

Materials Related to

Minnesota

Public Pension Plan

Coverage and Funding

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Pensions and Retirement

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Role and Function of the Legislative Commission on Pensions and Retirement

1. Commission Establishment. There have been five retirement commissions, three which were interim entities and two which were permanent entities, as follows:
 - Legislative Interim Commission to Study Minneapolis Pension Systems (1943-1945)
 - Legislative Interim Commission to Study Public Employee Retirement Systems (1955-1961)
 - Interim Commission on Employee Retirement Systems/Legislative Interim Commission to Study Public Retirement Systems (1963-1967)
 - Legislative Retirement Study Commission (1967-1975)
 - Legislative Commission on Pensions and Retirement (1975-Present)
2. Commission Membership and Staffing.
 - The 1943-1945 Interim Commission was composed of three House members and three Senate members and retained a consulting actuary as the Commission actuary.
 - The 1955-1967 Interim Commission was composed of five House members and five Senate members, generally retained two Commission staff members, and retained a consulting actuary as the Commission actuary.
 - The 1967-1969 Commission was composed of five House members and five Senate members, retained two Commission staff members, and retained a consulting actuary as the Commission actuary.
 - The 1971-2012 Commission was composed of five House members and five Senate members, generally retained 3.5 Commission staff members, and generally retained a consulting actuary as the Commission actuary.
 - The 2013 Commission will be composed of seven House members and seven Senate members, is expected to retain a staff and is expected to retain a consulting actuary as the Commission actuary.
3. Function as Joint Meeting of Pension Subcommittees.
 - During the 1970's and 1980's, the Commission functioned explicitly as a joint meeting of the House Pension Subcommittee of the Governmental Operations Committee and of the Senate Pension Subcommittee of the Governmental Operations Committee.
 - Since the 1980's, the Commission functioned implicitly as the subcommittee on pensions of the respective Governmental Operations committees.
4. Assembly of Omnibus Retirement Bill(s).
 - Since 1994, the Commission has preferred to assemble and recommend to the respective Governmental Operations committees one or more omnibus retirement bills rather than process and recommend individual bills separately to the respective Governmental Operations committees.
 - Despite the function of the Commission as the pension subcommittees acting jointly and assembling omnibus retirement bills, in most legislative sessions since 1994, retirement bills passed by the two houses generally have required consideration by a conference committee drawn from or coincident with the membership of the Commission.

Commission on Pensions and Retirement Members and Staff

2013-2014 Pension Commission Members

"The commission consists of seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and seven members of the house of representatives appointed by the speaker. No more than five members from each chamber may be from the majority caucus in that chamber. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session." - Minnesota Statutes, Section 3.85, Subd. 3

Senate Members

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Legislative Commission on Pensions and Retirement

Principles of Pension Policy

I. Preamble

The Legislative Commission on Pensions and Retirement recommends the following statement of principles, which have been developed since 1955, as the basis for evaluating proposed public pension legislation. Problems can be avoided or minimized if a sound set of principles is used as a guideline in developing the various public pension funds and plans.

II. Substantive Principles

A. Purpose of Minnesota Public Pension Plans

1. Minnesota public pension plans exist to augment the Minnesota public employer's personnel and compensation system by assisting in the recruitment of new qualified public employees, the retention of existing qualified public employees, and the systematic out-transitioning of existing public employees at the normally expected conclusion of their working careers or the systematic phasing-out of existing employees who are nearing the normally expected conclusion of their full-time working careers by providing, in combination with federal Social Security coverage, personal savings and other relevant financial sources, retirement income that is adequate and affordable.
2. Minnesota public pension plans should play their appropriate role in providing financial security to public employees in retirement.
3. As Minnesota public employee workforce trends develop, Minnesota public pension plans should be sufficiently flexible to make necessary adaptations.

B. Structure of Minnesota Public Pension Coverage

1. Creation of New Pension Plans

- a. Minnesota public employers, on their own initiative, without legislative authorization, should not be permitted to establish or maintain new public pension plans, except for volunteer firefighter relief associations.
- b. New pension plans for volunteer firefighters should be organized on a county or comparable regional basis if possible.

2. Mandatory Public Pension Plan Membership

To the extent possible, membership in a public pension plan should be mandatory for the personnel employed on a recurring or regular basis.

3. Consolidation of Public Pension Plans by a Minnesota Public Employer

- a. The state, with the second largest number of public employee pension plans in the nation, would benefit from a more rational public pension plan structure.
- b. The voluntary consolidation of smaller public pension plans should be encouraged, with the development of county or comparable regional public employee pension plans in place of a large number of small local plans to assist in this consolidation if a statewide public pension plan is deemed to be inappropriate.

- c. In a consolidation or merger of public employee pension funds, there should be no loss of current pension benefits by any member of the consolidating or merging funds.
- d. In a consolidation or merger of public employee pension funds, approval of the affected Boards of Trustees or Directors, the members, and the employers of the consolidating or merging funds should be obtained before the consolidation or merger is finalized.

C. Pension Benefit Coverage

1. General Preference for Defined Benefit Plans Over Defined Contribution Plans

- a. Defined benefit plans, where they currently exist, should remain as the primary retirement coverage for Minnesota public employees.
- b. Defined contribution plans are particularly appropriate where interstate portability or private sector-public sector portability is a primary consideration of the public employee group, where the public employee group lacks civil service or analogous employment protections, or where the defined contribution plan is a supplemental pension plan.

2. Social Security Coverage

Except for public employees who are police officers or firefighters, coverage by the federal Old Age, Survivors, Disability and Health Insurance (Social Security) Program should be part of the retirement coverage for Minnesota public employees.

3. Equal Treatment Within Pension Plans

There should be equal pension treatment of public employees in terms of the relationship between benefits and contributions.

4. Appropriate Normal Retirement Ages

The normal retirement age should be set in a reasonable relationship to the employability limits of the average public employee and should differentiate between regular public employees and protective and public safety employees.

5. Appropriate Early Retirement Reductions

Public employee pension plans should not subsidize early retirement benefits and, except for appropriately designed early retirement incentive programs, retirement benefits should be actuarially reduced for retirement before any applicable normal retirement age.

6. Uniformity and Equal Benefit Treatment Among Plans

There should be equal pension treatment in terms of the relationship between benefits and contributions among the various plans and, as nearly as practicable, within the confines of plan demographics, retirement benefits and member contributions should be uniform.

7. Adequacy of Benefits at Retirement

- a. Benefit adequacy requires that retirement benefits respond to changes in the economy.
- b. The retirement benefit should be adequate at the time of retirement.
- c. Except for local police or firefighter relief associations, the retirement benefit should be related to an individual's final average salary, determined on the basis of the highest five successive years' average salary unless a different averaging period is designated by the Legislature.
- d. Except for local police or firefighter relief associations, the measure of retirement benefit adequacy should be at a minimum of thirty years service, which would be a reasonable public employment career, and at the generally applicable normal retirement age.
- e. Retirement benefit adequacy must be a function of the Minnesota public pension plan benefit and any Social Security benefit payable on account of Minnesota public employment.

8. Postretirement Benefit Increases

- a. Retirement benefits should be increased during the period of retirement to offset the impact of economic inflation over time in order to maintain a retirement benefit that was adequate at the time of retirement.
- b. The system of periodic post retirement increases should be funded on an actuarial basis.

9. Portability

To the extent feasible, portability should be established as broadly as possible for employment mobile public employees.

10. Purchases of Prior Service Credit

Purchases of public pension plan credit for periods of prior service should be permitted only if it is determined by the Commission:

- that the period to be purchased is public employment or relates substantially to the public employee's career,
- that the purchase payment amount from the member or from a combination of the member and the current or former employer must equal the actuarial liability to be incurred by the pension plan for the benefit associated with the purchase, appropriately calculated, without the provision of a subsidy from the pension plan unless an error or an omission by the pension plan was responsible for the loss of service credit,
- that the purchase payment amount must include a minimum payment by the member of the equivalent member contributions, plus compound interest from the purchase period to the date of payment unless the employer committed a particularly egregious error,
- that the purchase payment is the responsibility of the member, with the current or former employer authorized to pay some or all of the portion of the payment amount in excess of the minimum member payment amount, unless the employer has some culpability in the circumstances giving rise

to the purchase and then a mandatory employer contribution may be imposed, and

- that the purchase must not violate notions of equity.

11. Deadline Extensions and Waivers

Deadline extensions or waivers should be permitted only if, on a case-by-case basis, it is determined that there is a sufficient equitable basis for the extension or waiver, the extension or waiver does not involve broader applicability than the pension plan members making the request, and that the extension or waiver is unlikely to constitute an inappropriate precedent for the future.

12. Vesting Requirement Waivers

Waivers of vesting requirements should be permitted only if, on a case-by-case basis, it is determined that there is a strong equitable argument to grant the waiver for the requesting public employees.

13. Reopening Optional Annuity Elections

Reopenings of optional annuity elections should not be permitted.

14. Benefit Increase Retroactivity

Retroactivity of benefit increases for retirees and other benefit recipients should not be permitted.

15. Repayment of Previously Paid Benefits and Resumptions of Active Member Status

Repayments of previously paid benefits and resumptions of active member status should not be permitted.

16. Duplicate Public Pension Coverage for the Same Employment

Unless supplemental pension plan coverage is involved, public employees should not have coverage by more than one Minnesota public pension plan for the same period of service with the same public employer.

17. Reemployed Annuitant Earnings Limitations

- a. Limitations on the earnings by reemployed annuitants should apply only to the reemployment of an annuitant by an employing unit that is a participating employer in the same public pension plan from which the annuitant is receiving a pension benefit.
- b. Reemployed annuitant earnings limitations should be standardized to the extent possible among the various Minnesota public pension plans.

18. Disability Definitions

The definitions of what constitutes a disability giving rise to a disability benefit should be standardized to the extent possible, recognizing the differences in the hazards inherent in various types of employment.

19. Design of Early Retirement Incentive Programs

- a. Early retirement incentive programs can have a valid role to play in the public sector personnel system.
- b. Early retirement incentive programs should be targeted to situations when a public employer needs to reduce staffing levels beyond normal attrition.

- c. Early retirement incentive programs should be financed appropriately, with the cost of the benefits provided under the early retirement incentive program borne wholly by the same public employer that gains any compensation savings from a staffing level reduction, without any subsidy from the affected public pension plan.

20. Future Pension Coverage for Privatized Public Employees

Because of applicable federal regulation, employees of public employers that are privatized should not be allowed to continue public pension plan coverage in the future. Privatized public employees should receive adequate replacement pension coverage and a better resolution of this topic should be raised with appropriate federal government officials.

21. Supplemental Pension Plans

- a. Public employees should be encouraged to engage in personal savings for their retirement.
- b. The state should assist this process by making personal retirement savings opportunities available to public employees.
- c. Public employers should have an opportunity to elect to provide financial support to established supplemental pension arrangements for their employees.

22. No Intended Ultimate Benefit Diminutions

- a. In recommending benefit plan modifications, the imposition of reductions in overall benefit coverage for existing pension plan members should not be recommended.
- b. The imposition of a reduction in overall benefit coverage may be imposed for new pension plan members in order to achieve sound pension policy goals.
- c. A reduction in some aspect or aspects of benefit coverage may be recommended in combination with a proposed benefit increase or benefit increases in implementing sound pension policy goals.

D. Pension Plan Funding

1. Equal Pension Financing Burden for Generations of Taxpayers

There should be utilized a financing method that will distribute total pension costs fairly among the current and future generations of taxpayers and that will discourage unreasonable benefit demands.

2. Actuarial Funding of Pension Benefits

- a. Except for statewide retirement plans with small phasing-out memberships, retirement benefits in Minnesota defined benefit plans should be funded on an actuarial basis.
- b. The accruing liability for currently earned pension plan service credit, as measured by the actuarially determined level percentage of covered salary entry age normal cost of the defined benefit pension plan, should be funded on a current basis.
- c. The administrative expenses of the defined benefit pension plan should be funded on a current basis.

- d. Retirement plan accrued liabilities and normal cost should be determined using the entry age normal actuarial cost method.
- e. Pension plan assets should be valued using a method that approaches market values, but smoothes out short-term volatility.
- f. Unfunded actuarial accrued liabilities of a defined benefit pension plan, determined by subtracting the actuarial value of assets from the calculated actuarial accrued liability, should be amortized over an extended period of time, but should not exceed thirty years.

- g. A portion of any amount by which the actuarial value of assets exceed the actuarial accrued liabilities of a defined benefit plan should be recognized as a credit against the normal cost, and the amount of the credit should be calculated in the same manner as if it were an amortization contribution with a 30-year amortization target date.

3. Allocation of Funding Burden Between Members and Employers

- a. The actuarial cost of retirement benefit coverage should be financed on a shared basis between the public employee and the public employer.
- b. For general public employee retirement plans that are not closed to new members, the employee and employer should make matching contributions to meet the normal cost and the administrative expenses of the defined benefit pension plan. Both the employee and the employer also may be required to share some financial responsibility for funding the amortization requirement of the defined benefit pension plan.
- c. For general public employee retirement plans that are closed to new members, the employee and employer contributions should be set based on the contribution structure of analogous retirement plans.
- d. For protective and public safety employees covered by a statewide public pension plan, the employee should pay forty percent of the total actuarial costs of the defined benefit pension plan and the employer should pay sixty percent of the total actuarial costs of the defined benefit pension plan.
- e. For protective and public safety employees covered by a local relief association, employee and employer contributions should be considered in light of the special circumstances and history unique to that association. Employees should pay an appropriate portion of the normal cost and administrative expenses of the relief association.
- f. Actuarial reporting laws should be structured to permit easy application and monitoring of any contribution policy.

4. Funding of Postretirement Adjustments

- a. Ad hoc postretirement adjustments should be funded separately from the regular defined benefit public pension plan financing and should not be added to the unfunded actuarial accrued liability of the defined benefit public pension plan.
- b. Automatic postretirement adjustment mechanisms should be funded on an actuarial basis as part of the actuarial requirements and contribution structure of the defined benefit public pension plan.

5. Appropriate Basis for Actuarial Assumption Changes

- a. Actuarial assumption changes should only be based on the results of the gain and loss analyses in the regular actuarial valuation reports and the results of a periodic experience study.
- b. Actuarial assumption changes should stand on their own merit, and should not be changed solely to improve benefits or to lower contribution rates.

6. Appropriate Basis for Modifying Contribution Rates

Member and employer contribution rates should only be modified based on the trend in total support rate deficiency or sufficiency revealed in the regular actuarial valuation reports.

E. Pension Plan Investments

1. Appropriate Investment of Public Pension Assets

- a. Public pension plan investment authority should be as uniform as is practicable.
- b. Public pension plan investments should be made in accord with the prudent person rule.
- c. Public pension plan investment authority should be further regulated by a list of authorized investment types, which should appropriately differentiate between pension plans based on asset size and investment expertise.
- d. Written investment policies should be maintained for the investment of public pension plan assets.
- e. Public pension plans should regularly report on their investments, including performance.

2. Sole Membership Benefit Dedication of Plan Assets

Recognizing that public pension plan assets exist to defray current and future pension benefit payments, public pension plan assets should be dedicated to the sole benefit of the plan membership in their investment and expenditure.

F. Compliance With Federal Pension Plan Regulation

Consistent with the principles of federalism, dual sovereignty, and comity among governmental entities, public pension plan provisions and administrative operations and activities should attempt to comply with applicable federal pension plan regulation in order to maintain the tax qualified status of public pension plans.

G. Public Pension Plan Fiduciary Responsibility

1. Strong Fiduciary Responsibility Standards

Public pension plan activities should be conducted in accord with strong fiduciary responsibility standards and regulation.

