



**Massachusetts Bay
Transportation Authority**

MBTA Retirement Fund Update

February 25, 2019



Overview

During the January 28 FMCB meeting, the board requested an update on the MBTA Retirement Fund:

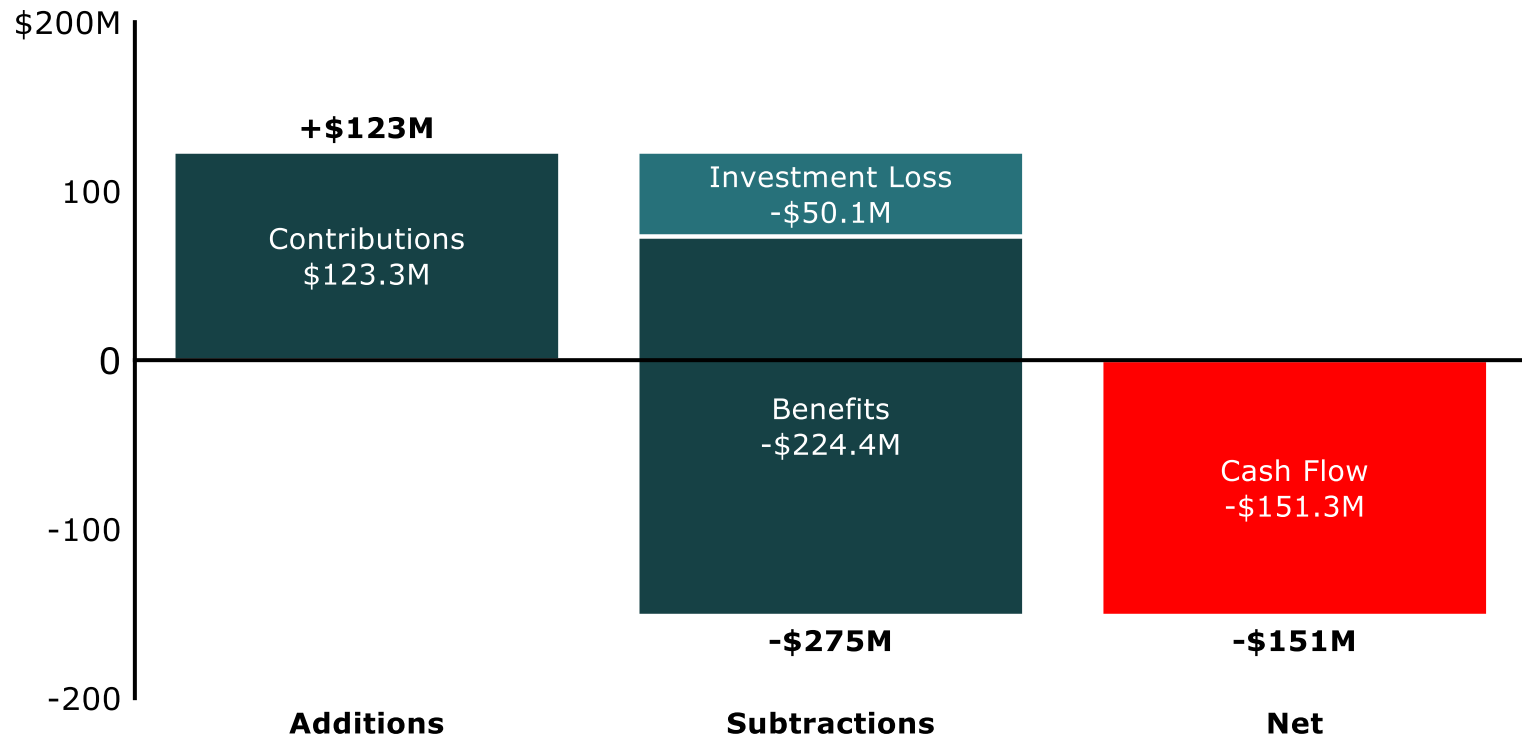
- Fund cash flows, balances and returns in CY18
- Estimated unfunded liability
- Projected contribution rate for FY20 operating budget
- Discussion of next steps



NET CASH FLOWS:

During 2018, the MBTA Retirement Fund net cash flow was -\$151M

MBTA RF Cash Flows

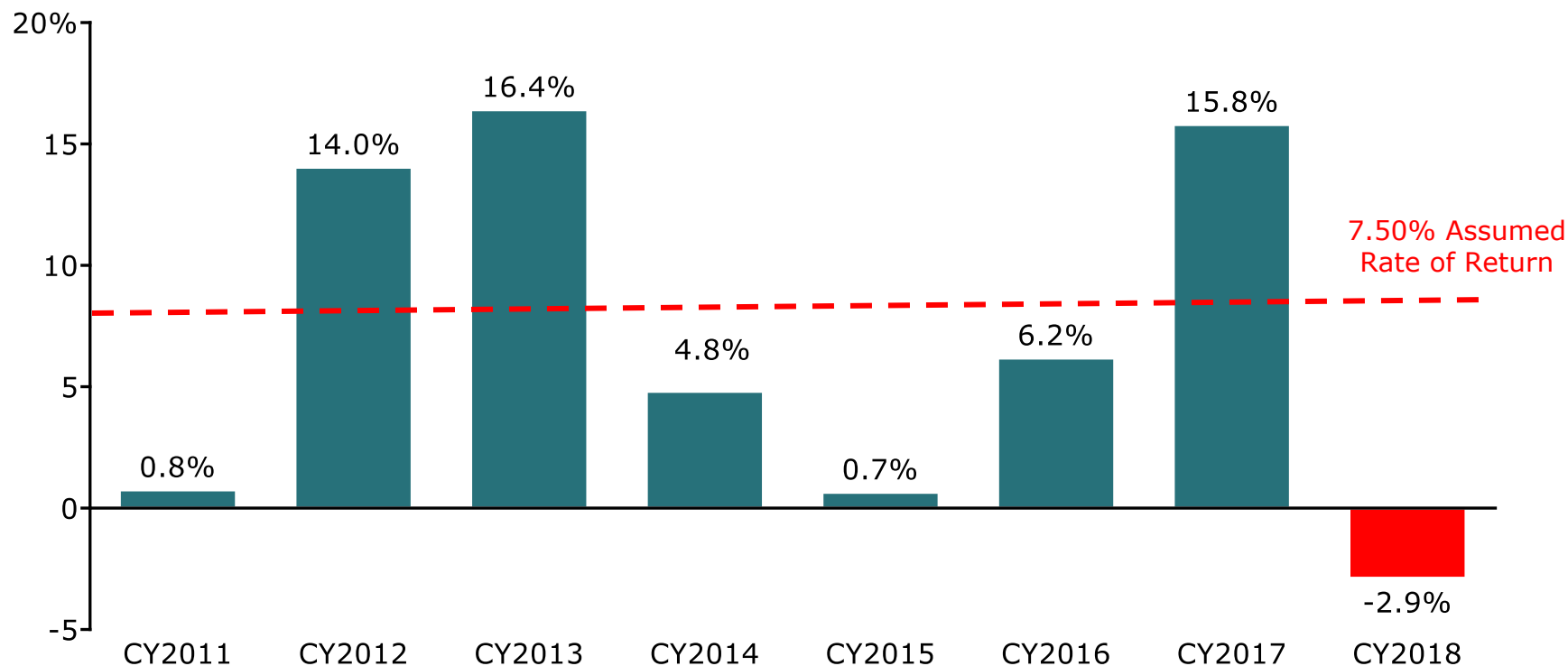




INVESTMENT RETURNS:

MBTA Retirement Fund experienced net -2.89% return in 2018

Main Fund Annual Rate of Net Return



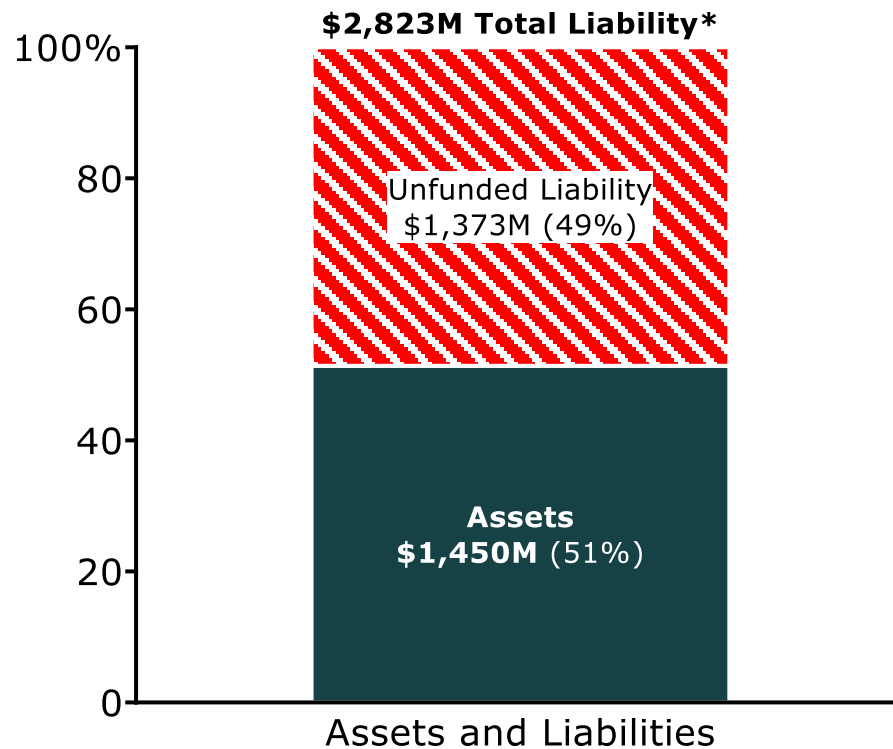
Source: MBTA Pension Fund Data; MBTARF Annual Reports



