# Minnesota Public Pension Plans

# Legislation, Plan Characteristics, Plan Conditions, and Upcoming Issues

**Presentation to:** 

The Senate State and Local Government Operations Committee The House Government Operations and Elections Policy Committee

January 2015

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# Questions

- b. <u>Pension Commission</u>. How is pension-related proposed ......9-16 legislation initially reviewed and processed?
- c. <u>Pension Plan Numbers and Characteristics</u>. How many public ...... 17-30 pension plans does Minnesota have? What are the general characteristics of Minnesota public pension plans?
- d. <u>Public Pension Plan Condition</u>. In what shape are Minnesota ........ 31-62 defined benefit pension plans and funds?

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# **Pension Legislation**

<u>Question</u>	Why is there pension-related proposed legislation for the Committee to consider?
<u>Answer</u>	Most Minnesota public pension plans were created by legislative enactment, have their plan provisions in state statutes, and need legislative action to modify.

# **Materials**

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# Legal Aspects of Minnesota Public Employee Retirement Plans

# 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 Employee Retirement Plans

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 Employee Retirement Plans

 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 utilized 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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# **Pension Commission**

<u>Question</u> How is pension-related proposed legislation initially reviewed and processed?

<u>Answer</u> Proposed pension-related legislation is typically referred upon introduction to the Senate State and Local Government Committee and the House Committee on Government Operations and Elections Policy.

Standing committees generally postpone scheduling retirement-related proposed legislation for consideration until the proposed legislation has been reviewed and recommended by the Pension Commission.

The Pension Commission functions if it were the Senate and House Subcommittees on Pensions meeting jointly.

The Pension Commission generally makes its recommendations to the Committee in the form of one or more omnibus amendment(s) drawn to a vehicle pension bill.

Under Joint Rule 2.03, proposed pension legislation recommended favorably by the Pension Commission has until the second deadline to be heard and acted upon by the  $\bullet ca)$  å§ \* ÁCommittee.

# **Materials**

Legislative Commission on Pensions and Retirement:

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# Role and Function of the Legislative Commission on Pensions and Retirement

- 1. <u>Commission Establishment</u>. 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.

# Legislative Commission on Pensions and Retirement Members and Staff

"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

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# **Commission-Retained Actuary**

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# 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. <u>Mandatory Public Pension Plan Membership</u>

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

- 3. <u>Consolidation of Public Pension Plans by a Minnesota Public</u> <u>Employer</u>
  - 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. <u>General Preference for Defined Benefit Plans Over Defined Con-</u> <u>tribution Plans</u>
  - 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. <u>Appropriate Early Retirement Reductions</u>

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. <u>Postretirement Benefit Increases</u>

- 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. <u>Reopening Optional Annuity Elections</u>

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. <u>Repayment of Previously Paid Benefits and Resumptions of Ac-</u> <u>tive Member Status</u>

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. <u>Allocation of Funding Burden Between Members and Employers</u>
  - 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. <u>Appropriate Basis for Actuarial Assumption Changes</u>

- 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. <u>Appropriate Basis for Modifying Contribution Rates</u>

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. <u>Appropriate Investment of Public Pension Assets</u>
  - 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. <u>Sole Membership Benefit Dedication of Plan Assets</u>

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.

# **Pension Plan Number and Characteristics**

<u>Question</u> How many public pension plans does Minnesota have? What are the general characteristics of Minnesota public pension plans?

<u>Answer</u> Minnesota, with 700+ public employee retirement plans, has the second largest number of public pension plans of the 50 states, behind the Commonwealth of Pennsylvania with 3,500+ public pension plans.

Most Minnesota public employee pension plans and the largest Minnesota public pension plans by membership and assets are defined benefit retirement plans.

Defined benefit retirement plans promise a specific benefit amount, usually calculated by a formula factoring in length of employment and final average compensation, with the funding of the plan variable and dependent on plan experience. Defined contribution retirement plans promise a specific amount of contributions into the plan, usually with a member contribution and some sort of employer match, with the eventual benefit payment dependent on the investment returns on the accumulated contributions.

Many Minnesota public pension plans are volunteer firefighters' relief associations, of which all but 25-30 provide a lump-sum pension benefit.

The earliest Minnesota public pension plans date back to the middle of the 19th century, were defined benefit retirement plans, were local pension plans, and covered public safety employees.

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Defined Contribution Retirement Plans

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# 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:

1860s1	1910s 8	1960s12
1870s0	1920s 2	1970s3
1880s3	1930s11	1980s5
1890s6	1940s23	1990s2
1900s6	1950s11	2000s1

 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) in 2006;
  - Minneapolis Employees Retirement Fund (MERF) consolidated administratively into the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General) in 2010 and merged totally into the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) as of January 1, 2015, by operation of the 2010 law; 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) in 2011-2012.

# Minnesota Public Pension Plans

# Establishment

Statewide Pension Plans	Establishment Date
General State Employees Retirement Plan (MSRS-General)	1929
Correctional Employees Retirement Plan (MSRS-Correctional) <sup>1</sup>	1973
Game Wardens Retirement Plan <sup>2</sup>	1955
State Police Retirement Plan <sup>3</sup>	1961
State Patrol Retirement Plan	1943
Legislators Retirement Plan <sup>4</sup>	1965
Attorney General Retirement Plan <sup>5</sup>	1953
State Auditor Retirement Plan <sup>5</sup>	1955
Elective State Officers Retirement Plan (ESO) 53	1967
Supreme Court Justices Retirement Plan <sup>6</sup>	1943
District Court Judges Retirement Plan <sup>6</sup>	1949
Probate and County Court Judges Retirement Plan <sup>6</sup>	1931
Uniform Judicial Retirement Plan 54	1973
Supreme Court Clerk Retirement Plan 7	1953
Military Affairs Department Personnel Retirement Plan <sup>8</sup>	1980
Transportation Department Pilots Retirement Plan <sup>8</sup>	1982
State Fire Marshal Division Arson Investigator Retirement Plan <sup>8</sup>	1999
Unclassified State Employees Retirement Program (MSRS-Unclassified) 9	1971
Metropolitan Transit Commission-Transit Operating Division Retirement Plan <sup>10</sup>	1944
Public Employees Retirement Plan (PERA-General)	1931
Public Employees Police and Fire Retirement Plan (PERA-P&F) <sup>11</sup>	1959
Local Government Correctional Employees Retirement Plan <sup>12</sup>	1987/1999
PERA Defined Contribution Retirement Plan <sup>13</sup>	1987
University of Minnesota Police Retirement Plan <sup>14</sup>	1969
Teachers Insurance and Retirement Plan <sup>15</sup>	1915
Teachers Retirement Plan (TRA)	1931
State University and Community College Supplemental Retirement Plan	1965
Individual Retirement Account Plan (IRAP) <sup>16</sup>	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) <sup>17</sup>	1919
St. Paul Bureau of Health Relief Association <sup>18</sup>	1919
Hennepin County Supplemental Retirement Plan <sup>19</sup>	1969
Duluth Teachers Retirement Plan (DTRFA) <sup>20</sup>	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 <sup>21</sup>	1895
Albert Lea Police Relief Association 22	1943
Anoka Police Relief Association <sup>23</sup>	1948
Austin Firefighters Relief Association <sup>24</sup>	1909
Austin Police Relief Association 49	1943
Bloomington Firefighters Relief Association 55	1947
Bloomington Police Relief Association <sup>21</sup>	1960
Brainerd Police Relief Association 47	1952
Brooklyn Center Police Relief Association <sup>25</sup>	1967
Buhl Police Relief Association <sup>26</sup>	1957
Chisholm Firefighters Relief Association <sup>27</sup>	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 <sup>28</sup>	1941
Columbia Heights Fire Department Relief Association <sup>29</sup>	1923
Columbia Heights Police Relief Association <sup>30</sup>	1957
Crookston Fire Department Relief Association <sup>31</sup>	1902
Crookston Police Relief Association 56	1948
Crystal Police Relief Association <sup>32</sup>	1961
Duluth Firefighters Relief Association <sup>32</sup>	1887
Duluth Police Relief Association <sup>33</sup>	1905
Eveleth Firefighters Relief Association <sup>34</sup>	1935
Eveleth Police Relief Association <sup>34</sup>	1935
Fairmont Police Relief Association 48	1949
Faribault Fire Department Relief Association <sup>22</sup>	1897
Faribault Police Relief Association 47	1948
Fridley Firefighters Relief Association <sup>35</sup>	not available
Fridley Police Relief Association <sup>50</sup>	1966
Gilbert Supplemental Police Pension Plan <sup>36</sup>	1957
Hibbing Firefighters Relief Association <sup>37</sup>	1914
Hibbing Police Relief Association <sup>37</sup>	1930
Mankato Fire Department Relief Association <sup>38</sup>	1895
Mankato Police Relief Association 57	1947
Minneapolis Fire Department Relief Association 52	1868/1874
Minneapolis Police Relief Association <sup>52</sup>	1890
Moorbead Firefighters Relief Association <sup>39</sup>	1955
Moorhead Police Relief Association <sup>39</sup>	1945
Nashwauk Police Relief Association 40	1943
New I IIm Police Relief Association <sup>41</sup>	1949
Red Wing Fire Department Relief Association <sup>23</sup>	1892
Red Wing Police Relief Association <sup>27</sup>	1948
Richfield Fire Department Relief Association <sup>57</sup>	1040
Richfield Police Relief Association <sup>22</sup>	1942
Rochester Fire Department Relief Association $42$	1803
Pochester Police Polici Association <sup>38</sup>	1031
St. Cloud Fire Department Police Association 43	1906
St. Cloud Palice Peliof Association 44	1030
St. Cloud Folice Relief Association	1959
St. Louis Park Police Police Association 42	1940
St. Louis Faix Folice Relief Association <sup>32</sup>	1900
St. Paul Police Policif Acception 21	1000/1005
Si. Faul Funce Relief Association 21	1903
South St. Paul Palies Palief Association 57	1943
Thief Diver Felle Delice Delice Association <sup>45</sup>	1941
Virginia Fire Department Police Association 51	1941
Virginia Fire Department Relief Association **	1931
Virginia Police Relief Association *	1935
West St. Paul Fire Department Relief Association **	1947
VVest St. Paul Police Relief Association <sup>21</sup>	1967
winona Fire Department Relief Association 3'	1887
Winona Police Reliet Association 42	1914

# Minnesota Public Pension Plans Establishment

Local Volunteer Firefighters Pension Plans	Establishment Date	
696 volunteer firefighter relief associations as of 11/29/2012 59	various years	
Employer-Funded Deferred Compensation and Related Plans	Establishment Date	
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	
Minnetonka 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:

- <sup>1</sup> Before the 1973 creation of the Correctional Employees Retirement Plan, coverage was provided by the General State Employees Retirement Plan.
- <sup>2</sup> Game Wardens Retirement Plan was replaced by the State Police Retirement Plan in 1961.
- <sup>3</sup> State Police Retirement Plan consolidated with the State Patrol Retirement Plan in 1969.
- <sup>4</sup> 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.
- <sup>5</sup> 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.
- <sup>7</sup> 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.
- <sup>8</sup> Before creation of the plan, coverage was provided by the General State Employees Retirement Plan.
- <sup>9</sup> 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.
- <sup>10</sup> 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.
- <sup>11</sup> 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.
- 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.
   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.
- <sup>14</sup> 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.
- <sup>15</sup> Plan was replaced by the Teachers Retirement Plan.
- <sup>16</sup> Before creation of the Individual Retirement Account Plan in 1988, coverage was provided by the Teachers Retirement Plan.
- <sup>17</sup> 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.
- <sup>18</sup> 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.
- <sup>19</sup> Plan was closed to new entrants and to reemployed former members as of April 14, 1982.
- <sup>20</sup> Plan was authorized in 1909, but not implemented until 1910.
- <sup>21</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1993.
- <sup>22</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1991.
- <sup>23</sup> Plan was closed to new entrants in 1973 and consolidated into the Public Employees Police and Fire Plan in 1989.
- <sup>24</sup> Plan was closed to new entrants in 1976 and consolidated into the Public Employees Police and Fire Plan in 1998.
- <sup>25</sup> Plan consolidated into the Public Employees Police and Fire Plan in 1978.
- <sup>26</sup> Plan was closed to new entrants in 1976 and consolidated into the Public Employees Police and Fire Plan in 1987.
- <sup>27</sup> Plan was closed to new entrants in 1973, and consolidated into the Public Employees Police and Fire Plan in 1990.
- <sup>28</sup> Plan consolidated into the Public Employees Police and Fire Plan in 1973.
- <sup>29</sup> Plan was closed to new entrants in 1975 and consolidated into the Public Employees Police and Fire Plan in 1994.
- <sup>30</sup> Plan was closed to new entrants in 1977 and consolidated into the Public Employee Police and Fire Plan in 1994.
- <sup>31</sup> Plan consolidated into the Public Employees Police and Fire Plan in 1990.
- <sup>32</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1992.
- <sup>33</sup> 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