2. Remedies for Fiduciary Breach

Failures to conduct public pension plan activities in accord with the applicable fiduciary responsibility standards and regulation should be subject to appropriate fiduciary breach remedies.

III. Procedural Principles of Pension Policy

A. Adequate Pension Funding

1. Pre-Existing Funding

No proposed increase in pension benefits for any public pension plan should be recommended by the Legislative Commission on Pension and Retirement until there is established adequate financing to cover the pre-increase normal cost, administrative expense, and amortization contribution requirements of the defined benefit public pension plan calculated according to the applicable actuarial reporting law.

2. Funding Increase

No proposed increase in pension benefits for any defined benefit public pension plan should be recommended by the Legislative Commission on Pensions and Retirement unless there is included, in the proposal, adequate financing to meet any resulting increase in the normal cost and amortization contribution requirements of the defined benefit public pension plan that are estimated by the applicable actuary to result from adopting the proposed benefit increase.

B. Preference for General Legislation

No pension legislation of local or special limited application should be recommended by the Legislative Commission on Pensions and Retirement if the purpose and the intent of the proposed legislation would be better served by legislation of general statutory application or if the proposed legislation constitutes a significant departure from previously established uniform pension policy. Pension legislation affecting local police or salaried firefighters may be recommended by the Legislative Commission on Pensions and Retirement in light of any special circumstances that are unique to the relief association.

C. Explicit Application of Principles of Pension Policy

1. Measurement Against Principles

Each proposed change in retirement benefits or financing should be measured by the Legislative Commission on Pension and Retirement against the current principles of pension policy as part of its consideration to insure that there is adherence to sound pension policy.

2. Formal Reporting of Consistency

The Commission's determination concerning compliance with the principles of pension policy should be a part of the Commission's formal report of its recommendations on proposed public pension legislation.

Minnesota Public Pension Plans Growth and Development

- The earliest Minnesota public pension plans were the St. Paul Fire Department Relief Association, incorporated in 1868, the Minneapolis Fire Departmental Relief Association, incorporated in 1874, and the Fergus Falls Fire Department Relief Association, also incorporated in 1874.
- All Minnesota public pension plans established before 1900 were local public safety plans.
- Minnesota public pension plans were created on patchwork basis, generally covering uncovered groups rather than reorganizing existing plan coverage.
- The first general employee retirement plans were teacher retirement plans (Duluth Teachers Retirement Fund Association (DTRFA) in 1910, Minneapolis Teachers Retirement Fund Association (MTRFA) in 1910, St. Paul Teachers Retirement Fund Association (SPTRFA) in 1910, and the Teachers Insurance and Retirement Fund in 1915).
- The first statewide retirement plans were the Teachers Insurance and Retirement Fund in 1915, the State Employees Retirement Association (now MSRS-General) in 1929, and the Public Employees Retirement Association (PERA) in 1931.
- The first retirement plan to default was the Teachers Insurance and Retirement Fund. That plan was replaced by the Teachers Retirement Association (TRA) in 1931.
- The latest retirement plans were established in 1999 (State Fire Marshal Arson Investigator Retirement Plan and the local Government Correctional Retirement Plan) and 2009 (Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan).

- Retirement plan creation, count by decade:

1860s	1	1910s	8	1960s	12
1870s	0	1920s	2	1970s	3
1880s	3	1930s	11	1980s	5
1890s	6	1940s	23	1990s	2
1900s	6	1950s	11	2000s	1

- Some retirement plans have been closed to new entrants, with replacement coverage by another public pension plan or benefit program (St. Paul Teachers Retirement Fund Association (SPTRFA)-Basic Program, Duluth Teachers Retirement Fund Association (DTRFA)-Old Law Program).

Minnesota Public Pension Plans Growth and Development

- Many retirement plans have been merged into another plan:
 - Game Wardens Retirement Plan and State Police Retirement Plan into the State Patrol Retirement Plan;
 - County and Probate Court Judges Retirement Plan, District Court Judges Retirement Plan, and Supreme Court Justices Retirement Plan into the Uniform Judicial Retirement Plan;
 - Attorney General Retirement Plan and State Auditor Retirement Plan into the Elected State Officers Retirement Plan;
 - Supreme Court Clerk Retirement Plan into the Unclassified Employees Retirement Program of the Minnesota State Retirement System (MSRS-Unclassified);
 - St. Paul Bureau of Health Relief Association into the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General);
 - Fridley Paid Firefighters Relief Association, Cloquet Firefighters Relief Association, Eveleth Paid Firefighters Relief Association, Eveleth Police Relief Association, Thief River Falls Police Relief Association, Brooklyn Center Police Relief Association, Moorhead Firefighters Relief Association, and Moorhead Police Relief Association into the Public Employees Police and Fire Retirement Plan (PERA-P&F), 1973-1985;
 - Metropolitan Transit Commission – Transit Operating Division Retirement Plan into the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General);
 - University of Minnesota Police Retirement Plan merged into the Public Employees Police and Fire Retirement Plan (PERA-P&F);
 - 44 local police or paid firefighter relief associations consolidated into the Public Employees Retirement Association 1987-1998 and merged into the Public Employees Police and Fire Retirement Plan (PERA-P&F), 1999;
 - Minneapolis Teachers Retirement Fund Association (MTRFA) merged into the Teachers Retirement Association (TRA);
 - Minneapolis Employees Retirement Fund (MERF) consolidated administratively into the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General); and
 - Minneapolis Firefighters Relief Association, Minneapolis Police Relief Association, Virginia Fire Department Relief Association, and Fairmont Police Relief Association merged into the Public Employees Police and Fire Retirement Plan (PERA-P&F).

Defined Benefit Retirement Plans and Defined Contribution Retirement Plans

Defined Benefit Plans in General and the Basic Operation of Defined Benefit Plans

- a. Defined Benefit Plans, In General. A defined benefit plan is a pension plan where the pension benefit amount that is ultimately payable is pre-determinable or fixed using a formula or comparable arrangement. The fixed element of the benefit amount leaves a variable element, which is the funding required to provide that benefit.
- b. Basic Operation of Defined Benefit Plans. The plans are called defined benefit plans because the benefit is defined in the benefit plan, which in Minnesota is generally specified in law. State law for these plans provides that the benefit payable from these plans is to be computed by multiplying three factors: the high-five average salary, the accrual rate, and years of covered service. The high-five average salary is the average salary over the consecutive five-year period which produces the highest average. The benefit accrual rate is the percentage of the final average salary amount that a retiree would receive as a single-life annuity.

To illustrate using an example, in the Public Employees Police and Fire Retirement Plan (PERA-P&F), the accrual rate is 3.0%. This means that individuals who retire from that plan receive 3.0% of the high-five average salary for each year of service they provide. If the high-five average salary is \$50,000 and the individual provided 30 years of covered service, then the annual pension benefit for the individual (providing that the member is at least at the normal retirement age for this plan, age 55) is \$45,000. This is computed by multiplying \$50,000 x 30 years x 3.0%, which equals \$45,000.

PERA-P&F is a public safety plan and is not coordinated with Social Security; the employee and employer do not pay into the Social Security system, and the individual does not accrue a Social Security benefit due to the public safety employment. The accrual rate in PERA-P&F, and also in the similar State Patrol Retirement Plan, is high in recognition that the person will not be receiving any Social Security benefit in retirement due to the public safety employment. General employee plans, such as TRA and the first class city teacher plans, or MSRS-General and PERA-General, are coordinated with Social Security, and the Minnesota public plan provides a lesser benefit in recognition that part of the person's retirement income will be coming from Social Security.

Since defined benefit plans pay benefits that are determined by high-five average salary, the accrual rate or rates, and years of service, the value of the specific benefit paid to any individual is not a direct function of the employee and employer contributions made specifically for the individual. Rather, the plan actuary needs to predict the required contributions for the entire covered group, given the liabilities expected due to the demographics of the group, the likelihood that individuals entering the plan will eventually draw plan benefits, the mortality of plan participants, and other factors. Thus, the benefits are defined, but the contributions are not. Those contributions are adjusted in law over time as necessary to meet the liabilities created by the plan.

Defined Benefit Retirement Plans and Defined Contribution Retirement Plans

Defined Contribution Plans in General and the Basic Operation of Defined Contribution Plans

- a. Defined Contribution Plans, in General. A defined contribution plan is a pension plan where the funding for the pension plan is fixed as a dollar amount or as a percentage of payroll and the fixed element of funding leaves a variable element, which is the benefit amount that is ultimately payable.
- b. Basic Operation of Defined Contribution Plans. The plans are called defined contribution plans because the contribution is determined, but the benefit is not. The plan specifies in Minnesota law the employee and employer contribution rates that will be paid to an account for the individual. This account is invested in stocks, bonds, and other investments offered through mutual fund-like options that the plan makes available to its membership. In Minnesota plans, the individual selects these investment options.

The value of the account when the individual terminates or retires is unknown prior to retirement and will depend upon how long the individual works and upon the returns provided by the investment markets on the contributed amounts. Thus, the benefit is undetermined. At retirement, the individual can take the value of the account and purchase an annuity, or, under MSRS-Unclassified, create an annuity payout by rolling the account's value into the MSRS-General fund, which pays the benefit that can be supported by that account value and which provides post-retirement increases during retirement.

Defined Benefit Retirement Plans and Defined Contribution Retirement Plans

Minnesota Defined Benefit Plans

Plan	Applicable Statute(s)	Year Established
1. General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General)	Sec. 352.01-352.76	1929
2. MSRS Correctional State Employees Retirement Plan (MSRS-Correctional)	Sec. 352.01; 352.90-352.955	1973
3. MSRS Military Affairs Retirement Plan	Sec. 352.01; 352.85	1980
4. MSRS Transportation Department Pilots Retirement	Sec. 352.01; 352.86	1982
5. MSRS State Fire Marshal Division Employees Retirement Plan	Sec. 352.01; 352.87	1999
6. MSRS State Patrol Retirement Plan	Ch. 352B	1943
7. MSRS Elective State Officers Retirement Plan	Ch. 352C; 352D	1967
8. MSRS Legislators Retirement Plan	Ch. 3A; 352D	1965
9. MSRS Judges Retirement Plan	Ch. 490	predecessor plans in 1931, 1943, and 1949; current plan 1973
10. General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General)	Sec. 353.01-353.505; 353.67-353.87	1931
11. Public Employees Police and Fire Retirement Plan (PERA-P&F)	Sec. 353.01; 53.61-353.6691	1959
12. PERA-MERF Division	Sec. 353.01; 353.50	original hybrid plan 1919; successor defined benefit plan 1955; administrative consolidation 2010
13. PERA Local Government Correctional Service Retirement Plan (PERA-Correctional)	Ch. 353E	1999
14. PERA Statewide Lump-Sum Volunteer Firefighter Retirement Plan (PERA-SVFP)	Ch. 353G	2009
15. Teachers Retirement Association (TRA)	Ch. 354	original predecessor defined contribution plan 1915; successor defined contribution plan 1931; current defined benefit plan 1969
16. Duluth Teachers Retirement Fund Association (DTRFA)	Ch. 354A	1909
17. St. Paul Teachers Retirement Fund Association (SPTRFA)	Ch. 354A	1909
18. Volunteer firefighter relief associations (about 625)	Sec. 69.771-69.775; Ch. 424A	before 1905
19. University of Minnesota Faculty Supplemental Plan	No statutory provision; Board of Regents action	N/R ¹

¹ N/R means no establishment date is reported.

Defined Benefit Retirement Plans and Defined Contribution Retirement Plans

Minnesota Defined Contribution Plans

Plan	Applicable Statute(s)	Year Established
1. Unclassified Employees Retirement Program of the Minnesota State Retirement System (MSRS-Unclassified)	Ch. 352D	1971
2. PERA Defined Contribution Retirement Plan (PEDC)	Ch. 353D	1987
3. Individual Retirement Account Plan (IRAP)	Ch. 354B	1988
4. College and University Supplemental Retirement Plan	Ch. 354C	1967
5. State Arts Board Individual Retirement Account Plan	Ch. 354D	1994
6. Minnesota Humanities Center Individual Retirement Account Plan	Ch. 354D	1994
7. Minnesota Historical Society Individual Retirement Account Plan	Ch. 354D	1996
8. Volunteer Firefighters Relief Associations (about 75)	Ch. 424A	N/R
9. Ambulance Personnel Longevity Plan	Sec. 144E.40-144E.48	1993
10. Hennepin County Supplemental Retirement Plan	Sec. 383B.46-383B.52	1969
11. University of Minnesota Faculty Plan	No statutory provision; Board of Regents action	N/R
12. Public Employee Supplemental Thrift Plan through State Deferred Compensation Plan or selected tax-sheltered annuity programs	356.24	1988
13. Housing and Redevelopment Agency Retirement Plans	No statutory provision	N/R
14. Pre-1971 School District Supplemental Retirement Plans (total of 8)	No statutory provision; grandparented by Sec. 356.24	N/R

Minnesota Public Pension Plans

Establishment

Statewide Pension Plans	Establishment Date
General State Employees Retirement Plan (MSRS-General)	1929
Correctional Employees Retirement Plan (MSRS-Correctional) ¹	1973
Game Wardens Retirement Plan ²	1955
State Police Retirement Plan ³	1961
State Patrol Retirement Plan	1943
Legislators Retirement Plan ⁴	1965
Attorney General Retirement Plan ⁵	1953
State Auditor Retirement Plan ⁵	1955
Elective State Officers Retirement Plan (ESO) ⁵³	1967
Supreme Court Justices Retirement Plan ⁶	1943
District Court Judges Retirement Plan ⁶	1949
Probate and County Court Judges Retirement Plan ⁶	1931
Uniform Judicial Retirement Plan ⁵⁴	1973
Supreme Court Clerk Retirement Plan ⁷	1953
Military Affairs Department Personnel Retirement Plan ⁸	1980
Transportation Department Pilots Retirement Plan ⁸	1982
State Fire Marshal Division Arson Investigator Retirement Plan ⁸	1999
Unclassified State Employees Retirement Program (MSRS-Unclassified) ⁹	1971
Metropolitan Transit Commission-Transit Operating Division Retirement Plan ¹⁰	1944
Public Employees Retirement Plan (PERA-General)	1931
Public Employees Police and Fire Retirement Plan (PERA-P&F) ¹¹	1959
Local Government Correctional Employees Retirement Plan ¹²	1987/1999
PERA Defined Contribution Retirement Plan ¹³	1987
University of Minnesota Police Retirement Plan ¹⁴	1969
Teachers Insurance and Retirement Plan ¹⁵	1915
Teachers Retirement Plan (TRA)	1931
State University and Community College Supplemental Retirement Plan	1965
Individual Retirement Account Plan (IRAP) ¹⁶	1988
Voluntary Statewide Lump Sum Volunteer Firefighter Retirement Plan (PERA-SFV) ⁵⁹	2009
Local General Employee Pension Plans	Establishment Date
Minneapolis Employees Retirement Plan (MERF) ¹⁷	1919
St. Paul Bureau of Health Relief Association ¹⁸	1919
Hennepin County Supplemental Retirement Plan ¹⁹	1969
Duluth Teachers Retirement Plan (DTRFA) ²⁰	1910
Minneapolis Teachers Retirement Plan (MTRFA) ⁵⁸	1910
St. Paul Teachers Retirement Plan (SPTRFA) ²⁰	1910
Local Police and Salaried Firefighters Pension Plans	Establishment Date
Albert Lea Firefighters Relief Association ²¹	1895
Albert Lea Police Relief Association ²²	1943
Anoka Police Relief Association ²³	1948
Austin Firefighters Relief Association ²⁴	1909
Austin Police Relief Association ⁴⁹	1943
Bloomington Firefighters Relief Association ⁵⁵	1947
Bloomington Police Relief Association ²¹	1960
Brainerd Police Relief Association ⁴⁷	1952
Brooklyn Center Police Relief Association ²⁵	1967
Buhl Police Relief Association ²⁶	1957
Chisholm Firefighters Relief Association ²⁷	1907

