

# Minnesota Public Pension Plan Basics<sup>1</sup>

Coordinated Members <sup>2</sup>	MSRS General	PERA General	TRA	St. Paul Teachers
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	1.7%	1.7%	1.9%	1.9%
<b>Investment Return Assumption</b>	8%	8%	8.5%	8%
<b>Vesting Period</b>	5 years	5 years	3 years	3 years
<b>Active Membership</b>	50,578	152,848	81,808	3,547
<b>Average Earnings</b>	\$56,713	\$38,577	\$57,493	\$73,794
<b>Retiree Membership</b>	33,563	79,333	55,900	1,924
<b>Average Annual Pension</b>	\$19,890	\$12,555	\$26,108	\$18,846
<b>Inactive Membership (former employees)<sup>3</sup></b>	17,006	34,530	14,030	2,034
<b>Augmentation Rate<sup>4</sup></b>	2%	0% <sup>5</sup>	2%	2%
<b>Employer Contribution Rate</b>	5.5%	7.5%	7.72% <sup>6</sup>	10.34% <sup>7</sup>
<b>Employee Contribution Rate</b>	5.5%	6.5%	7.5%	7.5%
<b>Post Retirement Increase (COLA)</b>	2%	1%	2%	1%

Basic Members	MSRS General <sup>8</sup>	PERA General	TRA	St. Paul Teachers
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	N/A	2.7%	2.5%	2.5%
<b>Investment Return Assumption</b>	N/A	8%	8.5%	8%
<b>Vesting Period</b>	N/A	3 years	3 years	3 years
<b>Active Membership</b>	N/A	4	3	3
<b>Average Earnings</b>	N/A	\$76,917	\$91,547	\$128,291
<b>Retiree Membership</b>	N/A	3,889	3,089	1,554
<b>Average Annual Pension</b>	N/A	\$39,907	\$57,609	\$43,001
<b>Employer Contribution Rate</b>	N/A	9.1%	15.14%	13.64%
<b>Employee Contribution Rate</b>	N/A	11.78%	11%	10%
<b>Post Retirement Increase (COLA)</b>	N/A	1%	2%	1%

<sup>1</sup> Sources: relevant sections of Minnesota Statutes and July 1, 2017 plan actuarial valuation reports. All demographic and financial data is as of June 30, 2017.

<sup>2</sup> Coordinated members **do** receive Social Security. Basic members **do not** receive Social Security.

<sup>3</sup> Members who have left public employment but are vested in a pension and receive augmentation.

<sup>4</sup> Augmentation is an automatic annual increase to pensions earned by former employees.

<sup>5</sup> Members who terminated employment before January 1, 2012 receive augmentation at an annual rate of 1%. Members who terminate employment after December 31, 2011 do not receive augmentation.

<sup>6</sup> Blended to reflect rates of 11.14% of pay for members employed by Special School District #1 (Minneapolis) and 7.5% of pay for all other members.

<sup>7</sup> St. Paul School District pays both a regular employer contribution rate of 6.5% of pay and an additional employer contribution rate of 3.84% of pay for all members.

<sup>8</sup> The MSRS General plan does not have any basic active members or retirees.

Public Safety Plans <sup>9</sup>	MSRS State Patrol	MSRS Correctional	PERA Police & Fire	PERA Correctional
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	3%	Hired before 7/1/10: <b>2.4%</b> Hired after 6/30/10: <b>2.2%</b>	3%	1.9%
<b>Investment Return Assumption</b>	8%	8%	8%	8%
<b>Vesting Period</b>	Hired before 7/1/13: <b>3 years</b> Hired after 6/30/13: <b>10 years</b>	Vested 50% after <b>5 years</b> , increasing 10% each year thereafter	Hired before 7/1/14: Vested 50% after <b>5 years</b> , increasing 10% each year thereafter Hired after 6/30/14: Vested 50% after <b>5 years</b> , increasing 5% each year thereafter	Vested 50% after <b>5 years</b> , increasing 10% each year thereafter
<b>Active Membership</b>	902	4,579	11,517	3,842
<b>Average Earnings</b>	\$80,141	\$53,380	\$79,250	\$51,439
<b>Retiree Membership</b>	847	2,576	7,408	853
<b>Average Annual Pension</b>	\$59,856	\$21,542	\$54,291	\$9,928 <sup>10</sup>
<b>Employer Contribution Rate</b>	21.6%	12.85%	16.2%	8.75%
<b>Employee Contribution Rate</b>	14.4%	9.1%	10.8%	5.83%
<b>Post Retirement Increase (COLA)</b>	1%	2%	1%	2.5%

Small Group Plans	MSRS Judges	MSRS Legislators <sup>11</sup>
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	Tier I Judges: <b>3.2%</b> <sup>12</sup> Tier II Judges: <b>2.5%</b> <sup>13</sup>	2.5%
<b>Investment Return Assumption</b>	8%	0% ( <i>Pay-as-you-go funding</i> )
<b>Vesting Period</b>	5 years	6 full years or 4 regular legislative sessions
<b>Active Membership</b>	317	19
<b>Average Earnings</b>	\$150,265	\$40,819
<b>Retiree Membership</b>	255	301
<b>Average Annual Pension</b>	\$68,354	\$24,081
<b>Employer Contribution Rate</b>	22.5%	<i>Plan is funded by an annual appropriation to fund benefits</i>
<b>Employee Contribution Rate</b>	Tier I Judges: <b>9%</b> Tier II Judges: <b>7%</b>	9%
<b>Post Retirement Increase (COLA)</b>	1.75%	2%

<sup>9</sup> The State Patrol and PERA Police & Fire plan members **do not** receive Social Security.

MSRS and PERA Correctional plan members **do** receive Social Security.

<sup>10</sup> A relatively new plan. Members have not accrued much service credit so the benefits are smaller.

<sup>11</sup> The Legislators Plan was closed to new members in 1997.

<sup>12</sup> Tier I includes judges appointed/elected before July 1, 2013.

<sup>13</sup> Tier II includes judges appointed/elected after June 30, 2013.