- <sup>34</sup> 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.
- <sup>35</sup> Coverage for salar<sup>i</sup>ed firefighters was transferred to the Public Employees Police and Fire Plan in 1973; Plan continues as volunteer firefighters relief association.
- <sup>36</sup> Plan coverage was terminated in 1973.
- <sup>37</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1989.
- <sup>38</sup> Plan was closed to new entrants in 1971 and consolidated into the Public Employees Police and Fire Plan in 1990.
- <sup>39</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1985.
- <sup>40</sup> 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.
- <sup>41</sup> Plan was closed to new entrants in 1974 and consolidated into the Public Employee Police and Fire Plan in 1994.
- <sup>42</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1990.
- <sup>43</sup> Plan was closed to new entrants in 1974 and consolidated into the Public Employees Police and Fire Plan in 1989.
- <sup>44</sup> Plan was closed to new entrants in 1973 and consolidated into the Public Employees Police and Fire Plan in 1997.
- <sup>45</sup> 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.
- <sup>46</sup> Plan was closed to new entrants as of June 15, 1980, and consolidated into the Public Employees Police and Fire Plan in 1988.
- <sup>47</sup> Plan was closed to new entrants as of June 15, 1980 and consolidated into the Public Employees Police and Fire Plan in 1996.
- <sup>48</sup> Plan was closed to new entrants in 1977 and was consolidated into the Public Employees Police and Fire Plan in 2012.
- <sup>49</sup> Plan was closed to new entrants in 1976 and consolidated into the Public Employees Police and Fire Plan in 1993.
- <sup>50</sup> Plan was closed to new entrants in 1977 and consolidated into the Public Employees Police and Fire Plan in 1993.
- <sup>51</sup> 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.
- <sup>52</sup> Plan was closed to new entrants as of June 15, 1980, and was consolidated into the Public Employees Police and Fire Plan in 2011.
- <sup>53</sup> 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.
- <sup>54</sup> 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).
- <sup>55</sup> The plan covers volunteer firefighters, but because it provides benefits based on the salary of a top grade Bloomington police officer, with postretirement escalation, the plan is considered to be a salaried firefighter pension plan.
- <sup>56</sup> The plan was closed to new entrants in 1980 and consolidated into the Public Employees Police and Fire Plan in 1998.
- <sup>57</sup> The plan was closed to new entrants in 1980 and consolidated into the Public Employees Police and Fire Plan in 1997.
- <sup>58</sup> The plan was authorized in 1909, but not implemented until 1910, and the plan was consolidated into the Teachers Retirement Association in June 2006.
- <sup>59</sup> 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

Benefit Plan	Benefit Plan Administration	Pension Fund	Investment Authority
General State Employees	Minnesota State	State Employees	State Board of Investment
Retirement Plan	Retirement System	Retirement Fund	
Military Affairs Personnel	Minnesota State	State Employees	State Board of Investment
Retirement Plan	Retirement System	Retirement Fund	
Transportation Dept. Pilots	Minnesota State	State Employees	State Board of Investment
Retirement Plan	Retirement System	Retirement Fund	
State Fire Marshal Division Arson	Minnesota State	State Employees	State Board of Investment
Investigators Retirement Plan	Retirement System	Retirement Fund	
Correctional State Employees	Minnesota State	Correctional Employees	State Board of Investment
Retirement Plan	Retirement System	Retirement Fund	
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	Minnesota State	Minnesota Supplemental	State Board of Investment
Retirement Program	Retirement System	Investment Fund	
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	Public Employees	Public Employees Police	State Board of Investment
Plan	Retirement Association	and Fire Fund	
Public Employees Local Government	Public Employees	Local Government Correctional	State Board of Investment
Correctional Service Retirement Plan	Retirement Association	Service Retirement Fund	
Ambulance Service Personnel	Emergency Medical	Minnesota Supplemental	State Board of Investment
Longevity Plan	Services Regulatory Board	Investment Fund	
Teachers Retirement Plan	Teachers Retirement Association	Teachers Retirement Fund	State Board of Investment
MnSCU Supplemental	Minnesota State Colleges and Universities Board	Minnesota Supplemental Investment	State Board of Investment/
Retirement Plan		Fund & outside investment vehicles	Outside Vendors
MnSCU Individual Retirement	Minnesota State Colleges and Universities Board	Minnesota Supplemental Investment	State Board of Investment/
Account Plan		Fund & outside investment vehicles	Outside Vendors
Duluth Teachers Retirement Plan	Duluth Teachers Retirement Fund Association	Duluth Teachers Retirement Fund	DTRFA Board
St. Paul Teachers	St. Paul Teachers	St. Paul Teachers	SPTRFA Board
Retirement Plan	Retirement Fund Association	Retirement Fund	
Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan	Public Employees Retirement Association	PERA-SVF Fund	State Board of Investment

# Defined Benefit Retirement Plans and Defined Contribution Retirement Plans, In General

# Defined Benefit Plans In General and the Basic Operation of Defined Benefit Plans

- a. <u>Defined Benefit Plans, In General</u>. 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. <u>Basic Operation of Defined Benefit Plans</u>. 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, In General

# Defined Contribution Plans In General and the Basic Operation of Defined Contribution Plans

- a. <u>Defined Contribution Plans, in General</u>. 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. <u>Basic Operation of Defined Contribution Plans</u>. 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.

# Governing Laws for 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 <sup>1</sup>

<sup>&</sup>lt;sup>1</sup> N/R means no establishment date is reported.

# Governing Laws for Defined Benefit Retirement Plans and Defined Contribution Retirement Plans

# **Minnesota Defined Contribution Plans**

Pla	n	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

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# **Public Pension Plan Condition**

Question In what shape are Minnesota defined benefit pension plans and funds?

<u>Answer</u> Minnesota defined benefit retirement plans are intended to be funded on an actuarial basis, with regular actuarial reporting since 1958.

Minnesota law requires actuarial valuations to be prepared using the same actuarial valuation method, specifies the actuarial assumptions as to interest, post-retirement adjustments, salary increase, and payroll growth, requires periodic experience studies to validate actuarial assumptions, and specifies the amortization target dates.

Minnesota law specifies the member and employer contribution rates for the various retirement plans, which are adjusted periodically based on the actuarial valuation results.

Minnesota defined benefit retirement plans are 77% funded (actuarial value of assets as a percentage of actuarial accrued liabilities) on average, with a range from a low of 53% (Judges) to a high of 96% (Local Correctional Employees).

All Minnesota defined benefit retirement plans have current contribution rates that are less than the calculated actuarial requirement except for local correctional employees, MERF Division of PERA, and most volunteer firefighters' relief associations, with some of those contribution deficiencies indicate a need for scrutiny and additional action (Judges, State Patrol, PERA-Police and Fire, MSRS-Correctional, and TRA).

No Minnesota defined benefit retirement plans are likely to default in the payment of promised benefits in the short or medium term, but plans with significant contribution deficiencies can be predicted to default in the longer term without corrective action.

# **Materials**

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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.
- From1984 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:	<ul> <li><u>Funding Requirement</u></li> <li>1. Normal Cost</li> <li>2. Administrative Expenses</li> <li>3. Supplementary (Amortization) Contribution Total Actuarial Requirement (1. + 2. + 3.)</li> </ul>
		<u>Contributions</u> 4. Member Contributions 5. Employer Contributions 6. State Aid or Other Regular Funding



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

**Summary of Actuarial Valuation Results** Minnesota Public Employee Retirement Plans

	Tota General   F	al Statewide Employee Plans ⁼Y2014	Total Public⊹ F)	Statewide Safety Plans Y2014	Total Speci	Statewide alty Plans Y2014	To Class F	tal First City Plans Y2014	Total Lo & Paid I CY	cal Police Fire Plans 2013	Volu Fire	nteer Plans** Y2012	ALI	OTAL . PLANS
<u>mbership</u> ctive Members ervice Retirees		270,249 154,739		19,844 10,424		340 528		4,838 7,438		124 140		16,490 1,375		311,885 174,644
sabilitants		6,085		1,635		24		164		14		0		7,922
urvivors		15,848		2,251		158		1,206		27		0		19,490
eferred Retirees		77,884		5,137		29	_	2,125		18		3,320		88,563
onvested Former Members		156,821		3,312		0		2,363		0		o		162,496
Total Membership		681,626		42,603		1,129		18,134		323		21,185		765,000
inded Status corrued Liability current Assets		\$57,155,284,000 \$44,152,744,000		\$10,500,731,000 \$8,323,682,000		\$549,093,000 \$165,786,000		\$3,031,005,603 \$2,086,792,577		\$129,441,911 <u>\$143,611,691</u>		\$448,446,074 \$459,530,800		\$71,814,001,588 <u>\$55,332,147,068</u>
Intunded Accrued Liability Funding Ratio	77.25%	\$13,002,540,000	79.27%	\$2,177,049,000	30.19%	\$383,307,000	68.85%	\$944,213,026	110.95%	(\$14,169,780)	102.47%	(\$11,084,726)	77.05%	\$16,481,854,520
<u>nancing Requirements</u> covered Payroll		\$12,399,998,000		\$1,306,121,000		\$44,469,000		\$323,944,796		\$10,110,384		\$0		\$14,084,643,180
enefits Payable		\$3,313,928,000		\$563,712,000		\$29,209,000		\$266,711,607		\$4,434,148		\$30,667,819		\$4,208,662,574
Jormal Cost	7.84%	\$972,371,000	19.16%	\$250,197,000	20.46%	\$9,097,000	8.44%	\$27,338,011	29.18%	\$2,949,720		\$0 \$24,904,749	9.14%	\$1,286,857,480
dministrative Expenses	0.23%	\$28,316,000	0.15%	\$1,943,000	0.21%	\$95,000	0.54%	\$1,734,901	0.97%	\$97,929		\$2,113,490	0.24%	\$34,300,320
Amortization Total Decisionente	<u>8.27%</u> 16.24%	\$1,025,346,000 \$2,026,032,000	<u>10.91%</u>	\$142,554,000 \$304 604 000	<u>68.17%</u> 88.84%	\$30,315,000 *30.507.000	21.39%	\$69,303,573 ¢08-376-485	(14.02%) 16.12%	(\$1,417,476) \$1,630,173		\$5,078,518 \$32,006,757	<u>9.03%</u> 18.41%	\$1,271,179,615 \$2 502 337 415
rotal requirements Employee Contributions	0.420 85.8%	\$816 301 000	00.22.00 0 75%	\$127 403 000	8.53%	000,000,000	0.00 6,68%	\$21 637 785	0.00%				6,88%	\$060 125 785
impleyed contributions	2,00%	\$878 971 000	14 40%	\$180 208 000	20000	\$0 701 000	0.00%	CO0 103 785	10 15%	¢1 228 450		CO 117 515	7 0/%	\$1 118 157 750
imployer Add'I Cont.	%00.0 %00.0	\$0 \$0	0.88%	\$11,559,000	%00.00	80	9.73%	\$31,507,000	0.00%	\$0 \$0		\$0 \$0	0.31%	\$43.066.000
Direct State Funding	0.17%	\$21,001,000	0.77%	\$10,000,000	0.00%	\$0	11.20%	\$36,293,402	3.97%	\$401,714		\$17,054,924	0.60%	\$84,751,040
other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0		\$553,319	%00.0	\$553,319
dministrative Assessment Total Contributions	<u>0.00%</u> 13.84%	<u>\$0</u> \$1,716,273,000	<u>0.00%</u> 25.90%	<u>\$0</u> \$338,260,000	<u>0.00%</u> 30.56%	<u>\$0</u> \$13,588,000	<u>0.00%</u> 36.69%	<u>\$0</u> \$118,861,972	<u>0.00%</u> 16.12%	<u>\$0</u> \$1,630,173		<u>\$0</u> \$27,050,758	<u>0.00%</u> 15.73%	<u>\$0</u> \$2,215,663,903
tal Requirements	16.34%	\$2,026,033,000	30.22%	\$394,694,000	88.84%	\$39,507,000	30.37%	\$98,376,485	16.12%	\$1,630,173		\$32,096,757	18.41%	\$2,592,337,415
otal Contributions Deficiency (Surplus)	<u>13.84%</u> 2.50%	<u>\$1,716,273,000</u> \$309,760,000	<u>25.90%</u> 4.32%	<u>\$338,260,000</u> \$56,434,000	<u>30.56%</u> 58.29%	<u>\$13,588,000</u> \$25,919,000	<u>36.69%</u> (6.32%)	<u>\$118,861,972</u> (\$20,485,487)	<u>16.12%</u> 0.00%	<u>\$1,630,173</u> \$0		\$5,045,999	<u>15.73%</u> 2.67%	<u>\$2,215,663,903</u> \$376,673,512