Minnesota Public Pension Plans

Establishment

Local Police and Salaried Firefighters Pension Plans	Establishment Date
Chisholm Police Relief Association ²⁷	1931
Cloquet Fire Department Relief Association ²⁸	1941
Columbia Heights Fire Department Relief Association ²⁹	1923
Columbia Heights Police Relief Association ³⁰	1957
Crookston Fire Department Relief Association ³¹	1902
Crookston Police Relief Association ⁵⁶	1948
Crystal Police Relief Association ³²	1961
Duluth Firefighters Relief Association ³²	1887
Duluth Police Relief Association ³³	1905
Eveleth Firefighters Relief Association ³⁴	1935
Eveleth Police Relief Association ³⁴	1935
Fairmont Police Relief Association ⁴⁸	1949
Faribault Fire Department Relief Association ²²	1897
Faribault Police Relief Association ⁴⁷	1948
Fridley Firefighters Relief Association ³⁵	<i>not available</i>
Fridley Police Relief Association ⁵⁰	1966
Gilbert Supplemental Police Pension Plan ³⁶	1957
Hibbing Firefighters Relief Association ³⁷	1914
Hibbing Police Relief Association ³⁷	1930
Mankato Fire Department Relief Association ³⁸	1895
Mankato Police Relief Association ⁵⁷	1947
Minneapolis Fire Department Relief Association ⁵²	1868/1874
Minneapolis Police Relief Association ⁵²	1890
Moorhead Firefighters Relief Association ³⁹	1955
Moorhead Police Relief Association ³⁹	1945
Nashwauk Police Relief Association ⁴⁰	1943
New Ulm Police Relief Association ⁴¹	1949
Red Wing Fire Department Relief Association ²³	1892
Red Wing Police Relief Association ²⁷	1948
Richfield Fire Department Relief Association ⁵⁷	1942
Richfield Police Relief Association ²²	1965
Rochester Fire Department Relief Association ⁴²	1891
Rochester Police Relief Association ³⁸	1939
St. Cloud Fire Department Relief Association ⁴³	1906
St. Cloud Police Relief Association ⁴⁴	1939
St. Louis Park Fire Department Relief Association ³⁷	1948
St. Louis Park Police Relief Association ⁴²	1955
St. Paul Fire Department Relief Association ³²	1868/1885
St. Paul Police Relief Association ²¹	1903
South St. Paul Firefighters Relief Association ²¹	1943
South St. Paul Police Relief Association ⁵⁷	1941
Thief River Falls Police Relief Association ⁴⁵	1941
Virginia Fire Department Relief Association ⁵¹	1931
Virginia Police Relief Association ⁴⁷	1935
West St. Paul Fire Department Relief Association ⁴⁶	1947
West St. Paul Police Relief Association ²¹	1967
Winona Fire Department Relief Association ³⁷	1887
Winona Police Relief Association ⁴²	1914

Minnesota Public Pension Plans

Establishment

Local Volunteer Firefighters Pension Plans

696 volunteer firefighter relief associations as of 11/29/2012 ⁵⁹

Establishment Date

various years

Employer-Funded Deferred Compensation and Related Plans

State Deferred Compensation Plan

1971

Prior Lake School District Supplemental Retirement Plan

1967

Bloomington School District Supplemental Retirement Plan

not available

Edina School District Supplemental Retirement Plan

not available

Hopkins School District Supplemental Retirement Plan

not available

Minnnetonka School District Supplemental Retirement Plan

not available

Richfield School District Supplemental Retirement Plan

not available

St. Louis Park School District Supplemental Retirement Plan

not available

Wayzata School District Supplemental Retirement Plan

not available

Notes:

- ¹ Before the 1973 creation of the Correctional Employees Retirement Plan, coverage was provided by the General State Employees Retirement Plan.
- ² Game Wardens Retirement Plan was replaced by the State Police Retirement Plan in 1961.
- ³ State Police Retirement Plan consolidated with the State Patrol Retirement Plan in 1969.
- ⁴ Before the 1965 creation of the Legislators Retirement Plan, coverage was provided by the Public Employees Retirement Plan. The plan was closed to new interests as of July 1, 1997, and existing members were permitted to elect coverage by the Unclassified State Employees Retirement Program.
- ⁵ Coverage was shifted to the Elective State Officers Retirement in 1967.
- ⁶ Coverage limited to judges who first assumed judicial office before January 1, 1974.
- ⁷ Plan was repealed in 1980. Coverage for the membership of the prior plan was transferred to the Unclassified State Employees Retirement Program in 1981, retroactive to the date of initial appointment to employment position.
- ⁸ Before creation of the plan, coverage was provided by the General State Employees Retirement Plan.
- ⁹ Before creation of the program, coverage was provided by the General State Employees Retirement Plan. Program members retain the option to select General State Employees Retirement Plan benefits if the member has at least ten years of state service.
- ¹⁰ The plan was acquired by the Metropolitan Transit Commission from the prior employer, the Twin City Rapid Transit Co. in 1970. The plan consolidated with the General State Employees Retirement Plan in 1978.
- ¹¹ Before creation of the Public Employees Police and Fire Retirement Plan in 1959, coverage was provided by the Public Employees Retirement Plan. In 1999, the various police and salaried firefighter consolidation accounts were merged into this plan.
- ¹² The 1987 plan was not implemented by any of the counties authorized to do so by 1997 and was repealed. A replacement plan was enacted in 1999.
- ¹³ For local government elected officials added to eligibility for coverage by the plan in 1990, coverage is optional and prior coverage, if any, was by the Public Employees Retirement Plan.
- ¹⁴ Before creation of the plan, prior coverage was by the General State Employees Retirement Plan. Plan consolidated into the Public Employees Police and Fire Retirement Plan in 1978.
- ¹⁵ Plan was replaced by the Teachers Retirement Plan.
- ¹⁶ Before creation of the Individual Retirement Account Plan in 1988, coverage was provided by the Teachers Retirement Plan.
- ¹⁷ Plan was closed to new entrants as of June 30, 1979, and was consolidated administratively into PERA in 2010, with total consolidation with PERA-General when the MERF Division becomes 80% funded. Coverage for applicable employees initially hired after June 30, 1979 is provided by the Public Employees Retirement Plan. Administration of the plan was transferred to PERA on June 30, 2010.
- ¹⁸ Plan was closed to new entrants as of December 31, 1969, in favor of the Public Employees Retirement Plan, and short service members and members opting for Social Security coverage were transferred to the Public Employees Retirement Plan. Plan was consolidated into the Public Employees Retirement Plan in 1973.
- ¹⁹ Plan was closed to new entrants and to reemployed former members as of April 14, 1982.
- ²⁰ Plan was authorized in 1909, but not implemented until 1910.
- ²¹ Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1993.
- ²² Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1991.
- ²³ Plan was closed to new entrants in 1973 and consolidated into the Public Employees Police and Fire Plan in 1989.
- ²⁴ Plan was closed to new entrants in 1976 and consolidated into the Public Employees Police and Fire Plan in 1998.
- ²⁵ Plan consolidated into the Public Employees Police and Fire Plan in 1978.
- ²⁶ Plan was closed to new entrants in 1976 and consolidated into the Public Employees Police and Fire Plan in 1987.
- ²⁷ Plan was closed to new entrants in 1973, and consolidated into the Public Employees Police and Fire Plan in 1990.
- ²⁸ Plan consolidated into the Public Employees Police and Fire Plan in 1973.
- ²⁹ Plan was closed to new entrants in 1975 and consolidated into the Public Employees Police and Fire Plan in 1994.
- ³⁰ Plan was closed to new entrants in 1977 and consolidated into the Public Employee Police and Fire Plan in 1994.
- ³¹ Plan consolidated into the Public Employees Police and Fire Plan in 1990.
- ³² Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1992.
- ³³ Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1987.

Minnesota Public Pension Plans

Establishment

- ³⁴ Coverage for active members was transferred to the Public Employees Police and Fire Plan in 1977 and plan was converted to city-operated trust fund for benefit recipients.
- ³⁵ Coverage for salaried firefighters was transferred to the Public Employees Police and Fire Plan in 1973; Plan continues as volunteer firefighters relief association.
- ³⁶ Plan coverage was terminated in 1973.
- ³⁷ Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1989.
- ³⁸ Plan was closed to new entrants in 1971 and consolidated into the Public Employees Police and Fire Plan in 1990.
- ³⁹ Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1985.
- ⁴⁰ Coverage for active members was transferred to the public Employees Police and Fire Plan in 1969 and plan operates as trust fund for benefit recipients.
- ⁴¹ Plan was closed to new entrants in 1974 and consolidated into the Public Employee Police and Fire Plan in 1994.
- ⁴² Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1990.
- ⁴³ Plan was closed to new entrants in 1974 and consolidated into the Public Employees Police and Fire Plan in 1989.
- ⁴⁴ Plan was closed to new entrants in 1973 and consolidated into the Public Employees Police and Fire Plan in 1997.
- ⁴⁵ Coverage for active members was transferred to the Public Employees Police and Fire Plan in 1978 and plan was converted to city-operated trust fund for benefit recipients.
- ⁴⁶ Plan was closed to new entrants as of June 15, 1980, and consolidated into the Public Employees Police and Fire Plan in 1988.
- ⁴⁷ Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1996.
- ⁴⁸ Plan was closed to new entrants in 1977 and was consolidated into the Public Employees Police and Fire Plan in 2012.
- ⁴⁹ Plan was closed to new entrants in 1976 and consolidated into the Public Employees Police and Fire Plan in 1993.
- ⁵⁰ Plan was closed to new entrants in 1977 and consolidated into the Public Employees Police and Fire Plan in 1993.
- ⁵¹ Plan was closed to new entrants in 1974, consolidated with PERA in 2010, and merged into the Public Employees Police and Fire Plan in 2012.
- ⁵² Plan was closed to new entrants as of June 15, 1980, and was consolidated into the Public Employees Police and Fire Plan in 2011.
- ⁵³ Plan was closed to new entrants as of July 1, 1997. Existing members were permitted to elect coverage by the Unclassified State Employees Retirement Program.
- ⁵⁴ Judges who reach the service credit maximum in the Judges Retirement Plan are covered by the Unclassified State Employees Retirement Program for future service (employee contribution only).
- ⁵⁵ The plan covers volunteer firefighters, but because it provides benefits based on the salary of a top grade Bloomington police officer, with post-retirement escalation, the plan is considered to be a salaried firefighter pension plan.
- ⁵⁶ The plan was closed to new entrants in 1980 and consolidated into the Public Employees Police and Fire Plan in 1998.
- ⁵⁷ The plan was closed to new entrants in 1980 and consolidated into the Public Employees Police and Fire Plan in 1997.
- ⁵⁸ The plan was authorized in 1909, but not implemented until 1910, and the plan was consolidated into the Teachers Retirement Association in June 2006.
- ⁵⁹ The voluntary statewide retirement plan was established in 2009, with fire departments entering coverage as of the January 1 following receipt of a funding requirement determination and receiving municipal approval. Six fire departments entered in 2010, 12 fire departments entered in 2011, 17 fire departments entered in 2012, and 28 fire departments will enter in 2013.

Minnesota Public Pension Plans

Major and Statewide Plans, Funds, and Administrations

<u>Benefit Plan</u>	<u>Benefit Plan Administration</u>	<u>Pension Fund</u>	<u>Investment Authority</u>
General State Employees Retirement Plan	Minnesota State Retirement System	State Employees Retirement Fund	State Board of Investment
Military Affairs Personnel Retirement Plan	Minnesota State Retirement System	State Employees Retirement Fund	State Board of Investment
Transportation Dept. Pilots Retirement Plan	Minnesota State Retirement System	State Employees Retirement Fund	State Board of Investment
State Fire Marshal Division Arson Investigators Retirement Plan	Minnesota State Retirement System	State Employees Retirement Fund	State Board of Investment
Correctional State Employees Retirement Plan	Minnesota State Retirement System	Correctional Employees Retirement Fund	State Board of Investment
State Patrol Retirement Plan	Minnesota State Retirement System	State Patrol Retirement Fund	State Board of Investment
Elective State Officers Retirement Plan	Minnesota State Retirement System	None (State General Fund)	N/A
Unclassified State Employees Retirement Program	Minnesota State Retirement System	Minnesota Supplemental Investment Fund	State Board of Investment
Legislators Retirement Plan	Minnesota State Retirement System	None (State General Fund)	State Board of Investment
Judges Retirement Plan	Minnesota State Retirement System	Judges Retirement Fund	State Board of Investment
Public Employees Retirement Plan	Public Employees Retirement Association	Public Employees Retirement Fund	State Board of Investment
Public Employees Police and Fire Plan	Public Employees Retirement Association	Public Employees Police and Fire Fund	State Board of Investment
Public Employees Local Government Correctional Service Retirement Plan	Public Employees Retirement Association	Local Government Correctional Service Retirement Fund	State Board of Investment
Ambulance Service Personnel Longevity Plan	Emergency Medical Services Regulatory Board	Minnesota Supplemental Investment Fund	State Board of Investment
Teachers Retirement Plan	Teachers Retirement Association	Teachers Retirement Fund	State Board of Investment
MnSCU Supplemental Retirement Plan	Minnesota State Colleges and Universities Board	Minnesota Supplemental Investment Fund & outside investment vehicles	State Board of Investment/ Outside Vendors
MnSCU Individual Retirement Account Plan	Minnesota State Colleges and Universities Board	Minnesota Supplemental Investment Fund & outside investment vehicles	State Board of Investment/ Outside Vendors
Duluth Teachers Retirement Plan	Duluth Teachers Retirement Fund Association	Duluth Teachers Retirement Fund	DTRFA Board
St. Paul Teachers Retirement Plan	St. Paul Teachers Retirement Fund Association	St. Paul Teachers Retirement Fund	SPTRFA Board
MERF Division of PERA	Public Employees Retirement Association	MERF Division account within PERA	State Board of Investment
Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan	Public Employees Retirement Association	PERA-SVF Fund	State Board of Investment

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Legal Aspects of Minnesota Public Retirement

General Approach to Public Pension Specification and Regulation

A. Public Employee Retirement Plans Other Than Volunteer Firefighters Relief Associations.

- The entirety of the benefit plan of these retirement plans is specified in statute. Modifications in the retirement benefit plans are effected wholly by legislative enactment for statewide retirement plans or are effected or approved by legislative enactment for the first class city retirement fund associations.
- The statewide retirement plan administrations have authority to issue rules (*see Minnesota Statutes, Sections 352.03, Subdivision 4, Paragraph (a), Clause (3); 353.03, Subdivision 3, Paragraph (a), Clauses (3) and (4); and 354.07, Subdivision 1*). In practice, the statewide retirement plan administrations have issued few rules. The first class city teacher retirement fund associations have authority to adopt articles of incorporation and bylaws (*see Minnesota Statutes, Section 354A.021, Subdivisions 2 and 9*).

B. Volunteer Firefighter Relief Associations

- The entirety of the benefit plan of each of the 700+ volunteer firefighter relief associations is contained in the articles of incorporation and the bylaws of the relief association, adopted by the membership of the relief association and approved by the governing body of the applicable municipality if affecting benefit amounts unless the relief association is fully funded before and after the benefit change.
- The articles of incorporation and the bylaws of a volunteer firefighter relief association are subject to state statute, which specifies certain minimums, such as age for benefit receipt and service for vesting, and specifies certain maximums, such as service pension amounts and the extent of ancillary benefit coverage.