ASSETS & LIABILITIES:

MBTA Retirement Fund liability is approximately 51% funded

MBTARF Assets and Liabilities



Membership	
Active Members	5,422
Retired Members	5,672
Survivor Optionees	1,048

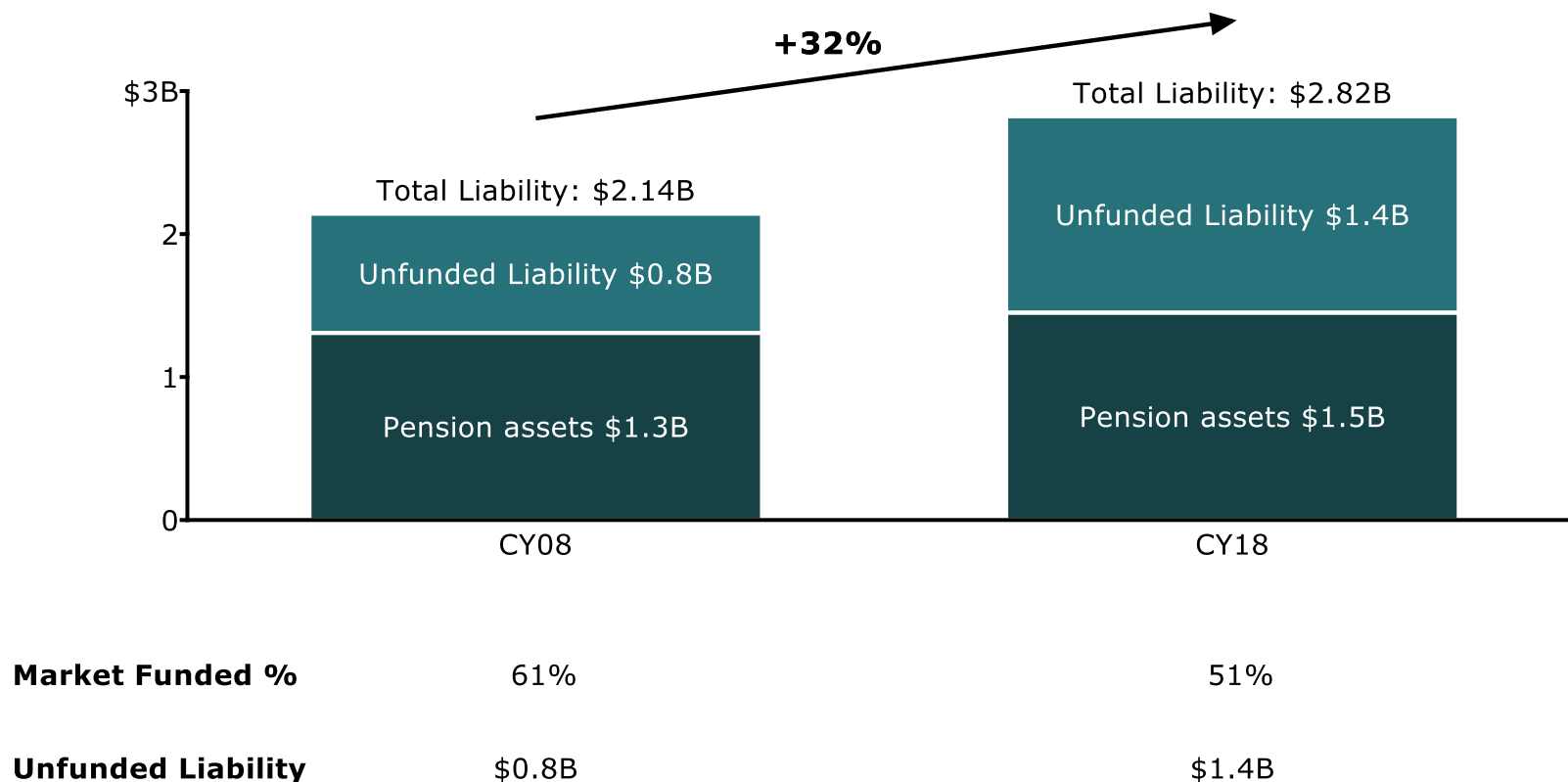
*Estimate generated by the MBTA. Anticipates total liability grew in 2018 by the same amount as 2017. Audited actuarial calculation to be provided in April/May for calendar 2018.