\*\*Source: State Auditor Public Pension Plan Financial and Investment Report (most recent data available) FY = July 1-June 30 CY = Jan 1-Dec 31

ctuarial Valuation Results	al Employee Retirement Plans
Summary of Actual	<b>Statewide General Em</b>

							Tota	al Statewide
	MSF _	RS-General FY2014	PEF	A-General ۲۲2014		TRA FY2014	General	Employee Plans FY2014
<u>Membership</u>		10 662		CFC CF F		CKC 77		010 020
		49,000		-40,040		11,243		210,243
Service Retirees		29,225		71,740		53,774		154,739
Disabilitants		1,818		3,704		563		6,085
Survivors		3,686		7,690		4,472		15,848
Deferred Retirees		16,472		48,505		12,907		77,884
Nonvested Former Members		5,818		121,019		29,984		156,821
Total Membership		106,682		396,001		178,943		681,626
Funded Status								
Accrued Liability Current Assets		\$12,445,126,000 \$10.326.272.000		\$15,644,540,000		\$23,427,654,000 \$18_181_932_000		\$57,155,284,000 \$44,152,744,000
Unfunded Accrued Liability		\$2,118,854,000		\$5,637,964,000		\$5,245,722,000		\$13,002,540,000
Funding Ratio	82.97%		73.51%		77.61%		77.25%	
Financing Reguirements								
Covered Payroll		\$2,653,367,000		\$5,392,643,000		\$4,353,988,000		\$12,399,998,000
Benefits Payable		\$623,942,000		\$1,109,866,000		\$1,580,120,000		\$3,313,928,000
Normal Cost	7.37%	\$195,553,000	7.38%	\$397,975,000	8.70%	\$378,843,000	7.84%	\$972,371,000
Administrative Expenses	0.32%	\$8,491,000	0.19%	\$10,246,000	0.22%	\$9,579,000	0.23%	\$28,316,000
Amortization	5.13%	\$136,118,000	8.23%	\$443,815,000	10.23%	\$445,413,000	8.27%	\$1,025,346,000
Total Requirements	12.82%	\$340,162,000	15.80%	\$852,036,000	19.15%	\$833,835,000	16.34%	\$2,026,033,000
Employee Contributions	5.50%	\$145,935,000	6.38%	\$343,793,000	7.50%	\$326,573,000	6.58%	\$816,301,000
Employer Contributions	5.50%	\$145,935,000	7.38%	\$397,727,000	7.70%	\$335,309,000	7.09%	\$878,971,000
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Direct State Funding	0.00%	\$0	0.00%	\$0	0.48%	\$21,001,000	0.17%	\$21,001,000
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	0.00%	<u>\$0</u>	0.00%	<u>\$0</u>	0.00%	<u>\$0</u>	0.00%	<u>\$0</u>
Total Contributions	11.00%	\$291,870,000	13.75%	\$741,520,000	15.68%	\$682,883,000	13.84%	\$1,716,273,000
Total Requirements	12.82%	\$340,162,000	15.80%	\$852,036,000	19.15%	\$833,835,000	16.34%	\$2,026,033,000
Total Contributions	11.00%	\$291,870,000	13.75%	\$741,520,000	15.68%	\$682,883,000	13.84%	\$1,716,273,000
Deficiency (Surplus)	1.82%	\$48,292,000	2.05%	\$110,516,000	3.47%	\$150,952,000	2.50%	\$309,760,000

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Summary of Actuarial Valuation Results Statewide Public Safety Retirement Plans

	MSRS	Correctional	State	a Datrol	ā	-RA.D&F	DERA	Correctional	Total	Statewide Safetv Plans
		Y2014	ΕY	2014		FY2014	, L.	Y2014	L L	Y2014
<u>Membership</u> Active Members		4,504		858		10,879		3,603		19,844
Service Retirees		2,075		776		7,002		571		10,424
Disabilitants		268		54		1,151		162		1,635
Survivors		174		155		1,886		36		2,251
Deferred Retirees		1,232		44		1,481		2,380		5,137
Nonvested Former Members		384		17		975		1,936		3,312
Total Membership		8,637		1,904		23,374		8,688		42,603
<u>Funded Status</u> Accrued Liability		\$1,122,474,000		\$800,421,000		\$8,151,328,000		\$426,508,000		\$10,500,731,000
Current Assets Untunded Accrued Liability		\$790,304,000 \$332,170,000		\$597,870,000 \$202.551,000		\$6,525,019,000 \$1,626.309,000		\$410,489,000 \$16,019,000		<u>\$8,323,682,000</u> \$2,177,049,000
Funding Ratio	70.41%	) ) ) ) )	74.69%		80.05%		96.24%		79.27%	
Financing Requirements										
Covered Payroll Benefits Payable		\$227,008,000 \$50,842,000		\$67,386,000 \$53,697,000		\$829,374,000 \$452,462,000		\$182,353,000 \$6,711,000		\$1,306,121,000 \$563,712,000
Normal Cost	16 10%	\$36 548 000	%VL CC	\$15 324 000	21 14%	\$175 330 000	10 61%	\$22 005 000	10 16%	\$250 107 000
Administrative Expenses	0.31%	\$704,000	0.23%	\$155,000	0.10%	\$829,000	0.14%	\$255,000	0.15%	\$1,943,000
Amortization	10.02%	\$22,746,000	20.59%	\$13,875,000	12.61%	\$104,584,000	0.74%	\$1,349,000	10.91%	\$142,554,000
Total Requirements	26.43%	\$59,998,000	43.56%	\$29,354,000	33.85%	\$280,743,000	13.49%	\$24,599,000	30.22%	\$394,694,000
Employee Contributions	9.10%	\$20,658,000	13.40%	\$9,030,000	10.50%	\$87,084,000	5.83%	\$10,631,000	9.75%	\$127,403,000
Employer Contributions	12.85%	\$29,171,000	20.10%	\$13,545,000	15.75%	\$130,626,000	8.75%	\$15,956,000	14.49%	\$189,298,000
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	1.39%	\$11,559,000	0.00%	\$0	0.88%	\$11,559,000
Direct State Funding	0.00%	\$0	1.48%	\$1,000,000	1.09%	\$9,000,000	0.00%	\$0	0.77%	\$10,000,000
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	<u>0.00%</u>	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Total Contributions	21.95%	\$49,829,000	34.98%	\$23,575,000	28.73%	\$238,269,000	14.58%	\$26,587,000	25.90%	\$338,260,000
Total Requirements	26.43%	\$59,998,000	43.56%	\$29,354,000	33.85%	\$280,743,000	13.49%	\$24,599,000	30.22%	\$394,694,000
Total Contributions	21.95%	\$49,829,000	34.98%	\$23,575,000	28.73%	\$238,269,000	14.58%	\$26,587,000	25.90%	\$338,260,000
Deficiency (Surplus)	4.48%	\$10,169,000	8.58%	\$5,779,000	5.12%	\$42,474,000	(1.09%)	(\$1,988,000)	4.32%	\$56,434,000

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tummary of Actuarial Valuation Results Statewide Specialty Retirement Plans
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						Total	Statewide
	Elective State Officers FY2014*	₽₩	dges 2014	Legi FY	slators 2014*	Speci	alty Plans Y2014
<u>Membership</u>				!!)	nd. ESO)		
Active Members	*Merged into Legis. Plan		316		24		340
Service Retirees			227		301		528
Disabilitants			24		0		24
Survivors			84		74		158
Deferred Retirees			16		63		79
Nonvested Former Members			0		O		O
Total Membership			667		462		1,129
Funded Status			0				
Accrued Liability			\$298,233,000		\$250,860,000		\$549.093.000
Current Assets			\$157,528,000		\$8,258,000		\$165,786,000
Unfunded Accrued Liability			\$140,705,000		\$242,602,000		\$383,307,000
Funding Ratio		52.82%		3.29%		30.19%	
Encount Doct Handate							
			\$13 527 000		\$042 000		\$11 160 000
Covereu rayroi Benefits Pavahle			\$20,802,000		\$8 407 000		\$29,209,000
			\$20,002,000		000,001,00		423,203,000
Normal Cost		17.92%	\$7,800,000	137.69%	\$1,297,000	20.46%	\$9,097,000
Administrative Expenses		0.14%	\$61,000	3.61%	\$34,000	0.21%	\$95,000
Amortization		23.20%	\$10,098,000	2146.18%	\$20,217,000	68.17%	\$30,315,000
Total Requirements		41.26%	\$17,959,000	2287.47%	\$21,548,000	88.84%	\$39,507,000
Emplovee Contributions		8.52%	\$3.709.000	%00.6	\$85,000	8.53%	\$3,794,000
Employer Contributions		22.50%	\$9,794,000	* 0.00%	\$0	22.02%	\$9,794,000
Employer Add'l Cont.		0.00%	\$0	0.00%	\$0	0.00%	\$0
Direct State Funding		0.00%	\$0	0.00%	\$0	0.00%	\$0
Other Govt. Funding		0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment		<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	\$0	<u>0.00%</u>	\$0
Total Contributions		31.02%	\$13,503,000	9.00%	\$85,000	30.56%	\$13,588,000
Total Requirements		41.26%	\$17,959,000	2287.47%	\$21,548,000	88.84%	\$39,507,000
Total Contributions		31.02%	\$13,503,000	<u>9.00%</u>	<u>\$85,000</u>	30.56%	\$13,588,000
Deficiency (Surplus)		10.24%	\$4,456,000	2278.47%	\$21,463,000	58.29%	\$25,919,000
				* Pay-a	s-you-go Funding		

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I Valuation Results	etirement Plans
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ummary	First

		TRFA Y2014		SPTRFA FY2014	MERF Div F	ision of PERA Y2014	Tc Class F	otal First s City Plans -Y2014
<u>Membership</u> Active Members Service Retirees Disabilitants Survivors Deferred Retirees Nonvested Former Members		837 1,353 1,353 21 21 253 253 253		3,959 3,156 34 33 33 1,829 1,616		42 2,929 109 739 43		4,838 7,438 164 1,206 2,125 2,125
Total Membership <u>Eunded Status</u> Accrued Liability Current Assets Unfunded Accrued Liability		3,339 \$356,482,603 <u>\$202,874,577</u> \$153,608,026		10,933 \$1,533,603,000 \$947,972,000 \$585,631,000		3,862 \$1,140,920,000 <u>\$935,946,000</u> \$204,974,000		18, 134 \$3,031,005,603 <u>\$2,086,792,577</u> \$944,213,026
Funding Ratio <u>Financing Requirements</u> Covered Payroll Benefits Pavable	56.91%	\$47,103,796 \$26,503,607	61.81%	\$273,990,000 \$105.742,000	82.03%	\$2,851,000 \$134,466,000	68.85%	\$323,944,796 \$266,711,607
Normal Cost	7.87%	\$3,708,011	8.51%	\$23,323,000	10.77%	\$307,000	8.44%	\$27,338,011
Administrative Expenses	1.35%	\$635,901	0.27%	\$740,000	12.59%	\$359,000	0.54%	\$1,734,901
Amortization	<u>21.94%</u>	<u>\$10,334,573</u>	<u>13.15%</u>	<u>\$36,030,000</u>	<u>804.59%</u>	<u>\$22,939,000</u>	<u>21.39%</u>	<u>\$69,303,573</u>
Total Requirements	31.16%	\$14,678,485	21.94%	\$60,093,000	827.95%	\$23,605,000	30.37%	\$98.376,485
Employee Contributions	7.50%	\$3,532,785	6.51%	\$17,827,000	9.75%	\$278,000	6.68%	\$21,637,785
Employer Contributions	7.50%	\$3,532,785	9.35%	\$25,613,000	9.75%	\$278,000	9.08%	\$29,423,785
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	1105.12%	\$31,507,000	9.73%	\$31,507,000
Direct State Funding	13.92%	\$6,555,402	3.89%	\$10,665,000	668.99%	\$19,073,000	11.20%	\$36,293,402
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>
Total Contributions	28.92%	\$13,620,972	19.75%	\$54,105,000	1793.62%	\$51,136,000	36.69%	\$118,861,972
Total Requirements	31.16%	\$14,678,485	21.94%	\$60,093,000	827.95%	\$23,605,000	30.37%	\$98,376,485
Total Contributions	<u>28.92%</u>	<u>\$13,620,972</u>	<u>19.75%</u>	<u>\$54,105,000</u>	<u>1793.62%</u>	<u>\$51,136,000</u>	<u>36.69%</u>	<u>\$118,861,972</u>
Deficiency (Surplus)	2.25%	\$1,057,513	2.19%	\$5,988,000	(965.67%)	(\$27,531,000)	(6.32%)	(\$20,485,487)

