

## Supplemental Employer Contributions and Direct State Aid Payments to Public Pension Plans

Minnesota law provides for several types of supplemental contributions and direct state. This compilation describes each of these contributions or state aids, the plan to which the payment is made, when the aid expires, and the statute or session law that requires the payment.<sup>1</sup>

Two acronyms that appear throughout this table are defined as follows:

MVA: “Market value of assets” means the value of plan assets as of the most recent fiscal year end (June 30<sup>th</sup>).

AVA: “Actuarial value of assets” means the value of plan assets resulting from the averaging of asset values over a five-year period to smooth the effect of market fluctuations.

### Minnesota State Retirement System

	Aid Amount	Aid Expiration	Statute/Law
<b>Correctional State Employees Retirement Plan</b>	4.45% of covered salary <i>(about \$12.5 million in 2021)</i>	The first day of the first full pay period of the fiscal year immediately following the issuance of the actuarial valuation showing that the funded ratio using the MVA equals or exceeds 100%.	Minn. Stat. § 352.92, Subd. 2a, (a)
<b>State Patrol Plan</b>	\$1,000,000	The earlier of:  (1) December 1 following the end of the fiscal year in which the funded ratio using the AVA of both the PERA P&F Plan and The State Patrol Plan equal or exceed 90%;  (2) July 1, 2048	Minn. Stat. § 423A.022, Subd. 2, (a)(3)
<b>Police and Firefighter Retirement Supplemental State Aid</b>			
<b>State Patrol Plan Supplemental Employer Contributions</b>	7% of covered salary <i>(about \$6.2 million in 2021)</i>	The first day of the first full pay period of the fiscal year immediately following the issuance of the actuarial valuation showing that the funded ratio using the MVA equals or exceeds 100%.	Minn. Stat. § 352B.02, Subd. 1c, (d)
<b>Judges Plan Direct State Aid</b>	\$6,000,000	“continues each fiscal year until the Judges Plan reaches 100 percent funding as determined by the actuarial valuation”	Laws 2016, Ch. 189, Art. 13, Sec. 7

<sup>1</sup> The State also makes direct payments to public employers to help fund contributions the employer is required to make to public pension plans. For example, see the payments required to the cities of Fairmont, Minneapolis, Duluth, and Virginia under Section 423A.02 to defray employer contributions required to pension plans. This compilation does not include payments made directly to public employers.

## Public Employees Retirement Association

	Aid Amount	Aid Expiration	Statute/Law
<b>General Plan</b>  <b>Additional Employer Contribution</b>	1% of covered payroll  <i>(about \$67.6 million in 2021)</i>	“First day of the first full pay period occurring after the March 31 of the calendar year following the issuance of the actuarial valuation” showing that the funded ratio using the AVA equals or exceeds 100%.	Minn. Stat. § 353.27, Subd. 3a.
<b>General Plan</b> <b>MERF Direct State Aid</b>	\$16,000,000	Sept. 15, 2031	Minn. Stat. § 353.505, para. (a)
<b>Police &amp; Fire Plan</b>  <b>Police and Firefighter Retirement Supplemental State Aid</b>	\$9,000,000	The earlier of:  (1) December 1 following the end of the fiscal year in which the funded ratio using the AVA of both the PERA P&F Plan and The State Patrol Plan equal or exceed 90%;  (2) July 1, 2048	Minn. Stat. § 423A.022, Subd. 2, (a)(1)
<b>Police &amp; Fire Plan</b>  <b>2018 Direct State Aid</b>	\$9,000,000	The earlier of:  (1) the first day of the fiscal year following the fiscal year in which the funded ratio using the AVA equals or exceeds 100%;  (2) July 1, 2048	Minn. Stat. § 353.65, Subd. 3b

## Teachers Retirement Association

	Aid Amount	Aid Expiration	Statute/Law
<b>Matching Aid and Additional Contributions by Special School District No. 1 and City of Minneapolis</b>	\$4,500,000 from employers  \$2,500,000 from state	The earlier of: (1) the first day of the fiscal year following the fiscal year in which the funded ratio using the AVA equals or exceeds 100%;  (2) July 1, 2048	Minn. Stat. § 354.435, Subd. 1 & 2
<b>Amortization State Aid</b>	\$1,259,073	The earlier of: (1) the December 1 following the end of the fiscal year in which the funded ratio using the AVA equals or exceeds 100%;  (2) July 1, 2048	Minn. Stat. § 423A.02, Subd. 3
<b>State Aid related to the Minneapolis Teachers merger</b>	\$12,954,000	The earlier of: (1) the first day of the fiscal year following the fiscal year in which the funded ratio AVA equals or exceeds 100%;  (2) July 1, 2048	Minn. Stat. § 354.436
<b>State Aid related to the Duluth Teachers Merger</b>	\$14,377,000	The earlier of: (1) the first day of the fiscal year following the fiscal year in which the funded ratio using the AVA equals or exceeds 100%;  (2) July 1, 2048	Minn. Stat. § 354.436

## St. Paul Teachers Retirement Fund Association

	Aid Amount	Aid Expiration	Statute/Law
<b>Amortization State Aid</b>	\$838,000*	The earlier of: (1) the December 1 following the end of the fiscal year in which the funded ratio using the AVA equals or exceeds 100%; (2) July 1, 2048  <i>Note: The aid termination dates in 354A.12, Subd. 3c, and 423.02, Subd. 5, are in conflict.</i>	Minn. Stat. § 423A.02, Subd. 3
<b>Direct State Aid</b>	\$2,827,000	The earlier of: (1) the first day of the fiscal year following the fiscal year in which the funded ratio using the AVA equals or exceeds 100%; (2) July 1, 2048	Minn. Stat. § 354A.12, Subd. 3a, Para. (a)
	\$7,000,000	The earlier of: (1) the first day of the fiscal year following the fiscal year in which the funded ratio using the AVA equals or exceeds 100%; (2) July 1, 2048	Minn. Stat. § 354A.12, Subd. 3a, Para. (b)
<b>Direct State Aid</b>	\$5,000,000	The earlier of: (1) the first day of the fiscal year following the fiscal year in which the funded ratio using the AVA equals or exceeds 100%; (2) July 1, 2048	Minn. Stat. § 354A.12, Subd. 3a, Para. (c)

\* The amount is based on a formula and is determined annually. The amount shown is for a prior year and may not be the amount of aid payable in 2021.

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