Retirement Plan Governing Laws

The provisions of Minnesota Statutes governing Minnesota public retirement coverage and the applicable retirement plan are as follows:

Minnesota Statutes	Retirement Plan
3A	Legislators Retirement Plan (Closed in 1997)
43A (Sec. 43A.34)	Mandatory Retirement for certain State Patrol Plan members
43A (Sec. 43A.345)	1997-1998 Early Retirement Incentive
43A (Sec. 43A.346)	Post Retirement Re-employment Option
69	Fire State Aid program and Police State Aid program
352	Minnesota State Retirement System-General State Employees Retirement Plan (MSRS-General); MSRS-Correctional State Employees Retirement Plan (MSRS-Correctional)
352B	State Patrol Retirement Plan
352C	Elective State Officers Retirement Plan (Closed in 1997)
352D	MSRS-Unclassified State Employees Retirement Program (MSRS- Unclassified)
352F	University of Minnesota Hospital Special Retirement Provisions
353	Public Employees Retirement Association-General Employees Retirement Plan (PERA-General); Public Employees Police & Fire Retirement Plan (PERA-P&F)

Legal Aspects of Minnesota Public Retirement

Minnesota Statutes	Retirement Plan
353A	Local Police & Paid Fire Relief Association Consolidation (Obsolete)
353B	Local Police & Paid Fire Relief Association Consolidation (Obsolete)
353D	Public Employees defined Contribution Retirement Plan
353E	Local Government Correctional Service Retirement Plan (PERA- Correctional)
353F	Privatized Public Hospital and Other Local Governmental Entities Special Retirement Provisions
353G	Voluntary Statewide Lump Sum Volunteer Firefighter Retirement Plan
354	Teachers Retirement Association (TRA)
354A	Duluth Teachers Retirement Fund Association (DTRFA); St. Paul Teachers Retirement Fund Association (SPTRFA)
354B	Minnesota State Colleges & Universities Individual Retirement Plan (MnSCU-IRAP)
354C	Higher Education Supplemental Retirement Plan
354D	State Arts Board, Minnesota Humanities Center, and Minnesota Historical Society Individual Retirement Plan
355	Social Security Coverage Agreements
356	Retirement Systems, Generally
356A	Public Pension Fiduciary Responsibility Act
356B	Public Pension Administration
423A	Police and Fire Amortization, Supplemental Amortization, and Additional Amortization State Aid programs
424A	Volunteer Firefighters Relief Association Retirement Provisions
424B	Volunteer Firefighters Relief Association Consolidation, Dissolution
490	Uniform Judicial Retirement Plan

Status of Minnesota Public Pension Plans as Governmental Entities

- The statewide retirement plan administrations have the status of state agencies, with the Minnesota State Retirement System and the Teachers Retirement Association treated as such historically, without any specific statutory provision governing the topic, and, with the Public Employees Retirement Association, specifically denoted as not being subject to any laws generally applicable to state agencies between 1975 and 1984 (*see Laws 1975, Chapter 102, Section 8*) and specifically denoted as being subject to any laws generally applicable to state agencies since 1985 (*see Minnesota Statutes, Section 353.03, Subdivision 5; Laws 1985, Chapter 11, Section 10*).
- The first class city teacher retirement fund associations are nonprofit corporations under Minnesota Statutes, Chapter 317A.
- Many of the volunteer firefighter relief associations are associated with municipal fire departments, although the relief association itself is a nonprofit corporation under Minnesota Statutes, Chapter 317A separate from the municipality. A significant minority of volunteer firefighter relief associations are subsidiary corporations of independent nonprofit firefighting corporations, which typically contract with one or several townships or cities.

Federal Income Tax Qualification of Minnesota Public Pension Plans

- The statewide Minnesota public pension plans and the first class city teacher retirement fund associations are federal Internal Revenue Code, Section 401 (a) tax exempt retirement plans and trusts and have tax qualification letters from the federal Internal Revenue Service. The first class city teacher retirement fund associations also are tax exempt organizations under federal Internal Revenue Code, Section 501 (c) (11).

Legal Aspects of Minnesota Public Retirement

- Volunteer firefighter relief associations, akin to public pension plans generally, have been treated by the Internal Revenue Service historically as if they are tax qualified retirement plans. A generally applicable tax exemption determination document from the Internal Revenue Service from the late 1970's indicates that volunteer firefighter relief associations are tax qualified under federal Internal Revenue Code, Section 501 (c) (4) as organizations that reduce the financial obligations of municipalities. Few volunteer firefighter relief associations reportedly have federal Internal Revenue Code, Section 401 (a) tax qualification letters.

Application of the Public Employees Labor Relations Act

- The Public Employees Labor Relations Act (PELRA) was enacted in 1971 and initially permitted the collective bargaining of retirement benefits and contributions. The 1973 legislation shifting the MSRS-General State Employees Retirement Plan from a career average salary defined benefit retirement plan to a final average salary defined benefit plan and creating the MSRS-Correction State Employees Retirement Plan was an outgrowth of the initial bargaining between the State of Minnesota and AFSCME Council 6.
- In 1973 (Laws 1973, Chapter 635, Section 6,) the PELRA definition of “terms and conditions of employment,” which are mandatory subjects of collective bargaining, was amended to exclude retirement contributions and benefits.
- Although members of the Commission who advocated the 1973 PELRA law change with respect to retirement contributions and benefits believed that post-1973 State law prohibited collective bargaining over retirement topics, the American Transit Union continued to bargain with the Metropolitan Transit Commission over the public sector-inherited Twin City Lines Retirement Plan after 1973. In response to a question from the Commission, an Attorney General's opinion in 1978 indicated that the 1973 PELRA amendment simply excluded retirement benefits and contributions from mandatory bargaining items, but did not prohibit parties from jointly voluntarily bargaining on retirement topics.

Legal Representation of Minnesota Public Pension Plans

- The statewide retirement plan administrations are represented in legal actions by or against the retirement fund by the State Attorney General. The venue for legal actions against a statewide retirement fund is solely in the Ramsey County district court (*see Minnesota Statutes, Sections 352.03, Subdivision 11; 353.08; and 354.07, Subdivision 3*).
- The first class city teacher retirement fund associations, as nonprofit corporations, retain outside legal counsel, although that legal counsel can request the legal opinion of the State Attorney General under Minnesota Statutes, Section 8.07.
- Volunteer firefighter relief associations that are associated with municipal fire departments can utilize the municipality's legal counsel or, as nonprofit corporations, retain outside legal counsel. Volunteer firefighter relief associations that are subsidiary to nonprofit firefighting corporations can utilize the firefighting corporation's legal counsel or, as nonprofit corporations, can retain outside legal counsel. Legal counsel can request the legal opinion of the State Attorney General under Minnesota Statutes, Section 8.07.

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Minnesota Public Pension Plans **Actuarial Reporting**

- Before 1957, no state law required any actuarial reporting regarding Minnesota public pension plans.
- Regular recurring Minnesota public pension plan actuarial and financial reporting was first required in 1965, with the actuarial valuations prepared by the consulting actuaries retained by the plans.
- From 1984 until 2008, actuarial reporting on the major and statewide Minnesota public pension plans has been required to be prepared by a single consulting actuary initially retained by the Legislative Commission on Pensions and Retirement (1984-2003) and subsequently retained jointly by the statewide and major local retirement plan administrations.
- Since 2008, each statewide or major local retirement plan administration has been required to retain a consulting actuary who prepares the annual actuarial valuation of the applicable retirement plan or plans. The actuary retained by the Pension Commission currently functions as the auditing and reviewing actuary, monitoring the actuarial work of the various consulting actuaries retained by the retirement plan administrations.
- Actuarial reporting requirements and major economic assumptions are largely prescribed in statute. The statutory regulation of actuarial work is augmented by the Standards for Actuarial Work adopted by the Commission. Additional demographic actuarial assumptions are adopted by the plan governing boards, subject to Commission approval.
- Actuarial reporting is intended to assess the adequacy of the total non-investment revenue financial support of the pension plan compared with calculated annual actuarial funding requirements of the pension plan, to assess the extent of conformance with the selected budgetary actuarial method for accumulating financial reserves for pension liabilities, and to provide required actuarial disclosure for governmental accounting purposes.

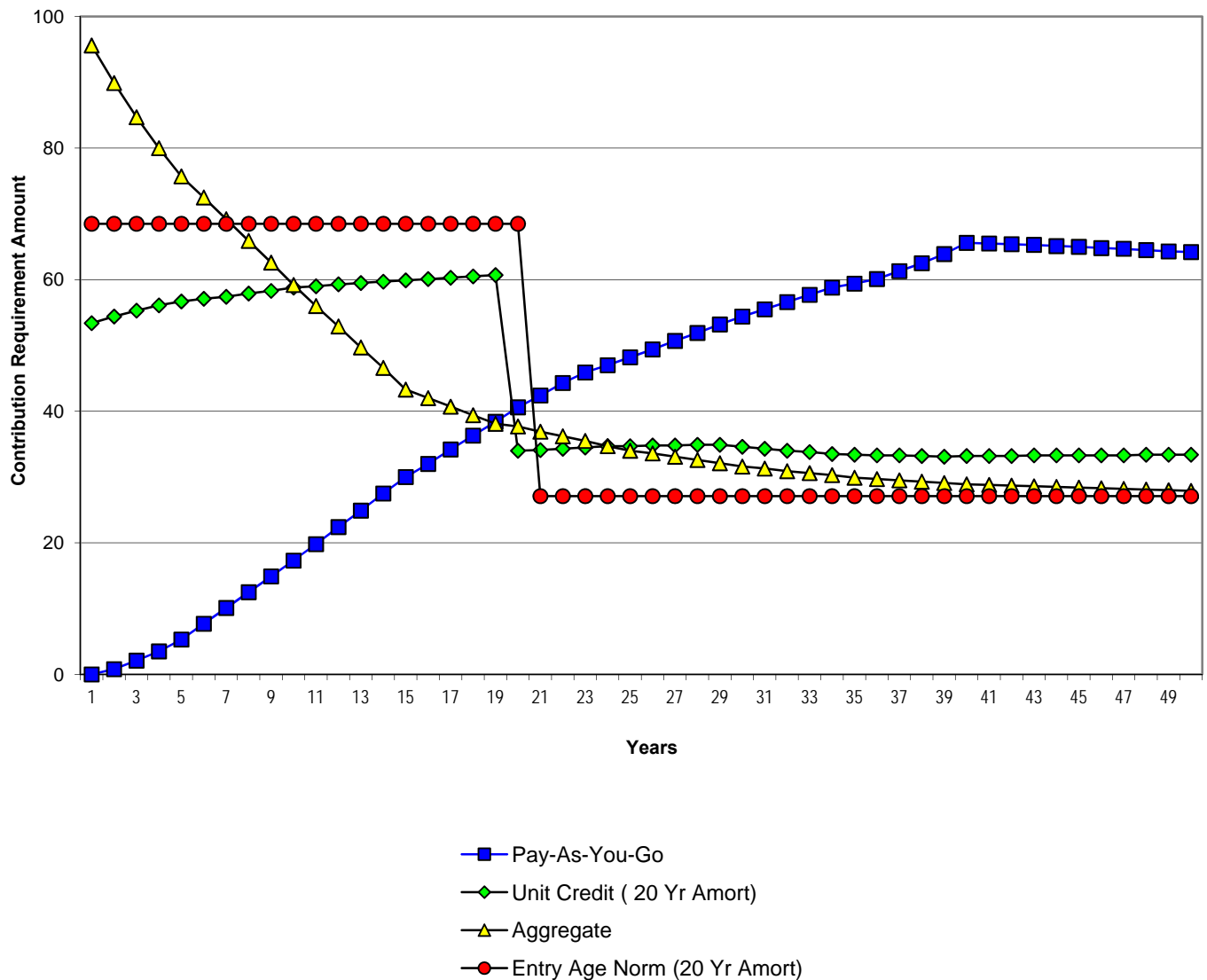
Minnesota Public Pension Plans

Nature of Actuarial Funding

- Actuarial funding is a mechanism for:
 1. Determining the magnitude of pension liabilities previously undertaken by a defined benefit pension plan;
 2. Comparing the current pension plan assets reserved for pension purposes with the accrued pension liabilities amassed by a defined benefit pension plan; and
 3. Assessing the adequacy of total annual contribution support to meet the total annual funding requirements of a defined benefit pension plan.
- Actuarial funding differs from non-actuarial pension funding, which is typically represented by current disbursements (pay-as-you-go) funding, as used by the Social Security System historically.
- Many different actuarial funding methods exist and were developed primarily to meet the budgetary needs of a plan sponsor.
- Minnesota utilizes the Entry Age Actuarial Cost Method (or Entry Age Normal Cost Actuarial Cost Method), which emphasizes the determination of a level actuarial cost as a percentage of covered payroll over a plan member's working career.
- Minnesota actuarial reporting produces:
 1. A measure of the magnitude of accrued pension liability: Actuarial Accrued Liability
 2. A pension reserve comparison: Current Assets (actuarial value of assets)
Unfunded Actuarial Accrued Liability
Funding Ratio (assets expressed as a percentage of liabilities)
 3. Measure of contribution adequacy: Funding Requirement
 1. Normal Cost
 2. Administrative Expenses
 3. Supplementary (Amortization) ContributionTotal Actuarial Requirement (1. + 2. + 3.)

Contributions
 4. Member Contributions
 5. Employer Contributions
 6. State Aid or Other Regular FundingTotal Contributions (4. + 5. + 6.)