Iry of Actuarial Valuation Results	Teacher Retirement Plans
immary of	Teac
Summary of <i>A</i>	Teach

		TRFA		SPTRFA		TRA	Теа	Total cher Plans
Mamharshin	±	Y 2014		FY 2014		FY2014		FY2014
Active Members		837		3,959		77,243		82,039
Service Retirees		1,353		3,156		53,774		58,283
Disabilitants		21		34		563		618
Survivors		128		339		4,472		4,939
Deferred Retirees		253		1,829		12,907		14,989
Nonvested Former Members		747		1,616		29,984		32,347
Total Membership		3,339		10,933		178,943		193,215
<u>Funded Status</u> Accrued Liability		\$356,482,603		\$1,533,603,000		\$23,427,654,000		\$25,317,739,603
Current Assets		<u>\$202,874,577</u>		<u>\$947,972,000</u>		<u>\$18,181,932,000</u>		<u>\$19,332,778,577</u>
Untunded Accrued Liability Funding Ratio	56.91%	\$153,608,026	61.81%	\$585,631,000	77.61%	\$5,245,722,000	76.36%	\$5,984,961,026
Einancing Raguiraments								
Covered Payroll		\$47,103,796		\$273,990,000		\$4,353,988,000		\$4,675,081,796
Benefits Payable		\$26,503,607		\$105,742,000		\$1,580,120,000		\$1,712,365,607
Normal Cost	7.87%	\$3,708,011	8.51%	\$23,323,000	8.70%	\$378,843,000	8.68%	\$405,874,011
Administrative Expenses	1.35%	\$635,901	0.27%	\$740,000	0.22%	\$9,579,000	0.23%	\$10,954,901
Amortization	21.94%	\$10,334,573	13.15%	\$36,030,000	10.23%	\$445,413,000	10.52%	\$491,777,573
Total Requirements	31.16%	\$14,678,485	21.94%	\$60,093,000	19.15%	\$833,835,000	19.44%	\$908,606,485
Employee Contributions	7.50%	\$3,532,785	6.51%	\$17,827,000	7.50%	\$326,573,000	7.44%	\$347,932,785
Employer Contributions	7.50%	\$3,532,785	9.35%	\$25,613,000	7.70%	\$335,309,000	7.80%	\$364,454,785
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Direct State Funding	13.92%	\$6,555,402	3.89%	\$10,665,000	0.48%	\$21,001,000	0.82%	\$38,221,402
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	<u>0.00%</u>	<u>\$0</u>	0.00%	<u>\$0</u>	0.00%	<u>\$0</u>	0.00%	<u>\$0</u>
Total Contributions	28.92%	\$13,620,972	19.75%	\$54,105,000	15.68%	\$682,883,000	16.06%	\$750,608,972
Total Requirements	31.16%	\$14,678,485	21.94%	\$60,093,000	19.15%	\$833,835,000	19.44%	\$908,606,485
Total Contributions	28.92%	\$13,620,972	19.75%	\$54,105,000	15.68%	\$682,883,000	16.06%	\$750,608,972
Deficiency (Surplus)	2.25%	\$1,057,513	2.19%	\$5,988,000	3.47%	\$150,952,000	3.38%	\$157,997,513

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# Summary of Actuarial Valuation Results Local Police Fire Retirement Plans

	Bloomir CY	ıgton Fire 2013	Fairmont Police CY2012*	Minneapolis Fire CY2012*	Minneapolis Police CY2012*	Virginia Fire CY2012*	Total Lo and Paid CY	:al Police ⁻ire Plans 2013
<u>Membership</u> Active Members		124						124
Service Retirees Disabilitants		140						140 14
Survivors		27						27
Deferred Retirees		18						18
Nonvested Former Members		O						O
Total Membership		323	Aeroed into DER A. P& F	*Marrad into DERA_D&F	*Marrad into DER 4.0%E	*Merred into DERA_D&F		323
Funded Status		•						
Accrued Liability		\$129,441,911						\$129,441,911
Current Assets		\$143,611,691						\$143,611,691
Unfunded Accrued Liability		(\$14,169,780)						(\$14,169,780)
Funding Ratio	110.95%						110.95%	
Einanaina Daquiramanta								
Covered Pavroll		\$10.110.384						\$10.110.384
Benefits Payable		\$4,434,148						\$4,434,148
Normal Cost	29.18%	\$2,949,720					29.18%	\$2,949,720
Administrative Expenses	0.97%	\$97,929					0.97%	\$97,929
Amortization	(14.02%)	(\$1,417,476)					(14.02%)	(\$1,417,476)
Total Requirements	16.12%	\$1,630,173					16.12%	\$1,630,173
Employee Contributions	0.00%	\$0					0.00%	\$0
Employer Contributions	12.15%	\$1,228,459					12.15%	\$1,228,459
Employer Add'I Cont.	0.00%	\$0					0.00%	\$0
Direct State Funding	3.97%	\$401,714					3.97%	\$401,714
Other Govt. Funding	0.00%	\$0					0.00%	\$0
Administrative Assessment	0.00%	\$0					0.00%	<u>\$0</u>
Total Contributions	16.12%	\$1,630,173					16.12%	\$1,630,173
Total Requirements	16.12%	\$1,630,173					16.12%	\$1,630,173
Total Contributions	16.12%	\$1,630,173					16.12%	\$1,630,173
Deficiency (Surplus)	%00.0	\$0					0.00%	\$0

 $\sim$ 

	Tot: General F	al Statewide Employee Plans `Y2014	Total General E F1	Statewide imployee Plans ′2013	Total 5 Public S FY	Statewide afety Plans '2014	Total Public (	Statewide Safety Plans Y2013	Total S Specia. FY	tatewide Ity Plans 2014	Total { Speci≀ FY	Statewide alty Plans '2013	Toti Class ( FY	al First City Plans '2014	Tota Class C FY	l First ity Plans 2013
Membership Active Members Service Retirees Service Retirees Survivors Deferred Retirees Nonvested Former Members		270,249 154,739 6,085 15,848 77,884 <u>156,821</u> 681,626		265,649 147,846 6,053 15,638 15,638 74,622 <u>153,964</u> 663,772		19,844 10,424 1,635 2,251 5,137 5,137 5,137		19,662 9,754 1,595 2,277 4,857 41,380		340 528 24 158 79 79		333 507 24 177 87 1,129		4,838 7,438 164 1,206 2,125 2,125 2,125		4,998 7,380 166 1,212 2,113 2,113 2,113 18,061
Eunded Status Accrued Liability Current Assets Unfunded Accrued Liability Funding Ratio	77.25%	\$57,155,284,000 <u>\$44,152,744,000</u> \$13,002,540,000	74.25%	\$54,227,039,000 \$40,263,701,000 \$13,963,338,000	79.27%	\$10,500,731,000 \$8.323,682,000 \$2,177,049,000	79.69%	\$9,453,159,000 <u>\$7,533,133,000</u> \$1,920,026,000	30.19%	\$549,093,000 <u>\$165,786,000</u> \$383,307,000	29.57%	\$528,984,759 <u>\$156,411,000</u> \$372,573,759	68.85%	\$3,031,005,603 <u>\$2,086,792,577</u> \$944,213,026	65.13% 69.40 60.40 60 60 60 60 60 60 60 60 60 60 60 60 60	2,986,616,396 <u>1,945,225,720</u> 1,041,390,676
<u>Financing Requirements</u> Covered Payroll Benefits Payable		\$12,399,998,000 \$3,313,928,000		\$12,015,353,000 \$3,159,324,000		\$1,306,121,000 \$563,712,000		\$1,273,818,000 \$535,766,000		\$44,469,000 \$29,209,000		\$41,529,000 \$28,099,000		\$323,944,796 \$266,711,607		\$323,672,537 \$266,475,230
Normal Cost Administrative Expenses Amortization Total Requirements	7.84% 0.23% <u>8.27%</u> 16.34%	\$972,371,000 \$28,316,000 <u>\$1,025,346,000</u> \$2,026,033,000	7.15% 0.24% <u>8.43%</u> 15.82%	\$859,293,000 \$28,596,000 \$1.012,733,000 \$1,900,622,000	19.16% 0.15% <u>10.91%</u> 30.22%	\$250,197,000 \$1,943,000 <u>\$142,554,000</u> \$394,694,000	17.58% 0.14% <u>9.97%</u> 27.69%	\$223,921,000 \$1,839,000 <u>\$127,010,000</u> \$352,770,000	20.46% 0.21% <u>68.17%</u> 88.84%	\$9,097,000 \$95,000 <u>\$30,315,000</u> \$39,507,000	20.75% 0.24% <u>67.75%</u> 88.74%	\$8,617,000 \$101,000 <u>\$28,134,345</u> \$36,852,345	8.44% 0.54% <u>21.39%</u> 30.37%	\$27,338,011 \$1,734,901 <u>\$69,303,573</u> \$98,376,485	7.85% 0.51% <u>25.01%</u> 33.38%	\$25,422,107 \$1,641,705 <u>\$80.964,847</u> \$108,028,659
Employee Contributions Employer Contributions Employer Add'I Cont. Direct State Funding Other Govt. Funding Administrative Assessment Total Contributions	6.58% 7.09% 0.00% 0.17% 0.00% 13.84%	\$816,301,000 \$878,971,000 \$21,001,000 \$21,001,000 \$231,716,273,000 \$1,716,273,000	6.25% 6.75% 0.00% 0.00% <u>0.00%</u> 13.17%	\$750,639,000 \$811,254,000 \$19,954,000 \$19,954,000 \$0 \$1,581,847,000	9.75% 14.49% 0.77% 0.00% <u>0.00%</u> 25.90%	\$127,403,000 \$189,298,000 \$11,559,000 \$10,000,000 \$10,000,000 \$0 \$338,260,000	9.25% 13.74% 0.91% 0.79% 0.00% <u>0.00%</u> 24.69%	\$117,832,000 \$175,053,000 \$11,559,000 \$10,000,000 \$10,000,000 \$314,444,000 \$314,444,000	8.53% 22.02% 0.00% 0.00% <u>0.00%</u> 30.56%	\$3,794,000 \$9,794,000 \$0 \$0 \$13,588,000	8.47% 21.97% 0.00% 0.00% <u>0.00%</u> 30.44%	\$3,519,000 \$9,123,000 \$0 \$0 \$0 \$12,642,000 \$12,642,000	6.68% 9.08% 9.73% 11.20% 0.00% <u>0.00%</u> 36.69%	\$21,637,785 \$29,423,785 \$31,507,000 \$36,293,402 \$0 \$118,861,972 \$118,861,972	6.42% 8.85% 9.58% 12.74% 0.00% <u>0.00%</u> 37.59%	\$20,793,368 \$28,629,524 \$31,014,000 \$41,220,402 \$1,210,402 \$0 \$121,657,294
Total Requirements Total Contributions Deficiency (Surplus)	16.34% <u>13.84%</u> 2.50%	\$2,026,033,000 <u>\$1,716,273,000</u> \$309,760,000	15.82% <u>13.17%</u> 2.65%	\$1,900,622,000 <u>\$1,581,847,000</u> \$318,775,000	30.22% <u>25.90%</u> 4.32%	\$394,694,000 <u>\$338.260,000</u> \$56,434,000	27.69% <u>24.69%</u> 3.01%	\$352,770,000 <u>\$314,444,000</u> \$38,326,000	88.84% <u>30.56%</u> 58.29%	\$39,507,000 <u>\$13,588,000</u> \$25,919,000	88.74% <u>30.44%</u> 58.30%	\$36,852,345 <u>\$12,642,000</u> \$24,210,345	30.37% <u>36.69%</u> (6.32%)	\$98,376,485 <u>\$118.861.972</u> (\$20,485,487)	33.38% <u>37.59%</u> (4.21%)	\$108,028,659 <u>\$121,657,294</u> (\$13,628,635)

