

Public Pension Administration Benchmarking

Data for July 2022 to June 2023
DRS Advisory Committee
April 25, 2024

*NOTE: CEM's copyright
protected graphs have been
removed from this file.*



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Budget and Performance
Management Director

Participants

68 pension systems participated in FY 23

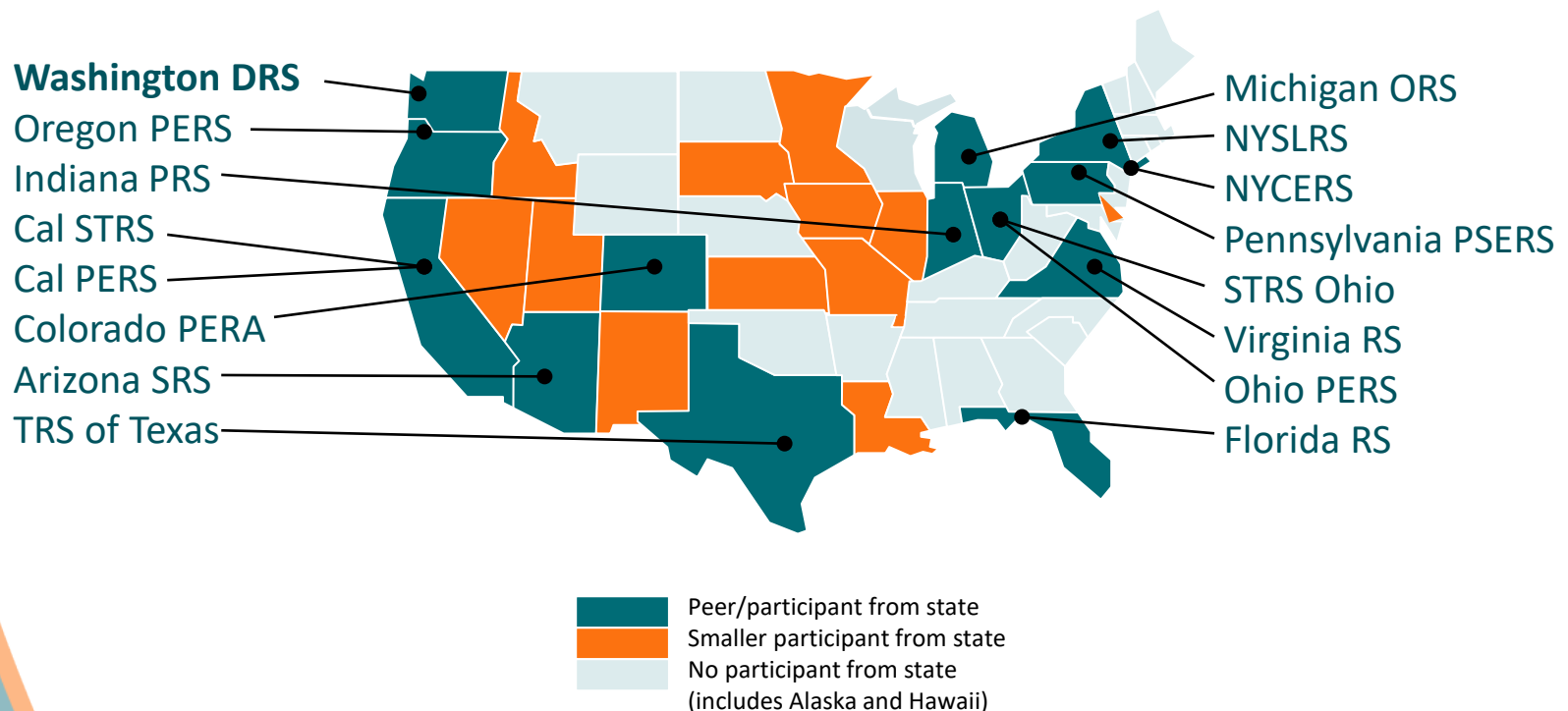
- **31 from the United States**
- **11 from Canada**
- 1 from Australia*
- 1 from Denmark*
- 3 from the Netherlands*
- 21 from the United Kingdom*