Pattern of Recognizing Pension Costs Over Time Under Various Funding Methods



Source: Robert Tilove, *Public Employee Pension Funds*, N. Y., Columbia University Press, 1976, pp. 144-145, as adapted from Charles L. Trowbridge, "Fundamentals of Pension Funding," *Transactions, Society of Actuaries*, Vol. 4, 1952

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Summary of Actuarial Valuation Results Minnesota Public Employee Retirement Plans

	Total Statewide General Employee Plans FY2013	Total Statewide Public Safety Plans FY2013	Total Statewide Specialty Plans FY2013	Total First Class City Plans FY2013	Total Local Police & Paid Fire Plans CY2012	Volunteer Fire Plans** CY2011	TOTAL ALL PLANS
Membership							
Active Members	265,649	19,662	333	4,998	119	16,839	307,600
Service Retirees	147,846	9,754	507	7,380	141	1,453	167,081
Disability	6,053	1,595	24	166	9	0	7,847
Survivors	15,638	2,277	177	1,212	24	0	19,328
Deferred Retirees	74,622	4,857	87	2,113	18	3,344	85,041
Nonvested Former Members	153,964	3,235	1	2,192	0	0	159,392
Total Membership	663,772	41,380	1,129	18,061	311	21,636	746,289
Funded Status							
Accrued Liability	\$54,227,039,000	\$9,453,159,000	\$528,984,759	\$2,986,616,396	\$124,210,384	\$441,403,950	\$67,761,413,489
Current Assets	\$40,263,701,000	\$7,533,133,000	\$156,411,000	\$1,945,225,720	\$122,544,915	\$428,405,184	\$50,449,420,819
Unfunded Accrued Liability	\$13,963,338,000	\$1,920,026,000	\$372,573,759	\$1,041,390,676	\$1,665,469	\$12,998,766	\$17,311,992,670
Funding Ratio	74.25%	79.69%	29.57%	65.13%	98.66%	97.06%	74.45%
Financing Requirements							
Covered Payroll	\$12,015,353,000	\$1,273,818,000	\$41,529,000	\$323,672,537	\$9,668,988	\$0	\$13,664,041,525
Benefits Payable	\$3,159,324,000	\$535,766,000	\$28,606,000	\$266,475,230	\$4,211,880	\$30,485,847	\$4,024,868,957
Normal Cost	\$859,293,000	\$223,921,000	\$8,617,000	\$25,422,107	\$2,788,613	\$24,796,098	\$1,144,837,818
Administrative Expenses	\$28,596,000	\$1,839,000	\$101,000	\$1,641,705	\$90,545	\$2,028,813	\$34,297,063
Amortization	\$1,012,733,000	\$127,010,000	\$28,134,345	\$80,964,847	\$136,963	\$4,036,250	\$1,253,015,405
Total Requirements	\$1,900,622,000	\$352,770,000	\$36,852,345	\$108,028,659	\$3,016,121	\$30,861,161	\$2,432,150,286
Employee Contributions	\$750,639,000	\$117,832,000	\$3,519,000	\$20,793,368	\$0	\$0	\$892,783,368
Employer Contributions	\$811,254,000	\$175,053,000	\$9,123,000	\$28,629,524	\$2,664,554	\$12,084,364	\$1,038,798,442
Employer Adm'l Cont.	\$0	\$11,559,000	\$0	\$31,014,000	\$0	\$0	\$42,573,000
Direct State Funding	\$19,954,000	\$10,000,000	\$0	\$41,220,402	\$361,567	\$17,182,006	\$88,717,975
Other Govt. Funding	\$0	\$0	\$0	\$0	\$0	\$476,828	\$476,828
Administrative Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Contributions	\$1,581,847,000	\$314,444,000	\$12,642,000	\$121,657,294	\$3,016,121	\$29,743,198	\$2,063,349,613
Total Requirements	\$1,900,622,000	\$352,770,000	\$36,852,345	\$108,028,659	\$3,016,121	\$30,861,161	\$2,432,150,286
Total Contributions	\$1,581,847,000	\$314,444,000	\$12,642,000	\$121,657,294	\$3,016,121	\$29,743,198	\$2,063,349,613
Deficiency (Surplus)	\$318,775,000	\$38,326,000	\$24,210,345	(\$13,628,635)	0.00%	\$1,117,963	\$368,800,673

**Source: State Auditor Public Pension Plan Financial and Investment Report (most recent data available)

FY = July 1-June 30

CY = Jan 1-Dec 31

Summary of Actuarial Valuation Results

Statewide General Employee Retirement Plans

	MSRS-General FY2013	PERA-General FY2013	TRA FY2013	Total Statewide General Employee Plans FY2013
<u>Memberships</u>				
Active Members	49,121	139,763	76,765	265,649
Service Retirees	27,654	67,861	52,331	147,846
Disability	1,802	3,683	568	6,053
Survivors	3,830	7,539	4,269	15,638
Deferred Retirees	16,062	45,946	12,614	74,622
Nonvested Former Members	5,574	119,509	28,881	153,964
Total Membership	104,043	384,301	175,428	663,772
<u>Funded Status</u>				
Accrued Liability	\$11,428,641,000	\$19,379,769,000	\$23,418,629,000	\$54,227,039,000
Current Assets	\$9,375,780,000	\$14,113,295,000	\$16,774,626,000	\$40,263,701,000
Unfunded Accrued Liability	\$2,052,861,000	\$5,266,474,000	\$6,644,003,000	\$13,963,338,000
Funding Ratio	82.04%	72.82%	71.63%	74.25%
<u>Financing Requirements</u>				
Covered Payroll	\$2,553,156,000	\$5,256,798,000	\$4,205,399,000	\$12,015,353,000
Benefits Payable	\$586,256,000	\$1,051,591,000	\$1,521,477,000	\$3,159,324,000
Normal Cost	\$177,445,000	\$328,513,000	\$353,335,000	\$859,293,000
Administrative Expenses	\$8,936,000	\$9,988,000	\$9,672,000	\$28,596,000
Amortization	\$131,488,000	\$427,903,000	\$453,342,000	\$1,012,733,000
Total Requirements	\$317,869,000	\$766,404,000	\$816,349,000	\$1,900,622,000
Employee Contributions	\$127,658,000	\$328,565,000	\$294,416,000	\$750,639,000
Employer Contributions	\$127,658,000	\$381,142,000	\$302,454,000	\$811,254,000
Employer Add'l Cont.	\$0	\$0	\$0	\$0
Direct State Funding	\$0	\$0	\$19,954,000	\$19,954,000
Other Govt. Funding	\$0	\$0	\$0	\$0
Administrative Assessment	\$0	\$0	\$0	\$0
Total Contributions	\$255,316,000	\$709,707,000	\$616,824,000	\$1,581,847,000
	10.00%	13.50%	14.67%	13.17%
Total Requirements	\$317,869,000	\$766,404,000	\$816,349,000	\$1,900,622,000
Total Contributions	\$255,316,000	\$709,707,000	\$616,824,000	\$1,581,847,000
Deficiency (Surplus)	\$62,553,000	\$56,697,000	\$199,525,000	\$318,775,000
	2.45%	1.08%	4.74%	2.65%

Summary of Actuarial Valuation Results

Statewide Public Safety Retirement Plans

	MSRS-Correctional FY2013	State Patrol FY2013	PERA-P&F FY2013	PERA-Correctional FY2013	Total Statewide Public Safety Plans FY2013
<u>Membership</u>					
Active Members	4,384	845	10,940	3,493	19,662
Service Retirees	1,920	748	6,583	503	9,754
Disability	258	50	1,131	156	1,595
Survivors	196	185	1,865	31	2,277
Deferred Retirees	1,196	41	1,388	2,232	4,857
Nonvested Former Members	413	18	988	1,816	3,235
Total Membership	8,367	1,887	22,895	8,231	41,380
<u>Funded Status</u>					
Accrued Liability	\$1,026,098,000	\$741,850,000	\$7,304,032,000	\$381,179,000	\$9,453,159,000
Current Assets	\$701,091,000	\$552,319,000	\$5,932,945,000	\$346,778,000	\$7,533,133,000
Unfunded Accrued Liability	\$325,007,000	\$189,531,000	\$1,371,087,000	\$34,401,000	\$1,920,026,000
Funding Ratio	68.33%	74.45%	81.23%	90.98%	79.69%
<u>Financing Requirements</u>					
Covered Payroll	\$212,972,000	\$64,136,000	\$822,003,000	\$174,707,000	\$1,273,818,000
Benefits Payable	\$46,226,000	\$52,057,000	\$431,726,000	\$5,757,000	\$535,766,000
Normal Cost	\$33,223,000	\$13,327,000	\$155,358,000	\$22,013,000	\$223,921,000
Administrative Expenses	\$703,000	\$186,000	\$740,000	\$210,000	\$1,839,000
Amortization	\$21,681,000	\$12,936,000	\$89,598,000	\$2,795,000	\$127,010,000
Total Requirements	\$55,607,000	\$26,449,000	\$245,696,000	\$25,018,000	\$352,770,000
Employee Contributions	\$18,316,000	\$7,953,000	\$81,378,000	\$10,185,000	\$117,832,000
Employer Contributions	\$25,770,000	\$11,929,000	\$122,067,000	\$15,287,000	\$175,063,000
Employer Add'l Cont.	\$0	\$0	\$11,559,000	\$0	\$11,559,000
Direct State Funding	\$0	\$1,000,000	\$9,000,000	\$0	\$10,000,000
Other Govt. Funding	\$0	\$0	\$0	\$0	\$0
Administrative Assessment	\$0	\$0	\$0	\$0	\$0
Total Contributions	\$44,086,000	\$20,882,000	\$224,004,000	\$25,472,000	\$314,444,000
Total Requirements	\$55,607,000	\$26,449,000	\$245,696,000	\$25,018,000	\$352,770,000
Total Contributions	\$44,086,000	\$20,882,000	\$224,004,000	\$25,472,000	\$314,444,000
Deficiency (Surplus)	\$11,521,000	\$5,567,000	\$21,692,000	(\$454,000)	\$38,326,000

Summary of Actuarial Valuation Results

Statewide Specialty Retirement Plans

	Elective State Officers FY2013	Judges FY2013	Legislators FY2013	Total Statewide Specialty Plans FY2013
<u>Membership</u>				
Active Members	0	309	24	333
Service Retirees	10	210	287	507
Disability	0	24	0	24
Survivors	4	98	75	177
Deferred Retirees	1	16	70	87
Nonvested Former Members	0	0	1	1
Total Membership	15	657	457	1,129
<u>Funded Status</u>				
Accrued Liability	\$8,594,759	\$284,513,000	\$235,877,000	\$528,984,759
Current Assets	\$0	\$144,918,000	\$11,493,000	\$156,411,000
Unfunded Accrued Liability	\$8,594,759	\$139,595,000	\$224,384,000	\$372,573,759
Funding Ratio	0.00%	50.94%	4.87%	29.57%
<u>Financing Requirements</u>				
Covered Payroll	\$0	\$40,545,000	\$984,000	\$41,529,000
Benefits Payable	\$501,000	\$19,772,000	\$8,333,000	\$28,606,000
Normal Cost	\$0	\$7,327,000	\$1,290,000	\$8,617,000
Administrative Expenses	\$1,000	\$73,000	\$27,000	\$101,000
Amortization	\$1,074,345	\$9,800,000	\$17,260,000	\$28,134,345
Total Requirements	\$1,075,345	\$17,200,000	\$18,577,000	\$36,852,345
Employee Contributions	\$0	\$3,430,000	\$89,000	\$3,519,000
Employer Contributions	*	\$9,123,000	* 0.00%	\$9,123,000
Employer Add'l Cont.	\$0	\$0	\$0	\$0
Direct State Funding	\$0	\$0	\$0	\$0
Other Govt. Funding	\$0	\$0	\$0	\$0
Administrative Assessment	\$0	\$0	\$0	\$0
Total Contributions	\$0	\$12,553,000	\$89,000	\$12,642,000
Total Requirements	\$1,075,345	\$17,200,000	\$18,577,000	\$36,852,345
Total Contributions	\$0	\$12,553,000	\$89,000	\$12,642,000
Deficiency (Surplus)	\$1,075,345	\$4,647,000	\$18,488,000	\$24,210,345
	* Pay-as-you-go Funding		* Pay-as-you-go Funding	

Summary of Actuarial Valuation Results

First Class City Retirement Plans

	DTRFA FY2013	SPTIFA FY2013	MERF Division of PERA FY2013	Total First Class City Plans FY2013
<u>Membership</u>				
Active Members	873	4,061	64	4,998
Service Retirees	1,311	3,047	3,022	7,380
Disability	19	30	117	166
Survivors	115	327	770	1,212
Deferred Retirees	268	1,788	57	2,113
Nonvested Former Members	<u>757</u>	<u>1,435</u>	<u>0</u>	<u>2,192</u>
Total Membership	3,343	10,688	4,030	18,061
<u>Funded Status</u>				
Accrued Liability	\$352,143,396	\$1,467,350,000	\$1,167,123,000	\$2,986,616,396
Current Assets	<u>\$190,116,720</u>	<u>\$886,296,000</u>	<u>\$868,813,000</u>	<u>\$1,945,225,720</u>
Unfunded Accrued Liability	\$162,026,676	\$581,054,000	\$298,310,000	\$1,041,390,676
Funding Ratio	53.99%	60.40%	74.44%	65.13%
<u>Financing Requirements</u>				
Covered Payroll	\$49,019,537	\$270,395,000	\$4,258,000	\$323,672,537
Benefits Payable	\$25,430,230	\$103,238,000	\$137,807,000	\$266,475,230
Normal Cost	\$3,799,107	\$21,168,000	\$455,000	\$25,422,107
Administrative Expenses	\$514,705	\$784,000	\$343,000	\$1,641,705
Amortization	<u>\$10,656,847</u>	<u>\$37,882,000</u>	<u>\$32,426,000</u>	<u>\$80,964,847</u>
Total Requirements	\$14,970,659	\$59,834,000	\$33,224,000	\$108,028,659
Employee Contributions	\$3,431,368	\$16,947,000	\$415,000	\$20,793,368
Employer Contributions	\$3,573,524	\$24,641,000	\$415,000	\$28,629,524
Employer Add'l Cont.	\$0	\$0	\$31,014,000	\$31,014,000
Direct State Funding	\$6,555,402	\$10,665,000	\$24,000,000	\$41,220,402
Other Govt. Funding	\$0	\$0	\$0	\$0
Administrative Assessment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Contributions	\$13,560,294	\$52,253,000	\$55,844,000	\$121,657,294
	27.66%	19.33%	1311.51%	37.59%
Total Requirements	\$14,970,659	\$59,834,000	\$33,224,000	\$108,028,659
Total Contributions	<u>\$13,560,294</u>	<u>\$52,253,000</u>	<u>\$55,844,000</u>	<u>\$121,657,294</u>
Deficiency (Surplus)	\$1,410,365	\$7,581,000	(\$22,620,000)	(\$13,628,635)
	2.88%	2.80%	(531.23%)	(4.21%)

Summary of Actuarial Valuation Results

Teacher Retirement Plans

	DTRFA FY2013	SPTRFA FY2013	TRA FY2013	Total Teacher Plans FY2013
<u>Membership</u>				
Active Members	873	4,061	76,765	81,699
Service Retirees	1,311	3,047	52,331	56,689
Disabllitants	19	30	568	617
Survivors	115	327	4,269	4,711
Deferred Retirees	268	1,788	12,614	14,670
Nonvested Former Members	<u>757</u>	<u>1,435</u>	<u>28,881</u>	<u>31,073</u>
Total Membership	3,343	10,688	175,428	189,459
<u>Funded Status</u>				
Accrued Liability	\$352,143,396	\$1,467,350,000	\$23,418,629,000	\$25,238,122,396
Current Assets	<u>\$190,116,720</u>	<u>\$886,296,000</u>	<u>\$16,774,626,000</u>	<u>\$17,851,038,720</u>
Unfunded Accrued Liability	\$162,026,676	\$581,054,000	\$6,644,003,000	\$7,387,083,676
Funding Ratio	53.99%	60.40%	71.63%	70.73%
<u>Financing Requirements</u>				
Covered Payroll	\$49,019,537	\$270,395,000	\$4,205,399,000	\$4,524,813,537
Benefits Payable	\$25,430,230	\$103,238,000	\$1,521,477,000	\$1,650,145,230
Normal Cost	\$3,799,107	\$21,168,000	\$353,335,000	\$378,302,107
Administrative Expenses	\$514,705	\$784,000	\$9,672,000	\$10,970,705
Amortization	<u>\$10,656,847</u>	<u>\$37,882,000</u>	<u>\$453,342,000</u>	<u>\$501,880,847</u>
Total Requirements	30.54%	22.13%	19.41%	19.69%
Employee Contributions	7.00%	6.27%	7.00%	6.96%
Employer Contributions	7.29%	9.11%	7.19%	7.31%
Employer Add'l Cont.	0.00%	0.00%	\$0	0.00%
Direct State Funding	13.37%	3.94%	\$19,954,000	\$37,174,402
Other Govt. Funding	0.00%	0.00%	\$0	\$0
Administrative Assessment	<u>0.00%</u>	<u>0.00%</u>	<u>\$0</u>	<u>\$0</u>
Total Contributions	27.66%	19.33%	14.67%	15.09%
Employee Contributions			\$294,416,000	\$314,794,368
Employer Contributions			\$302,454,000	\$330,668,524
Employer Add'l Cont.			\$0	\$0
Direct State Funding			\$19,954,000	\$37,174,402
Other Govt. Funding			\$0	\$0
Administrative Assessment			\$0	\$0
Total Contributions			\$616,824,000	\$682,637,294
Total Requirements	30.54%	22.13%	19.41%	19.69%
Total Contributions	<u>27.66%</u>	<u>19.33%</u>	<u>\$616,824,000</u>	<u>\$682,637,294</u>
Deficiency (Surplus)	2.88%	2.80%	4.74%	4.61%