FY = July 1-June 30 CY = Jan 1-Dec 31

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

	Total Lo	ocal Police	Total Lo	cal Police	Volur	nteer	Volur	nteer	F	DTAL	-	OTAL
	& Paid C	Fire Plans /2013	& Paid F CY	Fire Plans 2012	Fire F CY2	lans** 012	Fire F CY2	יוans** 011	ALL	PLANS	ALI	. PLANS
Membership Active Members		101		110		16 400		16 020		311 DDF		307 600
Service Retirees		140		141		1 375		1 453		174 644		167 081
Disabilitants		9 <u>+</u> 4		6		0		0		7.922		7.847
Survivors		27		24		0		0		19,490		19,328
Deferred Retirees		18		18		3,320		3,344		88,563		85,041
Nonvested Former Members		0		0		0		0		162,496		159,392
Total Membership		323		311		21,185		21,636		765,000		746,289
Funded Status												
Accrued Liability		\$129,441,911		\$123,629,258		\$448,446,074		\$441,403,950		\$71,814,001,588		\$67,760,832,363
Unfunded Accrued Liability		<u>\$143,611,691</u> (\$14.169.780)		\$1.084.343		\$459,530,800 (\$11.084.726)		\$12,998,766		\$16,481,854,520		\$17.311.411.544
Funding Ratio	110.95%		99.12%		102.47%		97.06%		77.05%		74.45%	•
Financing Requirements												
Covered Payroll		\$10,110,384		\$9,668,988		\$0		\$0		\$14,084,643,180		\$13,664,041,525
Benefits Payable		\$4,434,148		\$4,211,880		\$30,667,819 \$0		\$30,485,847 \$0		\$4,208,662,574		\$4,024,361,957
Normal Cost	29.18%	\$2,949,720	28.84%	\$2,788,613		\$24,904,749		\$24,796,098	9.14%	\$1,286,857,480	8.38%	\$1,144,837,818
Administrative Expenses	0.97%	\$97,929	0.94%	\$90,545		\$2,113,490		\$2,028,813	0.24%	\$34,300,320	0.25%	\$34,297,063
Amortization	(14.02%)	(\$1,417,476)	1.42%	\$136,963		\$5,078,518		\$4,036,250	9.03%	\$1,271,179,615	9.17%	\$1,253,015,405
Total Requirements	16.12%	\$1,630,173	31.19%	\$3,016,121		\$32,096,757		\$30,861,161	18.41%	\$2,592,337,415	17.80%	\$2,432,150,286
Employee Contributions	0.00%	\$0	0.00%	\$0		\$0		\$0	6.88%	\$969,135,785	6.53%	\$892,783,368
Employer Contributions	12.15%	\$1,228,459	27.45%	\$2,654,554		\$9,442,515		\$12,084,364	7.94%	\$1,118,157,759	7.60%	\$1,038,798,442
Employer Add'l Cont.	%00.0	\$0	0.00%	\$0		\$0		\$0	0.31%	\$43,066,000	0.31%	\$42,573,000
Direct State Funding	3.97%	\$401,714	3.74%	\$361,567		\$17,054,924		\$17,182,006	0.60%	\$84,751,040	0.65%	\$88,717,975
Other Govt. Funding	%00.0	\$0	0.00%	\$0		\$553,319		\$476,828	0.00%	\$553,319	0.00%	\$476,828
Administrative Assessment	0.00%	<u>\$0</u>	0.00%	\$0		\$0		\$0	0.00%	\$0	0.00%	<u>\$0</u>
Total Contributions	16.12%	\$1,630,173	31.19%	\$3,016,121		\$27,050,758		\$29,743,198	15.73%	\$2,215,663,903	15.10%	\$2,063,349,613
Total Requirements	16.12%	\$1,630,173	31.19%	\$3,016,121		\$32,096,757		\$30,861,161	18.41%	\$2,592,337,415	17.80%	\$2,432,150,286
Total Contributions	16.12%	\$1.630.173	31.19%	\$3,016,121		\$27,050,758		\$29.743.198	15.73%	\$2.215.663.903	15.10%	\$2.063.349.613
Deficiency (Surplus)	0.00%	\$0	0.00%	\$0		\$5,045,999		\$1,117,963	2.67%	\$376,673,512	2.70%	\$368,800,673
	FY = July 1-Ju	ne 30			**Sc	ource: State Audi	tor Public Pensi	on Plan Financial	and Investm	ent Report (most re	cent data ava	ilable)

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	_	MSRS-G FY2014	<u>ieneral</u> F	Y2013	Ľ	PEI	RA	FY2013	÷	<u>TF</u> -Y2014	⊥ ≷	Y2013	ΕY	Total Sta <u>General Emp</u> /2014	atewide <u>Iloyee Plan</u> F	<u>ة</u> ۲2013	
<u>Membership</u> Active Members		49,663		49,121		143,343		139,763		77,243		76,765		270,249		265,649	
Service Retirees		29,225		27,654		71,740		67,861		53,774		52,331		154,739		147,846	
Disabilitants		1,818		1,802		3,704		3,683		563		568		6,085		6,053	
Survivors		3,686		3,830		7,690		7,539		4,472		4,269		15,848		15,638	
Deferred Retirees		16,472		16,062		48,505		45,946		12,907		12,614		77,884		74,622	
Nonvested Former Members		5.818		5,574		121,019		119,509		29,984		28,881		156.821		153,964	
Total Membership		106,682		104,043		396,001		384,301		178,943		175,428		681,626		663,772	
Funded Status		64.0 44F 4.00 000		144 400 044 000				000 000 000		000 101 CE 1 000		110 000 000		817 4FF 004 000		#F 4 007 000 000	
Current Assets		\$12,445,126,000 \$10,326,272,000		\$11,428,641,000 \$9,375,780,000		\$215,644,540,000		\$14,113,295,000		\$23,427,654,000 \$18,181,932,000		\$16,774,626,000		\$44,152,744,000		\$34,227,039,000 \$40,263,701,000	
Unfunded Accrued Liability		\$2,118,854,000		\$2,052,861,000		\$5,637,964,000		\$5,266,474,000		\$5,245,722,000		\$6,644,003,000		\$13,002,540,000		\$13,963,338,000	
Funding Ratio	82.97%		82.04%		73.51%		72.82%		77.61%	_	71.63%		77.25%		74.25%		
Financing Requirements								100000000000000000000000000000000000000									
		\$2,603,307,UUU		\$2,553,156,UUU		\$5,392,643,000		000,88,736,000		\$4,333,988,000		24,205,398,000		\$12,399,998,000		\$12,019,353,000	
Benefits Payable		\$623,942,000		\$586,256,000		\$1,109,866,000		\$1,051,591,000		\$1,580,120,000		\$1,521,477,000		\$3,313,928,000		\$3,159,324,000	
Normal Cost	7.37%	\$195,553,000	6.95%	\$177,445,000	7.38%	\$397,975,000	6.25%	\$328,513,000	8.70%	\$378,843,000	8.40%	\$353,335,000	7.84%	\$972,371,000	7.15%	\$859,293,000	
Administrative Expenses	0.32%	\$8,491,000	0.35%	\$8,936,000	0.19%	\$10,246,000	0.19%	\$9,988,000	0.22%	\$9,579,000	0.23%	\$9,672,000	0.23%	\$28,316,000	0.24%	\$28,596,000	
Amortization	5.13%	\$136,118,000	5.15%	\$131,488,000	8.23%	\$443,815,000	8.14%	\$427,903,000	10.23%	\$445,413,000	10.78%	\$453,342,000	8.27%	\$1,025,346,000	8.43%	\$1,012,733,000	
Total Requirements	12.82%	\$340,162,000	12.45%	\$317,869,000	15.80%	\$852,036,000	14.58%	\$766,404,000	19.15%	\$833,835,000	19.41%	\$816,349,000	16.34%	\$2,026,033,000	15.82%	\$1,900,622,000	
Employee Contributions	5.50%	\$145,935,000	5.00%	\$127,658,000	6.38%	\$343,793,000	6.25%	\$328,565,000	7.50%	\$326,573,000	7.00%	\$294,416,000	6.58%	\$816,301,000	6.25%	\$750,639,000	
Employer Contributions	5.50%	\$145,935,000	5.00%	\$127,658,000	7.38%	\$397,727,000	7.25%	\$381,142,000	7.70%	\$335,309,000	7.19%	\$302,454,000	7.09%	\$878,971,000	6.75%	\$811,254,000	
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Direct State Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.48%	\$21,001,000	0.47%	\$19,954,000	0.17%	\$21,001,000	0.17%	\$19,954,000	
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Administrative Assessment	0.00%	\$0	0.00%	\$0	0.00%	<u>\$0</u>	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Total Contributions	11.00%	\$291,870,000	10.00%	\$255,316,000	13.75%	\$741,520,000	13.50%	\$709,707,000	15.68%	\$682,883,000	14.67%	\$616,824,000	13.84%	\$1,716,273,000	13.17%	\$1,581,847,000	
Total Requirements	12.82%	\$340,162,000	12.45%	\$317,869,000	15.80%	\$852,036,000	14.58%	\$766,404,000	19.15%	\$833,835,000	19.41%	\$816,349,000	16.34%	\$2,026,033,000	15.82%	\$1,900,622,000	
Total Contributions	11.00%	\$291,870,000	10.00%	\$255.316.000	13.75%	\$741.520.000	13.50%	\$709,707,000	15.68%	\$682.883.000	14.67%	\$616.824.000	13.84%	\$1.716.273.000	13.17%	\$1.581,847,000	
Deficiency (Surplus)	1.82%	\$48,292,000	2.45%	\$62,553,000	2.05%	\$110,516,000	1.08%	\$56,697,000	3.47%	\$150,952,000	4.74%	\$199,525,000	2.50%	\$309,760,000	2.65%	\$318,775,000	

		MSRS.Corre	retional			State D	atrol			DERA	D & F			DERA	ractional			Total Sta Public Saf	tewide	
	FY2	2014	FY	2013	FY2	014	FY	2013	£	Y2014	۲.	r 2013	ΕΫ́	2014	FY	2013	FΥ	2014	Ĺ	12013
<u>Membership</u> Active Members		4.504		4.384		858		845		10.879		10.940		3.603		3.493		19.844		19.662
Service Retirees		2.075		1.920		776		748		7.002		6,583		571		503		10,424		9.754
Disabilitants		268		258		54		50		1,151		1,131		162		156		1,635		1,595
Survivors		174		196		155		185		1,886		1,865		36		31		2,251		2,277
Deferred Retirees		1,232		1,196		4		4		1,481		1,388		2,380		2,232		5,137		4,857
Nonvested Former Members		384		413		17		18		975		988		1,936		1,816		3,312		3,235
Total Membership		8,637		8,367		1,904		1,887		23,374		22,895		8,688		8,231		42,603		41,380
<u>Funded Status</u> Accrued Liability	5	122.474.000	<u>8</u>	026.098.000	ŝ	000.421.000	ία.	741.850.000	θ.	8.151.328.000		57.304.032.000	6	426.508.000	6	381.179.000	ι. Υ	0.500.731.000	0.	9.453.159.000
Current Assets		\$790,304,000		\$701,091,000	80 0	597,870,000	6	552,319,000	69	\$6,525,019,000		5,932,945,000	69	410,489,000	69	346,778,000		8,323,682,000		7,533,133,000
Unfunded Accrued Liability		\$332,170,000		\$325,007,000	ŝ	202,551,000	ŝ	189,531,000	ŝ	\$1,626,309,000		31,371,087,000		\$16,019,000		\$34,401,000	07	\$2,177,049,000	69	1,920,026,000
Funding Ratio	70.41%	~	38.33%		74.69%		74.45%		80.05%		81.23%		96.24%		90.98%		79.27%		79.69%	
<u>Financing Requirements</u> Covered Payroll		\$227,008,000		\$212,972,000	9	\$67,386,000		\$64,136,000		\$829,374,000		\$822,003,000	\$	182,353,000	\$	174,707,000		81,306,121,000	69	1,273,818,000
Benefits Payable		\$50,842,000		\$46,226,000		\$53,697,000		\$52,057,000		\$452,462,000		\$431,726,000		\$6,711,000		\$5,757,000		\$563,712,000		\$535,766,000
Normal Cost	16.10%	\$36,548,000 1	5.60%	\$33,223,000	22.74% \$	\$15,324,000	20.78%	\$13,327,000	21.14%	\$175,330,000	18.90%	\$155,358,000	12.61%	\$22,995,000	12.60%	\$22,013,000	19.16%	\$250,197,000	17.58%	\$223,921,000
Administrative Expenses	0.31%	\$704,000	0.33%	\$703,000	0.23%	\$155,000	0.29%	\$186,000	0.10%	\$829,000	0.09%	\$740,000	0.14%	\$255,000	0.12%	\$210,000	0.15%	\$1,943,000	0.14%	\$1,839,000
Amortization	10.02%	\$22.746.000	0.18%	\$21,681,000	20.59% \$	\$13,875,000	20.17%	\$12.936.000	12.61%	\$104,584,000	10.90%	\$89,598,000	0.74%	\$1.349,000	1.60%	\$2.795.000	10.91%	\$142,554,000	9.97%	\$127,010,000
Total Requirements	26.43%	\$59,998,000	36.11%	\$55,607,000	43.56% \$	\$29,354,000	41.24%	\$26,449,000	33.85%	\$280,743,000	29.89%	\$245,696,000	13.49%	\$24,599,000	14.32%	\$25,018,000	30.22%	\$394,694,000	27.69%	\$352,770,000
Employee Contributions	9.10%	\$20,658,000	8.60%	\$18,316,000	13.40%	\$9,030,000	12.40%	\$7,953,000	10.50%	\$87,084,000	9.90%	\$81,378,000	5.83%	\$10,631,000	5.83%	\$10,185,000	9.75%	\$127,403,000	9.25%	\$117,832,000
Employer Contributions	12.85%	\$29,171,000	2.10%	\$25,770,000	20.10% \$	\$13,545,000	18.60%	\$11,929,000	15.75%	\$130,626,000	14.85%	\$122,067,000	8.75%	\$15,956,000	8.75%	\$15,287,000	14.49%	\$189,298,000	13.74%	\$175,053,000
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	1.39%	\$11,559,000	1.41%	\$11,559,000	0.00%	\$0	0.00%	\$0	0.88%	\$11,559,000	0.91%	\$11,559,000
Direct State Funding	0.00%	\$0	0.00%	\$0	1.48%	\$1,000,000	1.56%	\$1,000,000	1.09%	\$9,000,000	1.09%	\$9,000,000	0.00%	\$0	0.00%	\$0	0.77%	\$10,000,000	0.79%	\$10,000,000
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Total Contributions	21.95%	\$49,829,000	%0.70%	\$44,086,000	34.98%	\$23,575,000	32.56%	\$20,882,000	28.73%	\$238,269,000	27.25%	\$224,004,000	14.58%	\$26,587,000	14.58%	\$25,472,000	25.90%	\$338,260,000	24.69%	\$314,444,000
Total Requirements	26.43%	\$59,998,000	6.11%	\$55,607,000	13.56% \$	\$29,354,000	41.24%	\$26,449,000	33.85%	\$280,743,000	29.89%	\$245,696,000	13.49%	\$24,599,000	14.32%	\$25,018,000	30.22%	\$394,694,000	27.69%	\$352,770,000
Total Contributions	21.95%	\$49,829,000	%07.0%	\$44.086.000	34.98% \$	\$23,575,000	32.56%	\$20.882.000	28.73%	\$238,269.000	27.25%	\$224.004.000	14.58%	\$26.587.000	14.58%	\$25,472,000	25.90%	\$338.260.000	24.69%	\$314,444,000
Deficiency (Surplus)	4.48%	\$10,169,000	5.41%	\$11,521,000	8.58%	\$5,779,000	8.68%	\$5,567,000	5.12%	\$42,474,000	2.64%	\$21,692,000	(1.09%)	(\$1,988,000)	(0.26%)	(\$454,000)	4.32%	\$56,434,000	3.01%	\$38,326,000