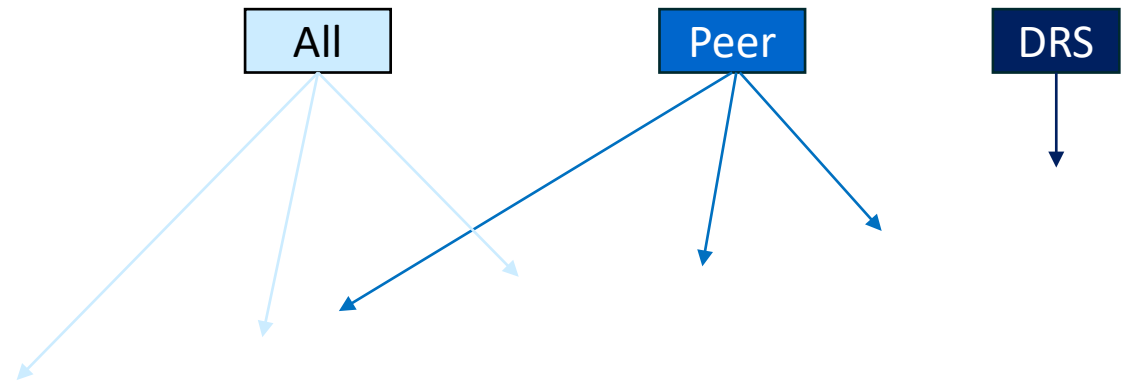
** Systems outside of North America complete a different benchmarking surveys so their results are not in the report, but they are accessible via the peer network and in best practice analyses*

DRS' Peer Group

- DRS' peers are the larger US systems
- A few large US systems didn't participate last year
- DRS is close to the median (in size) in the peer group



Complexity Score

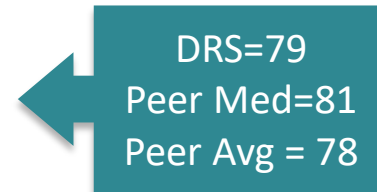


The column chart on Total Complexity shows that DRS has the 5th highest score (the 4th highest in our Peer Group).

DRS = 51
Peer Avg = 42

Nothing really changed in complexity as we remain an “umbrella” administrator.

Service Score



The column chart on Total Service shows that DRS' score is almost right in the middle for both our Peer Group and All participants.

Total Cost (& Major Projects)

The smaller (inset) line chart on Total Cost, going back to 2016, shows that DRS has always been noticeably lower than the Peer Group and All Participant averages.

DRS = \$77
Peer Med = \$102
Peer Avg = \$120

The column chart on Total Cost shows that DRS is closest to the lowest quartile (of \$76).

Why DRS' Total Cost Increased

The column and line chart on Total Cost, going back to 2016, shows that DRS' cost per active member and annuitant has:

- **remained below the All and Peer Averages,**
- **been constant, at around \$60, for “Business-As-Usual Costs,” but**
- **has fluctuated due to the amount of spending each year on Major Projects.**

A New Chart from CEM

A new column chart from CEM shows the age of the pension administration systems that are currently in use. DRS column shows:

- **Our system is over 30 years old**
- **The 5th oldest overall and the 4th oldest in our Peer Group**
- **The median system age in our Peer Group is close to 17**
- **The median system age in All Participants is close to 14**

Why DRS' Total Cost was Lower

DRS' Total Cost was \$43 below the peer average. CEM explains it with:

- \$20 was due to by having 44% fewer front office FTEs* per 10,000 members
- \$11 was due to having lower costs per FTE for salaries/benefits*, building, technology
- \$10 was due to lower support costs in other admin areas
- \$2 was due to lower 3rd party costs in the front office

**This was before FTEs were added and salaries increased in July 2023*

Summary

- We're benchmarked against other administrators in North America with a peer group of the larger US systems
- Sample size and clean data enables valid statistical comparisons
- DRS administers a very complex group of public pension plans, providing a solid level of service but at a very low cost
- The largest influence on changes in our total cost per member is our major project(s)