Summary of Actuarial Valuation Results Local Police Fire Retirement Plans

	Bloomington Fire CY2012	Fairmont Police CY2012*	Minneapolis Fire CY2012*	Minneapolis Police CY2012*	Virginia Fire CY2012*	Total Local Police and Paid Fire Plans CY2012
<u>Membership</u>						
Active Members	119					119
Service Retirees	141					141
Disability	9					9
Survivors	24					24
Deferred Retirees	18					18
Nonvested Former Members	0					0
Total Membership	311	*Merged into PERA-P&F	*Merged into PERA-P&F	*Merged into PERA-P&F	*Merged into PERA-P&F	311
<u>Funded Status</u>						
Accrued Liability	\$124,210,384					\$124,210,384
Current Assets	\$122,544,915					\$122,544,915
Unfunded Accrued Liability	\$1,665,469					\$1,665,469
Funding Ratio	98.66%					98.66%
<u>Financing Requirements</u>						
Covered Payroll	\$9,668,988					\$9,668,988
Benefits Payable	\$4,211,880					\$4,211,880
Normal Cost	\$2,788,613					\$2,788,613
Administrative Expenses	\$90,545					\$90,545
Amortization	\$136,963					\$136,963
Total Requirements	\$3,016,121					\$3,016,121
Employee Contributions	\$0					\$0
Employer Contributions	\$2,654,554					\$2,654,554
Employer Ad'l'l Cont.	\$0					\$0
Direct State Funding	\$361,567					\$361,567
Other Govt. Funding	\$0					\$0
Administrative Assessment	\$0					\$0
Total Contributions	\$3,016,121					\$3,016,121
Total Requirements	\$3,016,121					\$3,016,121
Total Contributions	\$3,016,121					\$3,016,121
Deficiency (Surplus)	\$0					\$0

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Minnesota Public Pension Plans Funding Progress 1957-2013

		General State Employees Retirement Plan (MSRS)	MN Three Major Statewide Plans (MSRS, PERA, TRA)	St. Paul Teachers Ret. Fund Assoc. (SPTRFA)	All Minnesota Public Employee Pension Plans
1957:	Actuarial Accrued Liability	\$69,000,000	\$291,738,421	\$25,190,245	\$564,829,533
	Assets	<u>\$42,300,000</u>	<u>\$107,088,150</u>	<u>\$2,252,483</u>	<u>\$177,900,430</u>
	Unfunded Accrued Liability	\$26,700,000	\$4,341,687,953	\$22,937,762	\$386,929,103
	Funding Ratio	61.30%	36.71%	8.94%	87.17%
	Normal Cost	6.29%	9.03%	14.00%	9.37%
	Expenses	--	0.07%	0.00%	0.05%
	Amortization	<u>1.37%</u>	<u>2.51%</u>	<u>10.10%</u>	<u>3.92%</u>
	Financial Requirements	7.66%	11.61%	24.10%	13.34%
	Employee Contributions	3.00%	5.14%	5.00%	5.17%
	Employer Contributions	<u>5.00%</u>	<u>6.69%</u>	<u>8.00%</u>	<u>7.38%</u>
	Total Contributions	8.00%	11.82%	13.00%	12.55%
1975:	Actuarial Accrued Liability	\$420,764,087	\$2,277,884,654	\$121,897,799	\$3,406,858,458
	Assets	<u>\$246,896,093</u>	<u>\$1,302,569,785</u>	<u>\$46,833,545</u>	<u>\$1,799,398,021</u>
	Unfunded Accrued Liability	\$173,867,994	\$975,314,869	\$75,064,254	\$1,607,460,437
	Funding Ratio	58.68%	57.18%	38.42%	52.80%
	Normal Cost	6.91%	8.54%	10.99%	9.92%
	Expenses	0.14%	0.13%	0.26%	1.50%
	Amortization	<u>3.11%</u>	<u>4.47%</u>	<u>13.49%</u>	<u>5.97%</u>
	Financial Requirements	10.16%	13.14%	24.75%	17.39%
	Employee Contributions	4.00%	4.62%	8.00%	5.02%
	Employer Contributions	<u>6.00%</u>	<u>6.76%</u>	<u>11.34%</u>	<u>8.78%</u>
	Total Contributions	10.00%	11.37%	19.34%	13.80%
1992:	Actuarial Accrued Liability	\$3,125,299,000	\$16,227,774,000	\$533,865,000	\$21,696,883,910
	Assets	<u>\$2,613,472,000</u>	<u>\$12,916,315,000</u>	<u>\$355,998,000</u>	<u>\$16,182,748,253</u>
	Unfunded Accrued Liability	\$511,827,000	\$3,311,459,000	\$177,867,000	\$5,514,135,657
	Funding Ratio	83.62%	79.59%	66.68%	74.59%
	Normal Cost	6.58%	7.78%	12.11%	8.95%
	Expenses	0.23%	0.31%	0.75%	0.42%
	Amortization	<u>1.46%</u>	<u>2.49%</u>	<u>6.88%</u>	<u>3.37%</u>
	Financial Requirements	8.27%	10.58%	19.74%	12.74%
	Employee Contributions	4.07%	4.38%	6.33%	4.72%
	Employer Contributions	<u>4.20%</u>	<u>4.72%</u>	<u>8.76%</u>	<u>7.28%</u>
	Total Contributions	8.27%	9.10%	15.09%	12.00%
2013:	Actuarial Accrued Liability	11,428,641,000	\$54,227,039,000	\$1,467,350,000	\$67,761,413,489
	Assets	<u>9,375,780,000</u>	\$40,263,701,000	<u>\$886,296,000</u>	<u>\$50,449,420,819</u>
	Unfunded Accrued Liability	\$2,052,861,000	\$13,963,338,000	\$581,054,000	\$17,311,992,670
	Funding Ratio	82.04%	74.25%	60.40%	74.45%
	Normal Cost	6.95%	7.15%	7.83%	8.38%
	Expenses	0.35%	0.24%	0.29%	0.25%
	Amortization	<u>5.15%</u>	<u>8.43%</u>	<u>14.01%</u>	<u>9.17%</u>
	Financial Requirements	12.45%	15.82%	22.13%	17.80%
	Employee Contributions	5.00%	6.25%	6.27%	6.53%
	Employer Contributions	5.00%	6.75%	9.11%	7.60%
	Employer Add'l Cont.	0.00%	0.00%	0.00%	0.31%
	Direct State Funding	0.00%	0.17%	3.94%	0.65%
	Other Govt. Funding	0.00%	0.00%	0.00%	0.00%
	Administrative Assessment	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	Total Contributions	10.00%	13.17%	19.33%	15.10%

Minnesota Public Pension Plans

Comparison of Actuarial Valuation Results 2008-2013

	MSRS-General		PERA		TRA		Total Statewide General Employee Plans	
	FY2013	FY2008	FY2013	FY2008	FY2013	FY2008	FY2013	FY2008
Membership								
Active Members	49,121	48,823	139,763	145,238	76,765	76,515	265,649	270,576
Service Retirees	27,654	21,736	67,861	54,855	52,331	43,041	147,846	119,632
Disabillitants	1,802	1,620	3,683	2,046	568	641	6,053	4,307
Survivors	3,830	3,090	7,539	6,979	4,269	3,299	15,638	13,368
Deferred Retirees	16,062	14,951	45,946	42,308	12,614	12,168	74,622	69,427
Nonvest. Form. Mem.	5,574	6,865	119,509	116,805	28,881	22,115	153,964	145,785
Total Membership	104,043	97,085	384,301	368,231	175,428	157,779	663,772	623,095
Funded Status								
Accrued Liability	%	\$	%	\$	%	\$	%	\$
Current Assets		11,428,641,000		19,379,769,000		23,418,629,000		22,230,841,000
Unfunded Accr. Liab.		9,375,780,000		14,113,295,000		16,774,626,000		18,226,985,000
Funding Ratio	82.04	90.18	72.82	73.60	71.63	81.99	74.25	80.65
Financing Req.								
Covered Payroll		2,553,156,000		5,256,798,000		4,205,399,000		3,846,190,000
Benefits Payable		586,256,000		1,051,591,000		1,521,477,000		1,330,837,000
Normal Cost								
Admin. Expenses	6.95	177,445,000	7.78	328,513,000	8.40	353,335,000	8.77	337,281,000
Amortization	0.35	8,936,000	0.23	9,988,000	0.23	9,672,000	0.27	10,385,000
Total Requirements	5.15	131,488,000	4.38	427,903,000	10.78	453,342,000	6.04	232,310,000
	12.45	317,869,000	12.39	766,404,000	19.41	816,349,000	15.08	579,976,000
Employee Contrib.								
Employer Contrib.	5.00	127,658,000	4.50	328,565,000	7.00	294,416,000	6.25	211,704,000
Employer Add'l Cont.	5.00	127,658,000	4.50	381,142,000	7.19	302,454,000	6.75	218,752,000
Dir. State Funding	0.00	0	0.00	0	0.00	0	0.00	0
Other Govt. Funding	0.00	0	0.00	0	0.47	19,954,000	0.17	19,954,000
Admin. Assessment	0.00	0	0.00	0	0.00	0	0.00	0
Total Contrib.	10.00	255,316,000	9.00	709,707,000	14.67	616,824,000	13.17	452,126,000
Total Requirements	12.45	317,869,000	12.39	766,404,000	19.41	816,349,000	15.82	579,976,000
Total Contributions	10.00	255,316,000	9.00	709,707,000	14.67	616,824,000	13.17	452,126,000
Deficiency (Surplus)	2.45	62,553,000	3.39	80,709,000	4.74	199,525,000	2.65	318,775,000

Minnesota Defined Benefit Retirement Plans

Plan Demographics

ACTIVE MEMBERSHIP

Number of Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	45,590	49,576	49,705	47,920	47,125	48,494	49,121
PERA-General	86,312	102,664	126,612	135,560	142,303	140,389	139,763
TRA	<u>58,533</u>	<u>64,324</u>	<u>67,558</u>	<u>70,508</u>	<u>74,552</u>	<u>77,356</u>	<u>76,765</u>
<i>Subtotal</i>	190,435	216,564	243,875	253,988	263,980	266,239	265,649
MSRS-Correctional	1,191	1,416	2,117	3,098	3,607	4,268	4,384
State Patrol Plan	764	788	803	830	831	848	845
PERA-P&F	4,928	6,136	7,380	9,627	10,235	11,002	10,940
P&F Consolidation Accounts	--	287	1,061	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,781</u>	<u>3,352</u>	<u>3,521</u>	<u>3,493</u>
<i>Subtotal</i>	6,883	8,627	11,361	16,336	18,025	19,639	554,986
Legislators Plan	201	201	198	173	78	47	24
Elected State Officers Plan	6	6	6	0	0	0	0
Judges Plan	<u>240</u>	<u>262</u>	<u>271</u>	<u>282</u>	<u>295</u>	<u>312</u>	<u>309</u>
<i>Subtotal</i>	447	469	475	455	373	359	333
MERF/ PERA-MERF Division ¹	3,812	2,730	2,036	1,152	462	143	64
DTRFA	1,182	1,553	1,512	1,441	1,164	1,054	873
MTRFA ²	2,758	3,252	4,686	5,777	4,756	-- ²	-- ²
SPTRFA	<u>2,888</u>	<u>3,343</u>	<u>3,742</u>	<u>4,445</u>	<u>4,349</u>	<u>3,749</u>	<u>3,047</u>
<i>Subtotal</i>	6,828	8,148	9,940	11,663	10,269	4,803	3,920

Average Covered Salary

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	\$23,667	\$30,529	\$32,425	\$39,652	\$44,235	\$51,213	\$51,977
PERA-General	16,497	20,203	23,149	26,577	31,840	36,761	37,612
TRA	<u>23,811</u>	<u>30,030</u>	<u>34,416</u>	<u>39,906</u>	<u>45,459</u>	<u>52,324</u>	<u>54,783</u>
<i>Group Average</i>	\$20,462	\$25,486	\$28,161	\$32,744	\$37,899	\$43,915	45,230
MSRS-Correctional	\$26,075	\$33,245	\$33,549	\$41,174	\$40,861	\$48,166	48,579
State Patrol Plan	33,830	43,684	49,611	62,627	66,356	79,230	75,901
PERA-P&F	28,251	35,206	42,532	51,328	61,144	72,275	75,137
P&F Consolidation Accounts	--	37,928	50,216	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>29,061</u>	<u>38,554</u>	<u>48,479</u>	<u>50,016</u>
<i>Group Average</i>	\$28,494	\$35,749	\$42,076	\$46,186	\$53,124	\$63,070	64,785
Legislators Plan	\$22,423	\$31,987	\$36,326	\$34,932	\$40,573	\$41,925	41,000
Elected State Officers Plan	61,000	71,270	75,374	--	--	--	--
Judges Plan	<u>64,671</u>	<u>78,862</u>	<u>86,453</u>	<u>99,949</u>	<u>121,832</u>	<u>132,582</u>	<u>131,214</u>
<i>Group Average</i>	\$45,624	\$58,676	\$65,418	\$75,228	\$104,840	\$120,713	124,712
MERF/ PERA-MERF Division ¹	\$26,165	\$33,949	\$40,986	\$47,068	\$57,608	\$62,116	66,531
DTRFA	\$26,415	\$26,109	\$32,054	\$36,851	\$48,314	\$52,275	56,151
MTRFA ²	31,778	38,064	37,233	44,225	48,614	-- ²	-- ²
SPTRFA	<u>26,265</u>	<u>32,869</u>	<u>39,610</u>	<u>42,283</u>	<u>52,384</u>	<u>64,714</u>	<u>65,989</u>
<i>Group Average</i>	\$28,518	\$33,654	\$37,340	\$42,574	\$50,177	\$62,204	63,798

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

Minnesota Defined Benefit Retirement Plans

Plan Demographics

ACTIVE MEMBERSHIP

Average Age

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	39.6	40.9	42.7	44.3	46.0	47.0	47.1
PERA-General	42.2	42.6	43.3	44.4	45.8	47.2	47.3
TRA	<u>41.5</u>	<u>42.8</u>	<u>42.9</u>	<u>42.6</u>	<u>43.1</u>	<u>43.5</u>	<u>43.5</u>
<i>Subtotal</i>	41.4	42.3	43.1	43.9	45.1	46.1	46.2
MSRS-Correctional	36.0	37.5	38.0	40.3	40.5	41.7	41.5
State Patrol Plan	40.5	40.6	42.3	40.8	41.1	41.8	41.9
PERA-P&F	37.2	37.6	38.4	38.7	39.2	40.0	40.7
P&F Consolidation Accounts	--	45.9	48.1	--	--	--	--
PERA Local Govt. Correctional	--	--	--	<u>37.5</u>	<u>38.8</u>	<u>40.3</u>	<u>40.6</u>
<i>Subtotal</i>	37.4	38.1	39.5	38.9	39.5	40.5	40.9
Legislators Plan	45.6	49.4	49.3	53.8	58.9	63.7	65.6
Elected State Officers Plan	46.2	52.1	52.0	--	--	--	--
Judges Plan	<u>53.2</u>	<u>52.9</u>	<u>53.0</u>	<u>54.4</u>	<u>56.2</u>	<u>57.1</u>	<u>57.1</u>
<i>Subtotal</i>	49.7	51.4	51.4	54.2	56.8	58.0	57.7
MERF/ PERA-MERF Division ¹	47.6	48.8	51.0	52.9	55.6	60.1	64.4
DTRFA	43.5	43.2	43.9	44.1	46.4	47.2	47.8
MTRFA ²	44.0	44.7	43.3	42.6	44.5	-- ²	-- ²
SPTRFA	<u>42.9</u>	<u>43.3</u>	<u>43.9</u>	<u>43.1</u>	<u>44.1</u>	<u>45.5</u>	<u>44.8</u>
<i>Group Average</i>	43.4	43.8	43.6	43.0	44.5	45.9	45.5