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	Electric Chat			1				-	-tota			Total St	atewide		
	Elective State	FY2013	ΕX	2014 2014	E.	12013	-	FY2014*		-Y2013	-	PY2014		-72013	
Membership	*Merged into Legis. Plan						(j)	ncl. ESO)							
Active Members		0		316		309		24		24		340		333	
Service Retirees		10		227		210		301		287		528		507	
Disabilitants		0		24		24		0		0		24		24	
Survivors		4		84		98		74		75		158		177	
Deferred Retirees		1		16		16		63		70		62		87	
Nonvested Former Members		0		0		0		0		1		0		-1	
Total Membership		15		667		657		462		457		1,129		1,129	
Funded Status															
Accrued Liability		\$8,594,759		298,233,000		\$284,513,000		\$250,860,000		\$235,877,000		\$549,093,000		\$528,984,759	
Current Assets		\$0		157,528,000		\$144,918,000		\$8,258,000		\$11,493,000		\$165,786,000		\$156,411,000	
Unfunded Accrued Liability		\$8,594,759		140,705,000		\$139,595,000		\$242,602,000		\$224,384,000		\$383,307,000		\$372,573,759	
Funding Ratio			52.82%		50.94%		3.29%		4.87%		30.19%		29.57%		
Financing Requirements															
Covered Pavroll		\$0		\$43,527,000		\$40,545,000		\$942,000		\$984,000		\$44,469,000		\$41,529,000	
Benefits Payable		\$501,000		\$20,802,000		\$19,772,000		\$8,407,000		\$7,826,000		\$29,209,000		\$28,099,000	
Normal Cost		\$0	17.92%	\$7,800,000	18.07%	\$7,327,000	137.69%	\$1,297,000	131.11%	\$1,290,000	20.46%	\$9,097,000	20.75%	\$8,617,000	
Administrative Expenses		\$1,000	0.14%	\$61,000	0.18%	\$73,000	3.61%	\$34,000	2.78%	\$27,000	0.21%	\$95,000	0.24%	\$101,000	
Amortization		\$1,074,345	23.20%	\$10,098,000	24.17%	\$9,800,000	2146.18%	\$20,217,000	1754.09%	\$17,260,000	68.17%	\$30,315,000	67.75%	\$28,134,345	
Total Requirements		\$1,075,345	41.26%	\$17,959,000	42.42%	\$17,200,000	2287.47%	\$21,548,000	1887.98%	\$18,577,000	88.84%	\$39,507,000	88.74%	\$36,852,345	
		ć	2001.0		1001 0		1000 0		,000 0		1001				
Employee Contributions		0\$	8.52%	\$3,709,000	8.46%	\$3,430,000	8.00%	000,684	8.00%	\$89,000	8.53%	\$3,794,000	8.41%	\$3,519,000	
Employer Contributions		*	22.50%	\$9,794,000	22.50%	\$9,123,000	* 0.00%	\$0	* 0.00%	\$0	22.02%	\$9,794,000	21.97%	\$9,123,000	
Employer Add'l Cont.		\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Direct State Funding		\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Other Govt. Funding		\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Administrative Assessment		\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Total Contributions		\$0	31.02%	\$13,503,000	30.96%	\$12,553,000	8.00%	\$85,000	9.00%	\$89,000	30.56%	\$13,588,000	30.44%	\$12,642,000	
Total Requirements		\$1 075 345	41.26%	\$17 959 000	42 42%	\$17 200 000	2287 47%	\$21 548 000	1887 98%	\$18 577 000	88 84%	\$39.507.000	88 74%	\$36 852 345	
Total Contributions		U\$	31.02%	\$13,503,000	30.96%	\$12,553,000	8 00%	\$85,000	%00.6	000 888	30.56%	\$13 588 000	30.44%	\$12,642,000	
Deficiency (Surplus)		\$1 075 345	10 24%	\$4 456 000	11 46%	\$4 647 000	2278 47%	\$21 463 000	1878 98%	\$18 488 000	58 29%	\$25,919,000	58.30%	\$24 210 345	
(and no) for any or		* Pav-as-voil-on Finding	2	000,000,000	202	0001 1011	2 11 2 1 1 2	* Pav-as-voli-no Fundino	00000	* Pav-as-voit-do Frindind	00100	000000000	20000	0-0.0-1	
		Frincipal and and an an						1 dy us you go I winning		Frincian Long and the Long					

	П	RFA.	Ы	RFA	ß	TRFA	S	TRFA	PERA	4-MERF	PERA	-MERF	Tota Class C	al First City Plans	Tota Class C	First ty Plans
Membership	ΕΥ	/2014	FY	2013	E	2014	E	Y2013	FΥ	2014	FY	2013	E	Y2014	ΕY	2013
Active Members		837		873		3,959		4,061		42		64		4,838		4,998
Service Retirees		1,353		1,311		3,156		3,047		2,929		3,022		7,438		7,380
Disabilitants		21		19		34		30		109		117		164		166
Survivors		128		115		339		327		739		270		1,206		1,212
Deferred Retirees		253		268		1,829		1,788		43		57		2,125		2,113
Nonvested Former Members		747		757		1,616		1,435		0		0		2,363		2,192
Total Membership		3,339		3,343		10,933		10,688		3,862		4,030		18,134		18,061
Funded Status Accrued Liability		\$356 482 603		\$352 143 396		\$1 533 603 000		\$1.467.350.000		\$1 140 920 000		\$1 167 123 000		\$3 031 005 603	0	2 QR6 616 3 G6
Current Assets		\$202,874,577		\$190,116,720		\$947,972,000		\$886,296,000		\$935,946,000		\$868,813,000	,	\$2,086,792,577		1,945,225,720
Unfunded Accrued Liability		\$153,608,026		\$162,026,676		\$585,631,000		\$581,054,000		\$204,974,000		\$298,310,000		\$944,213,026		1,041,390,676
Funding Katio	56.91%		53.99%		61.81%		60.40%		82.03%		74.44%		68.85%		65.13%	
Financing Requirements																
Covered Payroll		\$47,103,796		\$49,019,537		\$273,990,000		\$270,395,000		\$2,851,000		\$4,258,000		\$323,944,796		\$323,672,537
Benetits Payable		\$26,503,607		\$25,430,230		\$1.05,742,000		\$103,238,000		\$134,466,000		\$137,807,000		\$266,711,607		\$266,475,230
Normal Cost	7.87%	\$3,708,011	7.75%	\$3,799,107	8.51%	\$23,323,000	7.83%	\$21,168,000	10.77%	\$307,000	10.69%	\$455,000	8.44%	\$27,338,011	7.85%	\$25,422,107
Administrative Expenses	1.35%	\$635,901	1.05%	\$514,705	0.27%	\$740,000	0.29%	\$784,000	12.59%	\$359,000	8.06%	\$343,000	0.54%	\$1,734,901	0.51%	\$1,641,705
Amortization	21.94%	\$10,334,573	21.74%	\$10,656,847	13.15%	\$36,030,000	14.01%	\$37,882,000	804.59%	\$22,939,000	761.53%	\$32,426,000	21.39%	\$69,303,573	25.01%	\$80,964,847
Total Requirements	31.16%	\$14,678,485	30.54%	\$14,970,659	21.94%	\$60,093,000	22.13%	\$59,834,000	827.95%	\$23,605,000	780.28%	\$33,224,000	30.37%	\$98,376,485	33.38%	\$108,028,659
Employee Contributions	7.50%	\$3,532,785	7.00%	\$3,431,368	6.51%	\$17,827,000	6.27%	\$16,947,000	9.75%	\$278,000	9.75%	\$415,000	6.68%	\$21,637,785	6.42%	\$20,793,368
Employer Contributions	7.50%	\$3,532,785	7.29%	\$3,573,524	9.35%	\$25,613,000	9.11%	\$24,641,000	9.75%	\$278,000	9.75%	\$415,000	9.08%	\$29,423,785	8.85%	\$28,629,524
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	1105.12%	\$31,507,000	728.37%	\$31,014,000	9.73%	\$31,507,000	9.58%	\$31,014,000
Direct State Funding	13.92%	\$6,555,402	13.37%	\$6,555,402	3.89%	\$10,665,000	3.94%	\$10,665,000	668.99%	\$19,073,000	563.64%	\$24,000,000	11.20%	\$36,293,402	12.74%	\$41,220,402
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	%00.0	\$0
Administrative Assessment	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	<u>\$0</u>	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Total Contributions	28.92%	\$13,620,972	27.66%	\$13,560,294	19.75%	\$54,105,000	19.33%	\$52,253,000	1793.62%	\$51,136,000	1311.51%	\$55,844,000	36.69%	\$118,861,972	37.59%	\$121,657,294
Total Requirements	31.16%	\$14,678,485	30.54%	\$14,970,659	21.94%	\$60,093,000	22.13%	\$59,834,000	827.95%	\$23,605,000	780.28%	\$33,224,000	30.37%	\$98,376,485	33.38%	\$108,028,659
Total Contributions	28.92%	\$13,620,972	27.66%	\$13.560.294	19.75%	\$54.105.000	19.33%	\$52.253.000	1793.62%	\$51,136,000	1311.51%	\$55.844,000	36.69%	\$118,861,972	37.59%	\$121.657.294
Deficiency (Surplus)	2.25%	\$1,057,513	2.88%	\$1,410,365	2.19%	\$5,988,000	2.80%	\$7,581,000	(965.67%)	(\$27,531,000)	(531.23%)	(\$22,620,000)	(6.32%)	(\$20,485,487)	(4.21%)	(\$13,628,635)

