

## Background Information on Approved Actuary

### “Approved Actuary” in Minnesota

An actuary is required under state law to prepare actuarial valuations and experience studies and to recommend mortality tables, optional annuity forms, reserve factors, and some early retirement reduction factors for a Minnesota defined benefit retirement plan. An approved actuary is a pension professional who meets the applicable statutory definition of the position.

### Summary of the Current “Approved Actuary” Provisions

MSRS-General and MSRS-Correctional	PERA-General, PERA-P&F, and PERA-Correctional	TRA
<p>“Approved actuary” means an actuary who is either a Fellow of the Society of Actuaries or has at least 15 years of service to major public employee funds or means any firm retaining an approved actuary on its staff. [352.01, Subd. 15]</p>	<p>“Approved actuary” means an actuary who is a Fellow of the Society of Actuaries or who has at least 15 years of service to major public employee funds or means a firm retaining such an actuary on its staff. [353.01, Subd. 17]</p>	<p>"Approved actuary" means any actuary who is either a fellow of the society of actuaries or who has at least 15 years of service to major public employee funds or any firm retaining such an actuary on its staff. [354.05, Subd. 10]</p>
DTRFA and SPTRFA	Judges Plan	M.S., Ch. 356 Actuarial Valuation Law
<p>"Approved actuary" means any actuary who is either a fellow of the society of actuaries or who has at least 15 years of service to major public employee retirement funds or any firm which retains such an actuary on its staff. [354A.011, Subd. 6]</p>	<p>"Approved actuary" means an actuary as defined in section 356.215, subdivision 1, paragraph (c). [490.121, Subd. 7a]</p>	<p>"Approved actuary" means a person who is regularly engaged in the business of providing actuarial services and who is a fellow in the Society of Actuaries. [356.215, Subd. 1, Para. (c)]</p>

### Summary of the Development of the Current “Approved Actuary” Provisions

#### 1. MSRS-General and MSRS-Correctional

- Prior to 1957, the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) had no definition of “approved actuary.”
- In 1957 (Laws 1957, Ch. 928, Sec. 34), the first definition of the term was added, differing from the current definition only with respect to firms which are approved actuaries, referencing “such an actuary on its staff” rather than “an approved actuary on its staff.”
- In 1987 (Laws 1987, Ch. 229, Art. 6, Sec. 1), the current language of the provision was enacted as part of a stylistic revision of the entirety of Minnesota Statutes, Chapter 352.

#### 2. PERA-General, PERA-P&F, and PERA-Correctional

- Prior to 1957, the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General) had no definition of “approved actuary.”
- In 1957 (Laws 1957, Ch. 935, Sec. 5), the first definition of the term was added.
- When the Public Employees Police and Fire Retirement Plan (PERA-P&F) was created in 1959 and when the Local Government Correctional Service Retirement Plan (PERA-Correctional) was created in 1999, the same definitions applied to both of those retirement plans under Minnesota Statutes, Section 353.68, Subdivision 1, and Minnesota Statutes, Section 353E.08.

#### 3. TRA

- Prior to 1957, the Teachers Retirement Association (TRA) had no definition of “approved actuary.”
- In 1957 (Ex. Sess. Laws 1957, Ch. 16, Sec. 2, Subd. 10), the current language of the definition of the term was added and has not been changed since 1957.

#### 4. DTRFA and SPTRFA

- Prior to 1979, the first class city teacher retirement fund associations had no definition of “approved actuary.”
- In 1979 (Laws 1979, Ch. 217, Sec. 1, Subd. 6), legislation that replaced a series of cross-references to TRA law in establishing the first class city teacher retirement fund association coordinated program under Laws 1976, Chapter 238, Section 12, for the Minneapolis Teachers Retirement Fund Association (MTRFA), and under Laws 1977, Chapter 429, Section 60, for the St. Paul Teachers Retirement Fund Association (SPTRFA), the current language of the definition was enacted and remains subsequently unchanged.

#### 5. Judges Plan

- Prior to 1973, the governing laws of the various predecessor judicial retirement plans lacked any definition of “approved actuary.”
- In 1973 (Laws 1973, Ch. 744, Sec. 1, Subd. 19), as part of legislation creating the uniform retirement and survivors’ annuities for judges plan to replace the predecessor judicial retirement plans, a definition identical to the current PERA-General, TRA, and first class city teacher retirement fund association definitions of the term was added.
- In 2006 (Laws 2006, Ch. 271, Art. 11, Sec. 6), as part of a recodification of the Judges Retirement Plan law and language style and usage revisions in Minnesota Statutes, Chapter 490, the 1973 definition of “approved actuary” was repealed in favor of a new definition of the term, the current definition, was added.

#### 6. Actuarial Valuation Law

- In the first actuarial valuation law an uncoded enactment, in 1957 (Ex. Sess. Laws 1957, Ch. 11, Sec. 4), actuarial surveys required to be prepared under the enactment were required to be prepared by an approved actuary, who was defined as an actuary with at least 15 years of service to major public employee funds, an actuary who is a Fellow in the Society of Actuaries, or an actuarial firm retaining that type of actuary on its staff.
- In 1965 (Laws 1965, Ch. 359, Sec. 2, Subd. 6; Ch. 751, Sec. 5), the coded actuarial valuation law governing statewide retirement plans and the coded actuarial valuation law governing local police and paid firefighter relief associations, the same definition of an approved actuary was used in 1957 was reenacted.
- In 1975 (Laws 1975, Ch. 192, Sec. 3, Subd. 6), the recodification of the prior statewide retirement plan actuarial reporting law, a definition of “approved actuary” was included in the law, differing only in requiring that the 15 years of minimum service be rendered to major public employee pension or retirement funds.
- In 1978 (Laws 1978, Ch. 563, Sec. 11, 31), the local police and firefighter relief association separate actuarial reporting law was repealed in favor of covering local relief associations by the statewide retirement plan actuarial reporting law with the necessary adaptations for those smaller sized retirement plans.
- In 1987 (Laws 1987, Ch. 259, Sec. 55, Subd. 1, Para. (2)), the definition of the term was moved within the actuarial reporting law, requiring that the “approved actuary” be regularly engaged in the business of providing actuarial services and who has at least 15 years of service to major public employee pension and retirement funds or who is a Fellow in the Society of Actuaries, and removing the qualifications for an actuarial firm if it retained an approved actuary.
- In 2000 (Laws 2000, Ch. 461, Art. 1, Sec. 3), the definition of the term was re-designated as Minnesota Statutes, Section 356.215, Subdivision 1, Paragraph (c), rather than Paragraph (2), without changing the substance of the definition.
- In 2008 (Laws 2008, Ch. 349, Art. 10), the general actuarial valuation law definition was revised by the elimination of the minimum of 15 years of service to major public employee pension or retirement funds as an alternative qualification to being a Fellow in the Society of Actuaries, but no similar change was made in the definition of the respective retirement plans.