Average Years of Service

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	8.9	9.6	11.1	11.7	12.7	12.7	12.2
PERA-General	8.1	8.3	8.2	9.0	9.9	11.0	11.0
TRA	<u>11.5</u>	<u>12.3</u>	<u>12.5</u>	<u>11.7</u>	<u>11.7</u>	<u>11.9</u>	<u>12.1</u>
<i>Group Average</i>	9.3	9.8	10.0	10.3	10.9	11.6	11.5
MSRS-Correctional	7.0	8.1	7.2	7.8	7.7	8.4	8.8
State Patrol Plan	13.7	13.8	15.1	12.9	12.6	12.7	12.6
PERA-P&F	9.4	10.1	10.5	11.0	11.3	12.1	12.7
P&F Consolidation Accounts	--	19.7	22.0	--	--	--	--
PERA Local Govt. Correctional	--	--	--	<u>0.9</u>	<u>3.9</u>	<u>6.4</u>	<u>7.6</u>
<i>Group Average</i>	9.5	10.4	11.3	8.8	9.3	10.3	10.9
Legislators Plan	5.9	8.7	8.0	11.8	16.9	22.0	25.8
Elected State Officers Plan	5.9	10.2	10.3	--	--	--	--
Judges Plan	<u>11.5</u>	<u>10.7</u>	<u>10.6</u>	<u>10.9</u>	<u>11.4</u>	<u>11.1</u>	<u>10.4</u>
<i>Group Average</i>	8.9	9.8	9.5	11.2	12.6	12.5	11.5
MERF/ PERA-MERF Division ¹	15.1	19.0	23.0	26.7	30.1	35.5	38.9
DTRFA	12.0	10.2	10.5	10.5	12.4	12.4	12.9
MTRFA ²	14.4	13.7	9.6	8.4	10.1	-- ²	-- ²
SPTRFA	<u>11.6</u>	<u>11.3</u>	<u>11.2</u>	<u>10.8</u>	<u>10.9</u>	<u>12.3</u>	<u>11.5</u>
<i>Group Average</i>	12.8	12.0	10.3	9.6	10.7	12.3	11.8

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

Minnesota Defined Benefit Retirement Plans

Plan Demographics

ACTIVE MEMBERSHIP

Average Member Contribution

Plan	1985	1990	1995	2000	2005	2010	2013
MSRS-General	\$891	\$1,267	\$1,320	\$1,586	\$1,769	\$2,561	\$2,599
PERA-General	732	897	998	1,268	1,688	2,252	2,351
TRA	<u>1,113</u>	<u>1,375</u>	<u>2,240</u>	<u>1,996</u>	<u>2,273</u>	<u>2,878</u>	<u>3,835</u>
Group Average	\$887	\$1,124	\$1,408	\$1,530	\$1,868	\$2,490	2,789
MSRS-Correctional	\$1,278	\$1,629	\$1,644	\$2,343	\$2,325	\$4,142	4,178
State Patrol Plan	2,876	3,713	4,426	5,260	5,574	8,240	9,412
PERA-P&F	2,260	2,816	3,232	3,182	4,036	6,866	7,213
P&F Consolidation Accounts	--	2,849	3,816	--	--	--	--
PERA Local Govt. Correctional	--	--	--	<u>1,694</u>	<u>2,248</u>	<u>2,826</u>	<u>2,916</u>
Group Average	\$2,158	\$2,704	\$3,075	\$2,875	\$3,432	\$5,609	5,867
Legislators Plan	\$2,020	\$2,881	\$3,268	\$3,145	\$3,652	\$3,354	3,690
Elected State Officers Plan	5,500	6,333	6,833	--	--	--	--
Judges Plan	<u>2,671</u>	<u>3,401</u>	<u>5,498</u>	<u>7,996</u>	<u>9,747</u>	<u>9,997</u>	<u>11,809</u>
Group Average	\$2,416	\$3,216	\$4,585	\$6,152	--	\$9,127	11,223
MERF/ PERA-MERF Division ¹	\$2,551	\$3,310	\$3,996	\$4,773	\$5,617	\$6,056	6,487
DTRFA	\$1,188	\$1,175	\$1,763	\$2,027	\$2,657	\$2,930	3,835
MTRFA ²	2,517	2,704	2,295	2,699	2,790	-- ²	-- ²
SPTRFA	<u>1,870</u>	<u>2,136</u>	<u>2,338</u>	<u>2,708</u>	<u>3,002</u>	<u>3,598</u>	<u>4,124</u>
Group Average	\$2,013	\$2,180	\$2,230	\$2,619	\$2,865	\$3,451	4,060

Average Employer Contribution

Plan	1985	1990	1995	2000	2005	2010	2013
MSRS-General	\$956	\$1,310	\$1,362	\$1,586	\$1,769	\$2,561	\$2,599
PERA-General	813	972	1,066	1,385	1,837	2,619	2,727
TRA	<u>2,180</u>	<u>2,468</u>	<u>2,804</u>	<u>1,996</u>	<u>2,273</u>	<u>2,972</u>	<u>3,906</u>
Group Average	\$1,267	\$1,494	\$1,608	\$1,593	\$1,949	\$2,711	3,044
MSRS-Correctional	\$2,269	\$2,085	\$2,103	\$3,286	\$3,261	\$5,828	5,878
State Patrol Plan	6,394	6,500	7,382	7,892	8,361	12,360	14,118
PERA-P&F	3,390	4,225	4,849	4,773	6,053	10,299	10,820
P&F Consolidation Accounts	--	14,924	5,725	--	--	--	--
PERA Local Govt. Correctional	--	--	--	<u>2,543</u>	<u>3,373</u>	<u>4,242</u>	<u>4,376</u>
Group Average	\$3,529	\$4,437	\$4,598	\$4,270	\$5,102	\$8,330	8,715
Legislators Plan	-- ³	-- ³	-- ³	-- ³	-- ³	-- ³	-- ³
Elected State Officers Plan	-- ⁴	-- ⁴	-- ⁴	-- ⁴	-- ⁴	-- ⁴	-- ⁴
Judges Plan	-- ³	<u>\$14,393</u>	<u>\$19,018</u>	<u>\$20,489</u>	<u>\$24,976</u>	<u>\$27,179</u>	<u>\$29,523</u>
Group Average	--	--	--	--	--	--	--
MERF/ PERA-MERF Division ¹	\$4,575	\$6,010	\$9,102	\$10,457	\$18,147	\$34,996	<u>491,359</u>
DTRFA	\$1,530	\$1,512	\$1,856	\$2,134	\$2,797	\$3,084	3,994
MTRFA ²	3,835	3,905	3,650	3,956	4,113	-- ²	-- ²
SPTRFA	<u>2,781</u>	<u>3,004</u>	<u>3,780</u>	<u>4,058</u>	<u>4,531</u>	<u>5,449</u>	<u>5,998</u>
Group Average	\$2,990	\$3,079	\$3,426	\$3,770	\$4,139	\$4,930	5,552

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

³ Plan is terminally funded, meaning that the State contribution is made only upon the retirement of each participant.

⁴ Plan is funded on a current disbursements or "pay-as-you-go" basis; the state funds the retirement annuities or benefits monthly when they are done.

Minnesota Defined Benefit Retirement Plans Plan Demographics

SERVICE RETIREES

Number of Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	10,464	11,810	14,004	16,276	19,202	23,337	27,654
PERA-General	17,277	24,314	31,487	39,940	48,147	59,159	67,816
TRA	<u>12,798</u>	<u>16,133</u>	<u>21,458</u>	<u>29,525</u>	<u>35,779</u>	<u>47,517</u>	<u>52,331</u>
<i>Subtotal</i>	40,539	52,257	66,949	85,741	103,128	130,013	147,701
MSRS-Correctional	309	340	399	616	1,025	1,505	1,920
State Patrol Plan	285	346	401	531	612	684	748
PERA-P&F	765	1,057	1,435	3,991	4,668	5,354	6,583
P&F Consolidation Accounts	--	248	1,349	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>9</u>	<u>113</u>	<u>308</u>	<u>503</u>
<i>Subtotal</i>	1,359	1,991	3,584	5,147	6,418	7,851	9,754
Legislators Plan	108	126	155	210	251	279	287
Elected State Officers Plan	6	3	5	8	11	11	10
Judges Plan	<u>83</u>	<u>105</u>	<u>131</u>	<u>153</u>	<u>163</u>	<u>170</u>	<u>210</u>
<i>Subtotal</i>	197	234	291	371	425	460	507
MERF/ PERA-MERF Division ¹	3,459	3,688	3,657	3,757	3,737	3,360	3,022
DTRFA	562	634	788	937	1,164	1,171	1,311
MTRFA ²	2,153	2,254	2,482	3,033	3,537	-- ²	-- ²
SPTRFA	<u>963</u>	<u>1,111</u>	<u>1,334</u>	<u>1,728</u>	<u>2,214</u>	<u>2,721</u>	<u>3,047</u>
<i>Subtotal</i>	3,678	3,999	4,604	5,698	6,915	3,892	4,358

Average Benefit

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	\$3,784	\$5,891	\$7,898	\$13,103	\$15,624	\$17,383	\$18,491
PERA-General	4,617	6,493	7,696	11,458	12,720	13,332	13,389
TRA	<u>6,680</u>	<u>10,781</u>	<u>15,952</u>	<u>26,617</u>	<u>27,756</u>	<u>26,141</u>	<u>27,308</u>
<i>Group Average</i>	\$5,053	\$7,681	\$10,381	\$16,990	\$18,477	\$18,741	\$19,285
MSRS-Correctional	\$4,966	\$7,306	\$11,592	\$15,619	\$20,496	\$17,999	\$20,842
State Patrol Plan	11,745	19,066	25,865	43,808	51,456	57,180	59,543
PERA-P&F	8,271	13,592	18,613	35,115	41,928	48,027	50,792
P&F Consolidation Accounts	--	17,107	23,377	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>427</u>	<u>2,568</u>	<u>5,376</u>	<u>7,123</u>
<i>Group Average</i>	\$8,248	\$13,908	\$20,447	\$33,618	\$38,721	\$41,395	\$43,316
Legislators Plan	\$6,568	\$8,884	\$11,751	\$17,864	\$20,424	\$21,186	\$22,684
Elected State Officers Plan	13,836	21,009	20,070	26,612	29,088	32,887	34,778
Judges Plan	<u>19,880</u>	<u>27,410</u>	<u>35,855</u>	<u>55,729</u>	<u>61,404</u>	<u>65,893</u>	<u>66,103</u>
<i>Group Average</i>	\$12,398	\$17,352	\$22,745	\$33,668	\$36,365	\$37,988	\$41,188
MERF/ PERA-MERF Division ¹	\$8,598	\$13,258	\$16,463	\$24,148	\$30,396	\$34,583	\$36,037
DTRFA	\$4,044	\$5,027	\$9,581	\$13,853	\$16,740	\$18,876	\$18,369
MTRFA ²	7,384	14,462	18,737	27,928	32,820	-- ²	-- ²
SPTRFA	<u>9,422</u>	<u>12,384</u>	<u>16,523</u>	<u>26,874</u>	<u>31,440</u>	<u>32,562</u>	<u>31,144</u>
<i>Group Average</i>	\$7,407	\$12,389	\$16,528	\$25,294	\$29,671	\$28,304	\$27,301

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

Minnesota Defined Benefit Retirement Plans Plan Demographics

SURVIVORS

Number of Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	537	899	1,313	1,955	2,731	3,414	3,830
PERA-General	3,854	4,414	5,260	6,010	6,650	7,120	7,539
TRA	<u>781</u>	<u>929</u>	<u>1,331</u>	<u>1,912</u>	<u>2,597</u>	<u>3,682</u>	<u>4,269</u>
<i>Subtotal</i>	5,172	6,242	7,904	9,877	11,978	14,216	15,638
MSRS-Correctional	8	15	25	56	104	148	196
State Patrol Plan	109	105	121	157	178	192	185
PERA-P&F	279	347	426	1,205	1,261	1,413	1,865
P&F Consolidation Accounts	--	129	580	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>0</u>	<u>8</u>	<u>18</u>	<u>31</u>
<i>Subtotal</i>	396	596	1,152	1,418	1,551	1,771	2,277
Legislators Plan	41	37	61	70	70	80	75
Elected State Officers Plan	3	5	6	5	4	4	4
Judges Plan	<u>52</u>	<u>64</u>	<u>77</u>	<u>82</u>	<u>85</u>	<u>94</u>	<u>98</u>
<i>Subtotal</i>	96	106	144	157	159	178	177
MERF/ PERA-MERF Division ¹	938	942	987	1,056	986	840	770
DTRFA	23	29	46	53	94	105	115
MTRFA ²	140	204	225	254	277	-- ²	-- ²
SPTRFA	<u>112</u>	<u>129</u>	<u>170</u>	<u>213</u>	<u>259</u>	<u>300</u>	<u>327</u>
<i>Subtotal</i>	275	362	441	520	630	405	442

Average Benefit

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	\$2,828	\$4,645	\$6,601	\$11,405	\$14,196	\$15,467	\$16,097
PERA-General	2,574	4,475	6,856	11,382	13,548	15,000	15,019
TRA	<u>5,594</u>	<u>9,150</u>	<u>12,990</u>	<u>21,623</u>	<u>24,348</u>	<u>26,983</u>	<u>27,059</u>
<i>Group Average</i>	\$3,056	\$5,195	\$7,847	\$13,369	\$16,037	\$18,216	\$18,570
MSRS-Correctional	\$5,078	\$4,501	\$5,948	\$8,877	\$10,932	\$11,997	\$13,209
State Patrol Plan	4,454	7,875	13,493	22,137	25,452	29,902	32,177
PERA-P&F	3,886	6,770	10,864	18,867	23,496	26,866	28,584
P&F Consolidation Accounts	--	8,453	11,854	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>0</u>	<u>4,188</u>	<u>4,852</u>	<u>7,175</u>
<i>Group Average</i>	\$4,066	\$7,272	\$11,532	\$18,835	\$22,778	\$25,729	\$27,261
Legislators Plan	\$2,437	\$4,242	\$5,537	\$9,539	\$12,708	\$15,798	\$16,882
Elected State Officers Plan	7,451	9,874	11,107	20,446	n/r	23,816	31,347
Judges Plan	<u>9,888</u>	<u>14,502</u>	<u>20,148</u>	<u>33,899</u>	<u>38,772</u>	<u>45,242</u>	<u>48,009</u>
<i>Group Average</i>	\$6,630	\$10,702	\$13,582	\$22,609	\$27,001	\$31,527	\$32,079
MERF/ PERA-MERF Division ¹	\$5,143	\$8,454	\$11,453	\$17,586	n/r	\$29,788	\$31,166
DTRFA	\$2,638	\$3,308	\$7,521	\$11,528	\$13,068	\$16,593	\$16,325
MTRFA ²	5,959	10,046	13,672	21,587	27,048	-- ²	-- ²
SPTRFA	<u>5,501</u>	<u>7,376</u>	<u>10,075</u>	<u>19,865</u>	<u>24,984</u>	<u>27,723</u>	<u>30,087</u>
<i>Group Average</i>	\$5,495	\$8,555	\$11,644	\$19,856	\$24,114	\$24,838	\$26,506