TOTAL LIABILITY:

Total liability of the Fund has grown by 32% since CY08

Year-end MBTARF Net Assets and Unfunded Liability

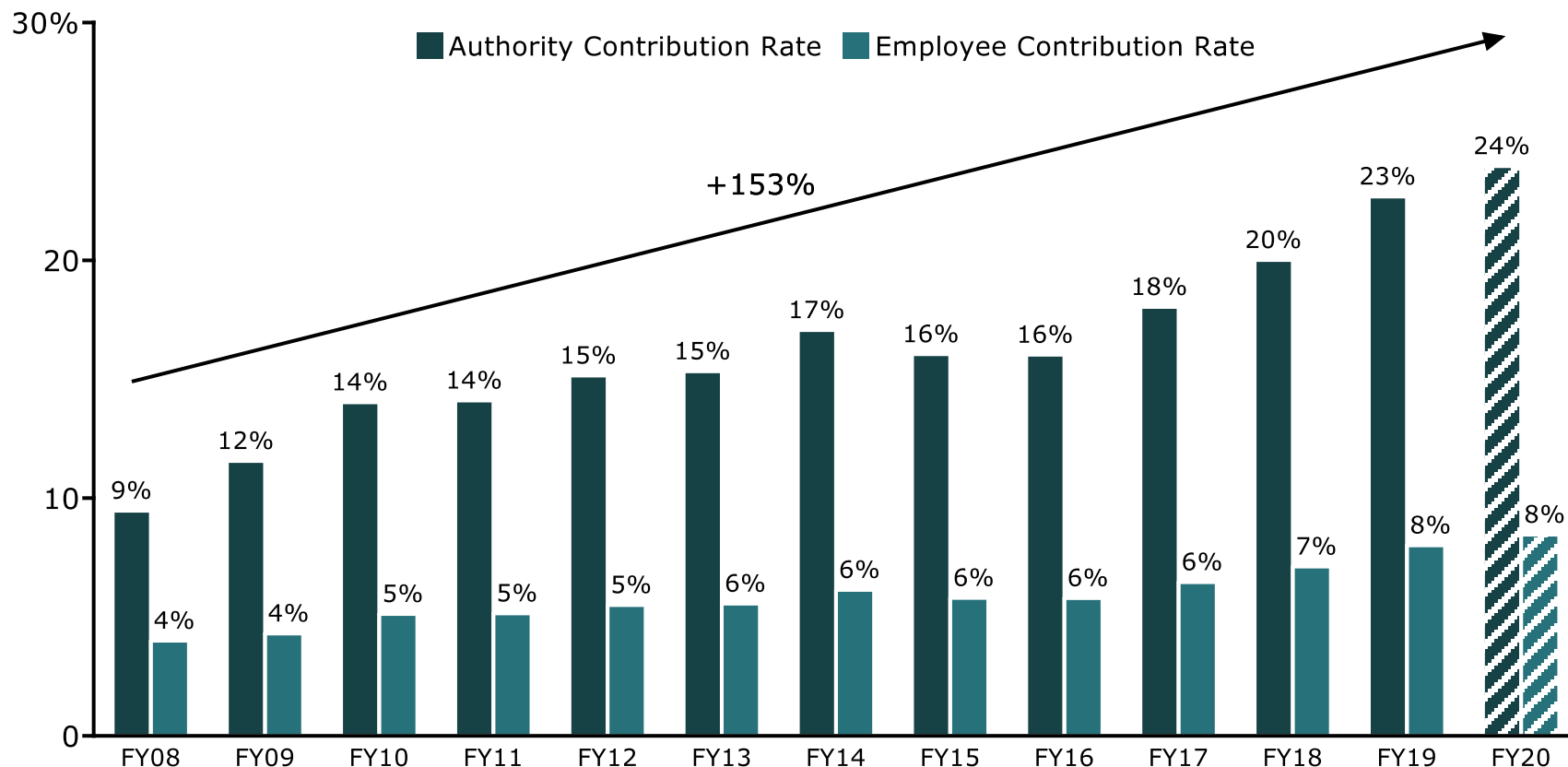


Source: MBTA Pension Fund Data; MBTARF Annual Reports; MBTA Estimate of CY18 Unfunded Liability



CONTRIBUTION RATE:

Authority and member rates more than doubled since FY08



*FY20 estimates provided by Retirement Fund actuary based on calendar 2018 investment performance and 0% payroll growth.