# Teacher Retirement Plans (1st Class Cities/TRA)

		JTRFA Y2014	E D	-RFA 2013	SP'	TRFA 2014	<u>∾</u> ⊤	PTRFA Y2013	Ľ	TRA Y2014	ίL	TRA Y2013	Teach FY	Fotal ner Plans 2014	T Teach FY	otal er Plans 2013
Membership Active Members Service Retriees Service Retriees Survivors Deferred Retriees Nonvested Former Members Total Membership		837 1,353 21 128 128 128 233 3,339		873 1,311 19 115 268 <u>757</u> 3,343		3,959 3,156 34 33 339 1,829 1,616 10,933		4,061 3,047 30 30 327 1,788 1,435 10,688		77,243 53,774 563 4,472 1,472 129,994 178,943		76,765 52,331 568 4,269 12,614 2 <u>8,881</u> 175,428		82,039 58,283 618 4,939 14,989 <u>32,347</u> 193,215		81,699 56,689 617 4,711 14,670 <u>31,073</u> 189,459
Eunded Status Accrued Liability Current Assets Unfurnded Accrued Liability Funding Ratio	56.91%	\$356,482,603 \$202,874,577 \$153,608,026	53.99%	\$352,143,396 <u>\$190,116,720</u> \$162,026,676	61.81%	\$1,533,603,000 <u>\$947,972,000</u> \$585,631,000	60.40%	\$1,467,350,000 <u>\$886,296,000</u> \$581,054,000	77.61%	\$23,427,654,000 \$18,181,932,000 \$5,245,722,000	71.63%	\$23,418,629,000 <u>\$16,774,626,000</u> \$6,644,003,000	76.36%	\$25,317,739,603 \$19 <u>,332,778,577</u> \$5,984,961,026	70.73%	25,238,122,396 .17,851,038,720 \$7,387,083,676
<u>Financing Requirements</u> Covered Payroll Benefits Payable		\$47,103,796 \$26,503,607		\$49,019,537 \$25,430,230		\$273,990,000 \$105,742,000		\$270,395,000 \$103,238,000		\$4,353,988,000 \$1,580,120,000		\$4,205,399,000 \$1,521,477,000		\$4,675,081,796 \$1,712,365,607		\$4,524,813,537 \$1,650,145,230
Normal Cost Administrative Expenses Amortization Total Requirements	7.87% 1.35% <u>21.94%</u> 31.16%	\$3,708,011 \$635,901 <u>\$10,334,573</u> \$14,678,485	7.75% 1.05% <u>21.74%</u> 30.54%	\$3,799,107 \$514,705 <u>\$10,656,847</u> \$14,970,659	8.51% 0.27% <u>13.15%</u> 21.94%	\$23,323,000 \$740,000 <u>\$36,030,000</u> \$60,093,000	7.83% 0.29% <u>14.01%</u> 22.13%	\$21,168,000 \$784,000 <u>\$37,882,000</u> \$59,834,000	8.70% 0.22% <u>10.23%</u> 19.15%	\$378,843,000 \$9,579,000 <u>\$445,413,000</u> \$833,835,000	8.40% 0.23% <u>10.78%</u> 19.41%	\$353,335,000 \$9,672,000 <u>\$453,342,000</u> \$816,349,000	8.68% 0.23% <u>10.52%</u> 19.44%	\$405,874,011 \$10,954,901 <u>\$491,777,573</u> \$908,606,485	8.36% 0.24% <u>11.09%</u> 19.69%	\$378,302,107 \$10,970,705 \$501,880.847 \$891,153,659
Employee Contributions Employer Contributions Employer Addl Cont. Direct State Funding	7.50% 7.50% 0.00% 13.92%	\$3,532,785 \$3,532,785 \$3,555,402	7.00% 7.29% 0.00%	\$3,431,368 \$3,573,524 \$6,555,402	6.51% 9.35% 0.00% 3.89%	\$17,827,000 \$25,613,000 \$25,613,000 \$10,665,000	6.27% 9.11% 0.00% 3.94%	\$16,947,000 \$24,641,000 \$10.665,000	7.50% 7.70% 0.00%	\$326,573,000 \$335,309,000 \$21,001,000	7.00% 7.19% 0.00% 0.47%	\$294,416,000 \$302,454,000 \$19,954,000 \$19,954,000	7.44% 7.80% 0.00% 0.82%	\$347,932,785 \$364,454,785 \$0 \$38,221,402	6.96% 7.31% 0.00% 0.82%	\$314,794,368 \$330,668,524 \$37.174.402
Other Govt. Funding Administrative Assessment Total Contributions	0.00% <u>0.00%</u> 28.92%	\$0 \$0 \$13,620,972	0.00% <u>0.00%</u> 27.66%	\$0 \$0 \$13,560,294	0.00% <u>0.00%</u> 19.75%	\$0 \$54,105,000	0.00% <u>0.00%</u> 19.33%	\$0 \$52,253,000	0.00% <u>0.00%</u> 15.68%	\$0 \$682,883,000	0.00% <u>0.00%</u> 14.67%	\$0 \$0 \$616,824,000	0.00% <u>0.00%</u> 16.06%	\$0 \$0 \$750,608,972	0.00% <u>0.00%</u> 15.09%	\$0 \$0 \$682,637,294
Total Requirements Total Contributions Deficiency (Surplus)	31.16% <u>28.92%</u> 2.25%	\$14,678,485 <u>\$13,620,972</u> \$1,057,513	30.54% 27.66% 2.88%	\$14,970,659 <u>\$13,560,294</u> \$1,410,365	21.94% <u>19.75%</u> 2.19%	\$60,093,000 \$54.105.000 \$5,988,000	22.13% <u>19.33%</u> 2.80%	\$59,834,000 <u>\$52,253,000</u> \$7,581,000	19.15% <u>15.68%</u> 3.47%	\$833,835,000 \$682.883.000 \$150,952,000	19.41% <u>14.67%</u> 4.74%	\$816,349,000 \$616,824,000 \$199,525,000	19.44% <u>16.06%</u> 3.38%	\$908,606,485 <u>\$750.608,972</u> \$157,997,513	19.69% <u>15.09%</u> 4.61%	\$891,153,659 \$682.637.294 \$208,516,365

# Local Police and Paid Fire Retirement Plans

	•		,					
Membership								
Active Members		124		119		124		119
Service Retirees		140		141		140		141
Disabilitants		14		6		14		6
Survivors		27		24		27		24
Deferred Retirees		18		18		18		18
Nonvested Former Members		O		0		0		O
Total Membership		323		311		323		311
Funded Status								
Accrued Liability		\$129,441,911		\$123,629,258		\$129,441,911		\$123,629,258
Current Assets		\$143,611,691		\$122,544,915		\$143,611,691		\$122,544,915
Unfunded Accrued Liability		(\$14,169,780)		\$1,084,343		(\$14,169,780)		\$1,084,343
Funding Ratio	110.95%		99.12%		110.95%		99.12%	
Financing Requirements								
Covered Pavroll		\$10 110 384		\$9 668 988		\$10 110 384		<b>\$9668988</b>
Benefits Payable		\$4,434,148		\$4,211,880		\$4,434,148		\$4,211,880
Normal Cost	29.18%	\$2,949,720	28.84%	\$2,788,613	29.18%	\$2,949,720	28.84%	\$2,788,613
Administrative Expenses	0.97%	\$97,929	0.94%	\$90,545	0.97%	\$97,929	0.94%	\$90,545
Amortization	(14.02%)	(\$1,417,476)	1.42%	\$136,963	(14.02%)	(\$1,417,476)	1.42%	\$136,963
Total Requirements	16.12%	\$1,630,173	31.19%	\$3,016,121	16.12%	\$1,630,173	31.19%	\$3,016,121
- - -		é		é		é		é
Employee Contributions	0.00%	0.4	0.00%	0\$	0.00%	0\$	0.00%	04
Employer Contributions	12.15%	\$1,228,459	27.45%	\$2,654,554	12.15%	\$1,228,459	27.45%	\$2,654,554
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Direct State Funding	3.97%	\$401,714	3.74%	\$361,567	3.97%	\$401,714	3.74%	\$361,567
Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Administrative Assessment	0.00%	<u>\$0</u>	0.00%	<u>\$0</u>	<u>0.00%</u>	<u>\$0</u>	0.00%	\$0
Total Contributions	16.12%	\$1,630,173	31.19%	\$3,016,121	16.12%	\$1,630,173	31.19%	\$3,016,121
Total Requirements	16.12%	\$1,630,173	31.19%	\$3,016,121	16.12%	\$1,630,173	31.19%	\$3,016,121
Total Contributions	16.12%	\$1,630,173	31.19%	\$3,016,121	16.12%	\$1,630,173	31.19%	\$3,016,121
Deficiency (Surplus)	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0

# Minnesota Public Pension Plans Funding Progress 1957-2014

		General Ret	State Employees irement Plan (MSRS)	MN Sta (MSR	Three Major tewide Plans S, PERA, TRA)	St. P Ret. (1	aul Teachers Fund Assoc. SPTRFA)	Al Pub Pe	l Minnesota lic Employee nsion Plans
<u>1957:</u>	Actuarial Accrued Liability Assets Unfunded Accrued Liability Funding Ratio	61 30%	\$69,000,000 <u>\$42,300,000</u> \$26,700,000	36 71%	\$291,738,421 <u>\$107,088,150</u> \$4,341,687,953	8 94%	\$25,190,245 <u>\$2,252,483</u> \$22,937,762	87 17%	\$564,829,533 <u>\$177,900,430</u> \$386,929,103
	Normal Cost Expenses Amortization	6.29%  <u>1.37%</u>	\$5,289,890  <u>\$1,152,170</u> \$6,442,060	9.03% 0.07% <u>2.51%</u>	\$26,414,703 \$193,895 <u>\$7,345,006</u> \$23,053,604	14.00% 0.00% <u>10.10%</u>	\$1,394,057 \$0 <u>\$1,005,713</u> \$2,200,770	9.37% 0.05% <u>3.92%</u>	\$34,192,946 \$193,895 <u>\$14,306,194</u> \$48,602,035
	Employee Contributions Employer Contributions Total Contributions	7.00% 3.00% <u>5.00%</u> 8.00%	\$6,442,060 \$2,523,000 <u>\$4,205,000</u> \$6,728,000	5.14% <u>6.69%</u> 11.82%	\$33,953,004 \$15,024,358 <u>\$19,557,757</u> \$34,582,115	5.00% <u>8.00%</u> 13.00%	\$2,399,770 \$497,878 <u>\$796,604</u> \$1,294,482	5.17% <u>7.38%</u> 12.55%	\$48,693,035 \$18,881,196 <u>\$26,931,655</u> \$45,812,851
<u>1975:</u>	Actuarial Accrued Liability Assets Unfunded Accrued Liability Funding Ratio	58.68%	\$420,764,087 <u>\$246,896,093</u> \$173,867,994	57.18%	\$2,277,884,654 <u>\$1,302,569,785</u> \$975,314,869	38.42%	\$121,897,799 <u>\$46,833,545</u> \$75,064,254	52.80%	\$3,406,858,458 <u>\$1,799,398,021</u> \$1,607,460,437
	Normal Cost Expenses Amortization Financial Requirements	6.91% 0.14% <u>3.11%</u> 10.16%	\$26,486,233 \$536,624 <u>\$11,920,721</u> \$38,943,578	8.54% 0.13% <u>4.47%</u> 13.14%	\$139,154,967 \$2,082,370 <u>\$72,838,336</u> \$214,075,672	10.99% 0.26% <u>13.49%</u> 24.75%	\$4,644,825 \$111,362 <u>\$5,702,656</u> \$10,458,843	9.92% 1.50% <u>5.97%</u> 17.39%	\$196,674,000 \$2,916,000 <u>\$118,440,000</u> \$318,030,000
	Employee Contributions Employer Contributions Total Contributions	4.00% <u>6.00%</u> 10.00%	\$15,332,117 <u>\$22,998,176</u> \$38,330,293	4.62% <u>6.76%</u> 11.37%	\$75,222,248 <u>\$110,080,687</u> \$185,302,935	8.00% <u>11.34%</u> 19.34%	\$3,381,005 <u>\$4,794,011</u> \$8,175,016	5.02% <u>8.78%</u> 13.80%	\$99,459,000 <u>\$174,017,000</u> \$273,476,000
<u>1992:</u>	Actuarial Accrued Liability Assets Unfunded Accrued Liability Funding Ratio	83.62%	\$3,125,299,000 <u>\$2,613,472,000</u> \$511,827,000	79.59%	\$16,227,774,000 <u>\$12,916,315,000</u> \$3,311,459,000	66.68%	\$533,865,000 <u>\$355,998,000</u> \$177,867,000	74.59%	\$21,696,883,910 <u>\$16,182,748,253</u> \$5,514,135,657
	Normal Cost Expenses Amortization Financial Requirements	6.58% 0.23% <u>1.46%</u> 8.27%	\$109,148,514 \$3,815,222 <u>\$24,218,363</u> \$137,182,098	7.78% 0.31% <u>2.49%</u> 10.58%	\$484,353,340 \$19,385,489 <u>\$155,113,921</u> \$658,852,749	12.11% 0.75% <u>6.88%</u> 19.74%	\$14,869,000 \$921,000 <u>\$8,446,000</u> \$24,236,000	8.95% 0.42% <u>3.37%</u> 12.74%	\$635,565,597 \$29,673,009 <u>\$239,396,412</u> \$904,635,018
	Employee Contributions Employer Contributions Total Contributions	4.07% <u>4.20%</u> 8.27%	\$67,512,834 <u>\$69,669,264</u> \$137,182,098	4.38% <u>4.72%</u> 9.10%	\$270,962,404 <u>\$358,358,593</u> \$629,320,997	6.33% <u>8.76%</u> 15.09%	\$7,776,000 <u>\$10,755,000</u> \$18,531,000	4.72% <u>7.28%</u> 12.00%	\$335,020,692 <u>\$517,346,923</u> \$852,367,615
<u>2014:</u>	Actuarial Accrued Liability Assets Unfunded Accrued Liability Funding Ratio	82.97%	\$12,445,126,000 <u>\$10,326,272,000</u> \$2,118,854,000	77.25%	\$57,155,284,000 \$44,152,744,000 \$13,002,540,000	61.81%	\$1,533,603,000 <u>\$947,972,000</u> \$585,631,000	77.05%	\$71,814,001,588 <u>\$55,332,147,068</u> \$16,481,854,520
	Normal Cost Expenses Amortization Financial Requirements	7.37% 0.32% <u>5.13%</u> 12.82%	\$195,553,000 \$8,491,000 <u>\$136,118,000</u> \$340,162,000	7.84% 0.23% <u>8.27%</u> 16.34%	972,371,000 28,316,000 <u>1,025,346,000</u> 2,026,033,000	8.51% 0.27% <u>13.15%</u> 21.94%	\$23,323,000 \$740,000 <u>\$36,030,000</u> \$60,093,000	9.14% 0.24% <u>9.03%</u> 18.41%	\$1,286,857,480 \$34,300,320 <u>\$1,271,179,615</u> \$2,592,337,415
	Employee Contributions Employer Contributions Employer Add'l Cont. Direct State Funding Other Govt. Funding Administrative Assessment Total Contributions	5.50% 5.50% 0.00% 0.00% 0.00% <u>0.00%</u> 11.00%	\$145,935,000 \$145,935,000 \$0 \$0 \$0 \$291,870,000	6.58% 7.09% 0.00% 0.17% 0.00% <u>0.00</u> % 13.84%	\$816,301,000 \$878,971,000 \$0 \$21,001,000 \$0 \$ <u>0</u> \$1,716,273,000	6.51% 9.35% 0.00% 3.89% 0.00% <u>0.00%</u> 19.75%	\$17,827,000 \$25,613,000 \$10,655,000 \$0 \$ <u>0</u> \$54,105,000	6.88% 7.94% 0.31% 0.60% 0.00% <u>0.00%</u> 15.73%	\$969,135,785 \$1,118,157,759 \$43,066,000 \$84,751,040 \$553,319 \$ <u>0</u> \$2,215,663,903