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

Minnesota Defined Benefit Retirement Plans Plan Demographics

DISABILITANTS

Number of Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2012</u>
MSRS-General	695	676	824	1,070	1,434	1,684	1,750
PERA-General	654	708	959	1,397	1,853	2,215	3,638
TRA	<u>223</u>	<u>257</u>	<u>379</u>	<u>509</u>	<u>581</u>	<u>654</u>	<u>591</u>
<i>Subtotal</i>	1,572	1,641	2,162	2,976	3,868	4,553	5,979
MSRS-Correctional	12	9	25	75	150	208	244
State Patrol Plan	13	14	18	22	35	48	48
PERA-P&F	54	89	146	482	686	859	1,095
P&F Consolidation Accounts	--	16	53	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>3</u>	<u>59</u>	<u>116</u>	<u>153</u>
<i>Subtotal</i>	79	128	242	582	930	1,231	1540
Legislators Plan	--	--	--	--	--	--	--
Elected State Officers Plan	--	--	--	--	--	--	--
Judges Plan	<u>4</u>	<u>9</u>	<u>7</u>	<u>4</u>	<u>7</u>	<u>27</u>	<u>25</u>
<i>Subtotal</i>	4	9	7	4	7	27	25
MERF/ PERA-MERF Division ¹	261	258	240	213	185	143	123
DTRFA	8	11	7	6	16	19	19
MTRFA ²	47	40	49	20	25	--	--
SPTRFA	<u>28</u>	<u>30</u>	<u>35</u>	<u>23</u>	<u>32</u>	<u>23</u>	<u>29</u>
<i>Subtotal</i>	83	81	91	49	73	42	48

Average Benefit

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2012</u>
MSRS-General	\$2,924	\$4,159	\$5,613	\$9,434	\$11,268	\$12,997	\$13,474
PERA-General	4,911	5,487	6,712	9,077	9,948	10,865	12,252
TRA	<u>7,834</u>	<u>10,759</u>	<u>12,743</u>	<u>19,553</u>	<u>19,440</u>	<u>20,167</u>	<u>19,540</u>
<i>Group Average</i>	\$4,447	\$5,766	\$7,350	\$10,997	\$11,863	\$12,990	\$13,330
MSRS-Correctional	\$5,879	\$5,018	\$11,946	\$13,865	\$16,176	\$17,579	\$18,373
State Patrol Plan	10,397	14,228	20,528	31,589	38,100	42,239	43,807
PERA-P&F	9,030	13,743	17,535	33,378	40,380	44,383	44,206
P&F Consolidation Accounts	--	15,379	21,871	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,419</u>	<u>13,608</u>	<u>16,299</u>	<u>15,528</u>
<i>Group Average</i>	\$8,776	\$13,387	\$18,130	\$30,677	\$34,692	\$37,124	\$37,251
Legislators Plan	--	--	--	--	--	--	--
Elected State Officers Plan	--	--	--	--	--	--	--
Judges Plan	<u>\$19,669</u>	<u>\$25,781</u>	<u>\$35,158</u>	<u>\$68,229</u>	<u>\$69,576</u>	<u>\$71,212</u>	<u>\$72,347</u>
<i>Group Average</i>	\$19,669	\$25,781	\$35,158	\$68,229	\$69,576	\$72,212	\$72,347
MERF/ PERA-MERF Division ¹	\$6,503	\$9,617	\$12,378	\$18,179	\$22,356	\$25,772	\$26,028
DTRFA	\$3,956	\$6,478	\$11,925	\$11,024	\$15,168	\$13,812	\$14,058
MTRFA ²	7,436	11,832	16,485	35,032	33,816	--	--
SPTRFA	<u>16,640</u>	<u>19,280</u>	<u>23,764</u>	<u>33,018</u>	<u>32,676</u>	<u>26,129</u>	<u>21,332</u>
<i>Group Average</i>	\$10,206	\$13,863	\$18,934	\$31,147	\$29,229	\$20,557	\$18,453

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

Minnesota Defined Benefit Retirement Plans Plan Demographics

DEFERRED MEMBERS AND INACTIVE MEMBERS

Deferred Retirees – Number of Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	940	1,824	5,518	11,125	13,592	15,388	16,062
PERA-General	1,863	2,699	7,156	21,495	35,768	45,151	45,946
TRA	<u>2,191</u>	<u>1,955</u>	<u>5,103</u>	<u>7,375</u>	<u>9,808</u>	<u>12,756</u>	<u>12,614</u>
<i>Subtotal</i>	4,994	6,478	17,777	39,995	59,168	73,295	72,622
MSRS-Correctional	30	113	296	419	738	993	1,196
State Patrol Plan	21	23	19	24	34	39	41
PERA-P&F	163	128	250	470	927	1,315	1,388
P&F Consolidation Accounts	--	3	32	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>0</u>	<u>915</u>	<u>1,895</u>	<u>2,232</u>
<i>Subtotal</i>	214	267	597	913	2,614	4,242	4,857
Legislators Plan	111	101	141	90	118	88	70
Elected State Officers Plan	5	6	5	4	1	1	1
Judges Plan	<u>7</u>	<u>2</u>	<u>7</u>	<u>9</u>	<u>21</u>	<u>18</u>	<u>16</u>
<i>Subtotal</i>	123	109	153	103	140	107	87
MERF/ PERA-MERF Division ¹	101	97	86	233	174	102	57
DTRFA	50	42	122	172	313	301	268
MTRFA ²	562	519	628	756	1,377	--	--
SPTRFA	<u>36</u>	<u>36</u>	<u>107</u>	<u>243</u>	<u>1,368</u>	<u>1,863</u>	<u>1,788</u>
<i>Subtotal</i>	648	597	857	1,171	3,058	2,164	2,056

Inactive Members – Number of Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2013</u>
MSRS-General	4,957	4,638	5,242	7,772	7,702	6,537	5,574
PERA-General	38,986	7,695	9,683	79,362	100,369	126,027	119,509
TRA	<u>13,628</u>	<u>15,356</u>	<u>16,411</u>	<u>17,833</u>	<u>19,151</u>	<u>23,651</u>	<u>28,881</u>
<i>Subtotal</i>	57,271	27,689	31,336	104,967	127,222	156,215	153,964
MSRS-Correctional	79	45	74	163	351	585	413
State Patrol Plan	9	4	5	10	14	14	18
PERA-P&F	350	121	141	626	729	930	988
P&F Consolidation Accounts	--	1	0	--	--	--	--
PERA Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>0</u>	<u>906</u>	<u>1,605</u>	<u>1,816</u>
<i>Subtotal</i>	438	171	220	799	2,000	3,134	3,235
Legislators Plan	15	3	9	3	2	1	1
Elected State Officers Plan	1	0	0	0	0	0	0
Judges Plan	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal</i>	16	4	10	5	2	1	1
MERF/ PERA-MERF Division ¹	197	184	181	0	0	0	0
DTRFA	0	435	561	575	638	721	757
MTRFA ²	60	134	895	1,815	3,604	--	--
SPTRFA	<u>1,770</u>	<u>888</u>	<u>1,066</u>	<u>1,697</u>	<u>1,687</u>	<u>1,419</u>	<u>1,435</u>
<i>Subtotal</i>	1,830	1,457	2,522	4,087	5,929	2,140	3,192

¹ MERF administratively consolidated into PERA in 2010

² MTRFA merged into TRA in 2006

Minnesota Public Pension Plans

History of Post-Retirement Adjustments

Post-Retirement Annual Percent Increase¹
and the Increase in the Consumer Price Index²

Effective	CPI ²	MSRS Plans			PERA Plans			TRA		DTRFA	SPTRFA
		Judges	MSRS	St. Patrol	MERF ³	PERA	-P&F	TRA	MTRFA ⁴		
Jan 1:	%	%	%	%	%		%	%		%	%
2014	1.4	1.75 ⁵	2.00	1.00 ⁶	1.00		1.00	2.00		1.00 ⁷	1.00
2013	2.1		2.00	1.50	1.00		1.50	2.00		0.00	1.00
2012	3.6		2.00	1.50	1.00		1.00	0.00		0.00	0.00
2011	2.1		2.00 ⁸	1.50 ⁹	1.00 ¹⁰		1.00 ¹¹	0.00 ¹²		0.00 ¹³	0.00 ¹⁴
2010	-0.7		2.50		0.00 ²	2.50		2.50		2.00	0.00
2009	4.1		2.50 ¹⁵		3.50	2.50 ¹⁴		2.50 ¹⁴		2.24	2.50
2008	2.9		2.50		2.66868	2.50		2.50		5.30	2.30
2007	1.8		2.50		3.50	2.50		2.50		2.00	2.00
2006	3.5		2.50		2.59039	2.50		2.50	2.00 ³	2.00	2.00
2005	2.6		2.50		3.17372	2.50		2.50	2.00	2.00	2.00
2004	2.2		2.103		2.10347	2.103		2.103	2.00	2.00	2.00
2003	1.4		0.7450		0.74456	0.7450		0.7450	2.00	2.00	2.00
2002	2.7		4.4935		5.34299	4.4935		4.4935	2.31	5.25	3.70
2001	3.5		9.5342		10.50999	9.5342		9.5342	8.81	10.2391	7.6723
2000	2.2		11.1436		10.2275	11.1436		11.1436	9.67	9.0275	9.2619
1999	1.3		9.8254		8.0432	9.8254		9.8254	7.33	7.0125	7.2145
1998	2.3		10.0876		6.6680	10.0876		10.0876	7.28	6.3407	7.00
1997	2.9		8.0395		3.9500	8.0395		8.0395	6.23	5.6315	--
1996	2.9		6.3954		3.5950	6.3954		6.3954	3.85	4.6424	--
1995	2.5		3.9850		3.1440	3.9850		3.9850	2.13	--	--
1994	2.8		6.0170		3.8240	6.0170		6.0170	4.50	--	--
1993	2.9		4.5530		5.9840	4.5530		4.5530	--	--	--
1992	4.1		4.2950		0.0000	4.2950		4.2950	--	--	--
1991	5.2		5.1000		5.0790	5.1000		5.1000	--	--	--
1990	4.8		4.0400		6.9180	4.0400		4.0400	--	--	--
1989	4.0		6.9180		5.93591	6.9180		6.9180	--	--	--
1988	3.6		8.0540		9.37158	8.0540		8.0540	--	--	--
1987	1.6		9.7920		7.5890	9.7920		9.7920	--	--	--
1986	3.5		7.9000		8.7160	7.9000		7.9000	--	--	--
1985	3.5		6.9050		7.3370	6.9050		6.9050	--	--	--
1984	3.0		7.4990		10.77	7.4990		7.4990	--	--	--
1983	6.0		6.8530		9.17	6.8530		6.8530	--	--	--
1982	10.3		7.4360		--	7.4360		7.4360	--	--	--
1981	13.4		3.2090		--	3.2090		3.2090	--	--	--
1980	11.4		0.00		--	0.00		0.00	--	--	--
1979	7.7		0.00		--	0.00		0.00	--	--	--
1978	6.5		4.00		--	4.00		4.00	--	--	--

¹ These are permanent increases to retiree annuities

² Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) annual average percent change.

³ MERF was merged into PERA in 2010; MERF Division members receive the same post-retirement adjustment as PERA-General members.

⁴ MTRFA was merged into TRA in 2006; former MTRFA members receive the TRA post-retirement adjustment. MTRFA first paid a post retirement adjustment on 1/1/94.

⁵ 2013 Judges: reduced from 2% to 1.75%, restored when 70% funded on Market Value of Assets.

⁶ 2013 State Patrol: reduced from 1.5 % to 1%, restored to 1.5% when 85% funded on market value of assets basis, reverting to 2.5% when 90% funded on market value.

⁷ 2013 DTRFA: 2010 provision repealed; replaced by 1% increase if the funding ratio is less than 90%.

⁸ 2010 MSRS-General, Correctional, Judges, Legislators, and Elective State Officers: reduced from 2.5% to 2.0%, restored when 90% funded on Market Value of Assets.

⁹ 2010 State Patrol Plan: reduced from 2.5% to 1.5%, restored when 90% funded on Market Value of Assets.

¹⁰ 2010 PERA-General and -Correctional: reduced from 2.5% to 1.0%, restored when 90% funded on Market Value of Assets; reduced if fund later declines from 90%.

¹¹ 2010 PERA-P&F: reduced from 2.5% to 1.0% for 2011-2012, then equal to previous fiscal year CPI, not to exceed 1.5%, until 90% funded on Market Value of Assets, then not to exceed 2.5%; rate reduced if fund later declines from 90% funded.

¹² 2010 TRA: suspended for 2011-2012; in 2013 reduced from 2.5% to 2.0%, restored when 90% funded on Market Value of Assets.

¹³ 2010 DTRFA: 0% when under 80% funded on Market Value of Assets, 1% if 80-90% funded on Market Value, 2% when 90%+ funded on Market Value; when 90% funded on Actuarial Value of Assets moves to inflation match up to 5%. DTRFA first paid a post retirement adjustment on 1/1/96.

¹⁴ 2011 SPTRFA: Suspended for 2011; transitional 1% until 80% funded, 2% until 90% funded; moves to inflation match up to 5% when 90%+ funded. SPTRFA first paid a post retirement adjustment on 1/1/98.

¹⁵ The Minnesota Post Retirement Investment Fund (MPRIF) was abolished and merged with the respective active member funds on 6/30/09.

Minnesota Public Pension Funds

Total Portfolio Time-Weighted Calendar Year Rates of Return

Cal. Year	State Board of Investment		MTRFA	DTRFA	SPTRFA	MERF
	Basic Fund	Post Fund				
1990	-0.7%	5.0%	-2.5%	3.2%	4.6%	-5.9%
1991	26.3%	19.6%	25.0%	22.0%	19.8%	13.3%
1992	6.8%	8.0%	8.2%	6.5%	7.2%	8.8%
1993	12.2%	11.6%	12.3%	12.8%	11.3%	13.7%
	Combined Fund					
1994	-0.4%		0.1%	0.2%	0.3%	1.2%
1995	25.5%		25.0%	25.5%	26.2%	23.4%
1996	15.3%		13.6%	13.4%	12.6%	12.9%
1997	21.5%		15.5%	15.5%	19.6%	18.5%
1998	16.1%		14.2%	11.1%	12.0%	15.7%
1999	16.5%		21.5%	29.4%	13.6%	15.5%
2000	-2.8%		-6.0%	-1.6%	-0.2%	-1.3%
2001	-6.0%		-7.7%	-4.7%	-1.4%	-6.2%
2002	-11.6%		-16.2%	-12.8%	-9.6%	-11.3%
2003	23.1%		22.8%	28.1%	27.0%	25.2%
2004	12.4%		10.2%	10.6%	14.1%	12.8%
2005	9.9%		5.7%	7.6%	9.9%	7.3%
2006	14.6%		-- ¹	14.7%	15.6%	14.8%
2007	9.5%		--	6.6%	8.1%	7.2%
2008	-26.2%		--	-35.1%	-28.2%	-28.1%
2009	20.3%		--	19.2%	22.4%	26.5%
2010	14.4%		--	16.0%	13.7%	-- ²
2011	1.5%		--	-0.7%	-1.26%	--
2012	13.7%		--	15.0%	13.4%	--
2013	20.2%		--	21.3%	19.6%	--

¹ MTRFA merged into TRA in 2006

² MERF administratively consolidated into PERA in 2010