									-	-	-
6017 - Collaborative for Educational Services.....	16,176,047									1,537,688	132,104	1,669,792
6021 - CREST Collaborative.....	15,819,084									1,503,756	129,189	1,632,945
6030 - EDCO Collaborative.....	-									-	-	-
6019 - Keystone Educational Collaborative.....	7,254,916									689,649	59,248	748,897
6034 - LABBB Collaborative.....	12,913,560									1,227,558	105,460	1,333,018
6011 - Lower Pioneer Valley Education Collaborative.....	20,349,346									1,934,400	166,186	2,100,586
6014 - North River Collaborative.....	8,655,379									822,777	70,685	893,462
6006 - North Shore Education Consortium.....	13,594,609									1,292,298	111,022	1,403,320
6007 - Pilgrim Area Collaborative.....	4,973,874									472,814	40,620	513,434
6031 - READS Collaborative.....	7,341,509									697,881	59,955	757,836
6033 - SEEM Collaborative.....	12,444,576									1,182,976	101,630	1,284,606
6009 - Shore Educational Collaborative.....	19,285,971									1,833,317	157,502	1,990,819
6015 - South Coast Education Collaborative.....	11,245,269									1,068,971	91,836	1,160,807
6001 - South Shore Education Collaborative.....	12,598,682									1,197,626	102,889	1,300,515
6003 - Southeastern Massachusetts Education Collaborative.....	9,125,980									867,512	74,529	942,041
6002 - Southern Worcester County Education Collaborative.....	3,954,904									375,952	32,298	408,250
6027 - The Education Cooperative.....	4,741,794									450,753	38,724	489,477
6020 - Valley Collaborative.....	15,733,379									1,495,609	128,489	1,624,098
8150 - Berkshire Regional Planning Commission.....	5,732,579									544,937	46,816	591,753
8250 - Devens Enterprise Commission.....	612,078									58,184	4,999	63,183
6037 - Franklin Regional Council of Governments.....	8,113,535									771,269	66,260	837,529
8210 - Massachusetts Development Finance Agency.....	4,261,097									405,058	34,799	439,857
6200 - Massachusetts Healthcare Connector Authority.....	19,744,569									1,876,911	161,247	2,038,158
8211 - Massachusetts Life Sciences Center.....	2,520,432									239,591	20,583	260,174
6100 - Massachusetts PRIM Board.....	20,786,779									1,975,983	169,758	2,145,741
6060 - Massachusetts School Building Authority.....	16,720,761									1,589,469	136,552	1,726,021
1080 - Massachusetts Water Resources Authority.....	3,438,011									326,816	28,077	354,893
8050 - Metropolitan Area Planning Commission.....	29,222,034									2,777,835	238,646	3,016,481
Total nonemployer (Commonwealth of Massachusetts).....	371,067,333	18,597,706	2,662,901	33,952,495	55,213,102	4,754,053	4,824,788	24,433,866	34,012,707	35,273,513	3,030,372	38,303,885
Totals.....	\$ 14,125,143,000	\$ 707,944,984	\$ 101,366,667	\$ 119,520,139	\$ 928,831,790	\$ 180,969,000	\$ 183,661,600	\$ 119,520,139	\$ 484,150,739	\$ 1,342,730,317	\$ -	\$ 1,342,730,317

See accompanying notes to schedules.

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO SCHEDULES
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 - PLAN DESCRIPTION

The Massachusetts State Employees' Retirement System (MSERS) is a public employee retirement system (PERS), that administers a cost-sharing, multiple employers defined benefit pension plan as defined by Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies including the state police officers at the Massachusetts Port Authority. The former Massachusetts Turnpike Authority (MTA) employees and retirees became members of MSERS upon the creation of the Massachusetts Department of Transportation (MassDOT). Other employees who transferred to MassDOT have been, and remain, members of MSERS. The assets and liabilities of the former MTA have been transferred to MSERS. MSERS is reported as a pension trust fund in the Commonwealth's Annual Comprehensive Financial Report and does not issue a stand-alone audited financial report.

Management of MSERS is vested in the Massachusetts State Retirement Board (the MSRB) which consists of five members—two elected by current and active MSERS members, one who is appointed by the State Treasurer, the State Treasurer, who serves as ex-officio and is the Chair of the MSRB, and one by the remaining members of the MSRB.

Benefits provided. MSERS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 cannot retire and receive benefits prior to age 60.

The MSERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MSERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for MSERS vary depending on the most recent date of membership:

Hire Date	% of Compensation
Prior to 1975.....	5% of regular compensation
1975 - 1983.....	7% of regular compensation
1984 to 6/30/1996.....	8% of regular compensation
7/1/1996 to present.....	9% of regular compensation except for State Police, which is 12% of regular compensation
7/1/2001 to present	11% of regular compensation (for teacher hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present.....	An additional 2% of regular compensation in excess of \$30,000 except for teachers subject to Chapter 114 of the Acts of 2000

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
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In addition, members of Group 1 who join the system on or after April 2, 2012 will have their withholding rate reduced to 6% after achieving 30 years of creditable service.

NOTE 2 - BASIS OF PRESENTATION

The schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer (the Schedules) present amounts that are elements of the financial statements of the MSERS or of its participating employers and nonemployers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the MSERS or its participating employers and nonemployers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the MSERS to make a number of estimates and assumptions related to the reported amounts. Actual results could differ from those estimates.

The schedule of employer and nonemployer allocations are based on actual contributions adjusted for any nonemployer contributions.

The MGLs governing employer contribution requirements to MSERS are varied and vary among employers to such an extent that there is no uniform contribution method. Consequently, MSERS developed an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner (based on an employer's share of total covered payroll). Any differences between the effective contribution and an employer's actual contributions are considered a nonemployer contribution from the Commonwealth. According to MGL, certain nonemployer contributions are the legal responsibility of the Commonwealth and have accordingly been reflected on the schedule of employer and nonemployer allocations as special funding situations.

The schedule of pension amounts presents each employer in sufficient detail to permit each contributing employer as well as each employer considered to be in a special funding situation to derive the necessary information for the preparation of their individual financial statements.

For entities considered to be in a 100% special funding situation, there is no net pension liability, deferred outflows, and deferred inflows recognized. However, the notes to the financial statements for these entities must disclose the portion of the nonemployer contributing entity's total proportionate share of the net pension liability as well its portion of pension expense as both revenue and pension expense.

The special funding situations created by MGL are described below.

Educational Collaboratives

Collaboratives contribute amounts equal to the normal cost of employees' benefits at a rate established by the Public Employees' Retirement Administration Commission (PERAC), currently 6.1% of covered payroll. Legally, the collaboratives are only responsible for contributing the annual normal cost of their employees' benefits (i.e., the present value of the benefits earned by those employees in any given year) and are not legally responsible for the past service cost attributable to those employees or previously retired employees of the collaboratives. The Commonwealth as a nonemployer is legally responsible for the entire past service cost related to the collaboratives and therefore has a 100% special funding situation.

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO SCHEDULES
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Other Special Funding Situations

MGLs established certain entities whose employees are members of MSERS. However, MGL does not provide an employer funding mechanism for these entities. Consequently, the Commonwealth is considered the nonemployer contributor and is considered legally responsible to make all actuarially determined employer contributions on behalf of these entities. Therefore, these entities are also considered to be in a 100% special funding situation as defined by GASB.

NOTE 3 - COLLECTIVE NET PENSION LIABILITY

Components of the collective net pension liability at June 30, 2024 are as follows (amounts in thousands):

Total pension liability.....	\$ 52,027,000
Less:	
Plan fiduciary net position.....	<u>37,901,857</u>
Employers/nonemployers' net pension liability....	<u>\$ 14,125,143</u>
Plan fiduciary net position as a percentage of total pension liability.....	<u>72.9%</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024, measurement date was determined by an actuarial valuation as of January 1, 2024 rolled forward to June 30, 2024, using the following actuarial assumptions:

1. (a) 2.5% inflation rate; (b) 7.00% investment rate of return/ discount; (c) 4.76% discount rate for LDROM only; (d) 3.5% interest rate credited to the annuity savings fund; and (e) 3.0% cost of living increase on the first \$13,000 of allowance per year.
2. Salary increases are based on analyses of past experience but range from 4.00% to 9.00% depending on group and length of service.
3. Mortality rates were as follows:
 - Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021, set forward 1 year for females.
 - Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021, set forward 1 year for females.
 - For disabled retirees, mortality reflects the post-retirement mortality described above, set forward 1 year.
4. Experience studies were performed as follows:
 - Dated February 27, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect actual experience from 2012 through 2020 for post-retirement mortality.

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO SCHEDULES
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Investment assets of MSERS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	36.0%	4.6%
Core Fixed Income.....	15.0%	2.1%
Private Equity.....	16.0%	7.4%
Portfolio Completion Strategies.....	10.0%	3.7%
Real Estate.....	10.0%	3.9%
Value Added Fixed Income.....	9.0%	5.1%
Timberland/Natural Resources....	4.0%	4.4%
Total.....	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate as of June 30, 2024. In particular, the table presents the MSERS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease to 6.00%	Current Discount Rate 7.00%	1% Increase to 8.00%
<u>\$ 19,844,000</u>	<u>\$ 14,125,143</u>	<u>\$ 9,287,000</u>

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO SCHEDULES
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NOTE 4 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The following table summarizes the changes in both deferred outflows and deferred inflows of resources excluding employer specific amounts (change in proportion) (amounts in thousands):

	Year of Deferral	Amortization Period	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Deferred Outflows of Resources:						
Difference between expected and actual experience.....	2019	5.2 years	\$ 11,657	\$ -	\$ (11,657)	\$ -
	2020	5.2 years	77,580	-	(64,650)	12,930
	2022	4.9 years	95,231	-	(32,838)	62,393
	2023	4.8 years	335,853	-	(88,383)	247,471
	2024	4.8 years	-	486,506	(101,355)	385,151
Subtotal.....			520,322	486,506	(298,882)	707,945
Change of assumptions.....	2019	5.2 years	16,692	-	(16,692)	-
	2020	5.2 years	102,000	-	(85,000)	17,000
	2021	5.0 years	40,400	-	(20,200)	20,200
	2023	4.8 years	87,083	-	(22,916)	64,167
Subtotal.....			246,176	-	(144,808)	101,367
Total deferred outflows of resources.....			<u>\$ 766,498</u>	<u>\$ 486,506</u>	<u>\$ (443,690)</u>	<u>\$ 809,312</u>
	Year of Deferral	Amortization Period	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Deferred Inflows of Resources:						
Difference between expected and actual experience.....	2021	5.0 years	(361,938)	-	180,969	(180,969)
Subtotal.....			(361,938)	-	180,969	\$ (180,969)
Net difference between projected and actual earnings on plan investments.....	2019	5.0 years	1	-	(1)	-
	2020	5.0 years	289,100	-	(289,100)	-
	2021	5.0 years	(2,509,884)	-	1,254,942	(1,254,942)
	2022	5.0 years	2,268,283	-	(756,095)	1,512,188
	2023	5.0 years	346,707	-	(86,677)	260,030
	2024	5.0 years	-	(876,174)	175,235	(700,939)
Subtotal.....			394,208	(876,174)	298,305	(183,663)
Total deferred inflows of resources.....			<u>\$ 32,270</u>	<u>\$ (876,174)</u>	<u>\$ 479,274</u>	<u>\$ (364,632)</u>

MASSACHUSETTS STATE EMPLOYEES' RETIREMENT SYSTEM
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the collective pension expense as follows (amounts in thousands):

Fiscal Year Ending June 30	
2025.....	\$ (472,751)
2026.....	909,746
2027.....	101,837
2028.....	(94,150)
Total.....	<u>\$ 444,681</u>

NOTE 5 - COLLECTIVE PENSION EXPENSE

The following table shows the components of pension expense, excluding employer specific pension expense for changes in proportion, as of June 30, 2024 (amounts in thousands):

Service cost.....	\$ 1,143,160
Interest on the total pension liability.....	3,472,563
Employee contributions.....	(760,851)
Projected earnings on plan investments.....	(2,432,248)
Transfers and reimbursements from other systems.....	(54,822)
Member make up, redeposits and payments from rollovers.....	(7,714)
Cost of living adjustment reimbursements.....	20,030
Other reimbursements.....	(7,837)
Administrative expense.....	17,632
Other expenses that do not reduce the total pension liability.....	(11,600)
Recognition (amortization) of deferred outflows and inflows of resources:	
Differences between expected and actual experience.....	117,914
Differences between projected and actual earnings on plan investments.....	(298,305)
Changes of assumptions.....	<u>144,808</u>
Pension expense.....	<u>\$ 1,342,730</u>

The employer/nonemployer proportionate share of the collective pension expense is equal to the collective pension expense multiplied by the employer/nonemployer proportionate share percentage for the fiscal year ending June 30, 2024 as shown in the schedule of employer and nonemployer allocations.