Minnesota Public Pension Plans Comparison of Actuarial Valuation Results 2008-2014

<u>a</u>
21,736 1,620 3,090 14,951 6 <u>865</u>
97,085 % \$ \$ % 9,994,602,000 21,282 <u>9,013,456,000</u> 21,282 981,146,000 5,637 90.18 73.51
2,378,816,000         5,392           418,757,000         1,109           7.78         185,140,000         7.38         397
0.23         5,471,000         0.19         10           4.38         104,192,000         8.23         443           12.39         294,803,000         15.80         852           4.60         107,047,000         6.38         343
4.50         107,047,000         7.38         397           0.00         0.00         0.00         0.00         0.00           0.00         0.00         0.00         0.00         0.00
0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0
12.39         294,803,000         15.80         852           9.00         214,094,000         13.75         741           3.39         80,709,000         2.05         110

Funding Progress.docx (1/2015)

# ACTIVE MEMBERSHIP

		Num	ber of Membe	ers			
<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	2000	<u>2005</u>	<u>2010</u>	<u>2014</u>
MSRS-General	45,590	49,576	49,705	47,920	47,125	48,494	49,663
PERA-General	86,312	102,664	126,612	135,560	142,303	140,389	143,343
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>77,243</u>
<i>Subtotal</i>	190,435	216,564	243,875	253,988	263,980	266,239	270,249
MSRS-Correctional	1,191	1,416	2,117	3,098	3,607	4,268	4,504
State Patrol Plan	764	788	803	830	831	848	858
PERA-P&F	4,928	6,136	7,380	9,627	10,235	11,002	10,879
P&F Consolidation Accounts		287	1,061	<u></u>			
PERA Local Govt. Correctional				<u>2,781</u>	<u>3,352</u>	<u>3,521</u>	<u>3,603</u>
<i>Subtotal</i>	6,883	8,627	11,361	16,336	18,025	19,639	19,844
Legislators Plan	201	201	198	173	78	47	24
Elected State Officers Plan	6	6	6	0	0	0	1
Judges Plan	<u>240</u>	<u>262</u>	<u>271</u>	<u>282</u>	<u>295</u>	<u>312</u>	<u>316</u>
Subtotal	447	469	475	455	373	359	340
MERF/ PERA-MERF Division <sup>2</sup>	3,812	2,730	2,036	1,152	462	143	42
DTRFA	1,182	1,553	1,512	1,441	1,164	1,054	837
MTRFA <sup>3</sup>	2,758	3,252	4,686	5,777	4,756	<sup>2</sup>	<sup>2</sup>
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>3,879</u>
<i>Subtotal</i>	6,828	8,148	9,940	11,663	10,269	4,803	4,713
		Avera	ge Covered Sa	alary			
<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2014</u>
MSRS-General	\$23,667	\$30,529	\$32,425	\$39,652	\$44,235	\$51,213	\$53,427
PERA-General	16,497	20,203	23,149	26,577	31,840	36,761	37,621
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>56,367</u>
<i>Group Average</i>	\$20,462	\$25,486	\$28,161	\$32,744	\$37,899	\$43,915	\$45,884
MSRS-Correctional	\$26,075	\$33,245	\$33,549	\$41,174	\$40,861	\$48,166	\$50,401
State Patrol Plan	33,830	43,684	49,611	62,627	66,356	79,230	78,538
PERA-P&F	28,251	35,206	42,532	51,328	61,144	72,275	76,334
P&F Consolidation Accounts		37,928	50,216				
PERA Local Govt. Correctional				<u>29,061</u>	<u>38,554</u>	<u>48,479</u>	<u>50,611</u>
<i>Group Average</i>	\$28,494	\$35,749	\$42,076	\$46,186	\$53,124	\$63,070	\$65,819
Legislators Plan	\$22,423	\$31,987	\$36,326	\$34,932	\$40,573	\$41,925	\$39,250
Elected State Officers Plan	61,000	71,270	75,374				<sup>1</sup>
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>137,744</u>
<i>Group Average</i>	\$45,624	\$58,676	\$65,418	\$75,228	\$104,840	\$120,713	\$130,791
MERF/ PERA-MERF Division <sup>1</sup>	\$26,165	\$33,949	\$40,986	\$47,068	\$57,608	\$62,116	\$67,881
DTRFA	\$26,415	\$26,109	\$32,054	\$36,851	\$48,314	\$52,275	\$56,277
MTRFA <sup>2</sup>	31,778	38,064	37,233	44,225	48,614	<sup>2</sup>	<sup>2</sup>
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>68,316</u>
<i>Group Average</i>	\$28,518	\$33,654	\$37,340	\$42,574	\$50,177	\$62,204	\$65,908

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

# **ACTIVE MEMBERSHIP**

			Average Age				
<u>Plan</u>	<u>1985</u>	1990	1995	2000	2005	2010	2014
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	47.0
TRA	<u>41.5</u>	42.8	42.9	42.6	<u>43.1</u>	43.5	<u>43.4</u>
<i>Subtotal</i>	41.4	42.3	43.1	43.9	45.1	46.1	45.8
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Accounts PERA Local Govt. Correctional Subtotal	36.0 40.5 37.2  37.4	37.5 40.6 37.6 45.9  38.1	38.0 42.3 38.4 48.1  39.5	40.3 40.8 38.7  <u>37.5</u> 38.9	40.5 41.1 39.2  <u>38.8</u> 39.5	41.7 41.8 40.0  <u>40.3</u> 40.5	41.5 41.8 40.4  <u>40.3</u> 41.0
Legislators Plan	45.6	49.4	49.3	53.8	58.9	63.7	66.6
Elected State Officers Plan	46.2	52.1	52.0				1
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>56.8</u>
Subtotal	49.7	51.4	51.4	54.2	56.8	58.0	61.7
MERF/ PERA-MERF Division <sup>2</sup>	47.6	48.8	51.0	52.9	55.6	60.1	61.9
DTRFA	43.5	43.2	43.9	44.1	46.4	47.2	47.6
MTRFA <sup>3</sup>	44.0	44.7	43.3	42.6	44.5	<sup>2</sup>	<sup>2</sup>
SPTRFA	<u>42.9</u>	<u>43.3</u>	<u>43.9</u>	<u>43.1</u>	<u>44.1</u>	45.5	<u>44.7</u>
<i>Group Average</i>	43.4	43.8	43.6	43.0	44.5	45.9	39.1
		Averag	e Years of Se	rvice			
<u>Plan</u>	<u>1985</u>	1990	1995	2000	2005	2010	2014
MSRS-General	8.9	9.6	11.1	11.7	12.7	12.7	12.0
PERA-General	8.1	8.3	8.2	9.0	9.9	11.0	10.7
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	11.6
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Accounts PERA Local Govt. Correctional <i>Group Average</i>	7.0 13.7 9.4  9.5	8.1 13.8 10.1 19.7 <u></u> 10.4	7.2 15.1 10.5 22.0  11.3	7.8 12.9 11.0  <u>0.9</u> 8.8	7.7 12.6 11.3  <u>3.9</u> 9.3	8.4 12.7 12.1  <u>6.4</u> 10.3	8.7 12.4 12.4  <u>7.7</u> 10.3
Legislators Plan	5.9	8.7	8.0	11.8	16.9	22.0	26.8
Elected State Officers Plan	5.9	10.2	10.3				1
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>9.9</u>
<i>Group Average</i>	8.9	9.8	9.5	11.2	12.6	12.5	18.4
MERF/ PERA-MERF Division <sup>1</sup>	15.1	19.0	23.0	26.7	30.1	35.5	39.6
DTRFA	12.0	10.2	10.5	10.5	12.4	12.4	12.8
MTRFA <sup>2</sup>	14.4	13.7	9.6	8.4	10.1	<sup>2</sup>	<sup>2</sup>
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>11.4</u>
<i>Group Average</i>	12.8	12.0	10.3	9.6	10.7	12.3	16.5

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

# ACTIVE MEMBERSHIP

		Average I	Member Contr	ibution			
Plan	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2014</u>
MSRS-General	\$891	\$1,267	\$1,320	\$1,586	\$1,769	\$2,561	\$2,938
PERA-General	732	897	998	1,268	1,688	2,252	2,398
TRA	<u>1,113</u>	<u>1,375</u>	2,240	1,996	2,273	2,878	4,227
Group Average	\$887	\$1,124	\$1,408	\$1,530	\$1,868	\$2,490	\$3,188
MSRS-Correctional	\$1,278	\$1,629	\$1,644	\$2,343	\$2,325	\$4,142	\$4,586
State Patrol Plan	2,876	3,713	4,426	5,260	5,574	8,240	10,524
PERA-P&F	2,260	2,816	3,232	3,182	4,036	6,866	8,015
P&F Consolidation Accounts		2,849	3,816				
PERA Local Govt. Correctional				1,694	2,248	2,826	2,951
Group Average	\$2,158	\$2,704	\$3,075	\$2,875	\$3,432	\$5,609	\$6,519
Legislators Plan	\$2,020	\$2,881	\$3,268	\$3,145	\$3,652	\$3,354	\$3,533
Elected State Officers Plan	5,500	6,333	6,833				1
Judges Plan	2,671	3,401	<u>5,498</u>	<u>7,996</u>	9,747	9,997	<u>11,736</u>
Group Average	\$2,416	\$3,216	\$4,585	\$6,152		\$9,127	\$7,635
MERF/ PERA-MERF Division <sup>2</sup>	\$2,551	\$3,310	\$3,996	\$4,773	\$5,617	\$6,056	\$6,618
DTRFA	\$1,188	\$1,175	\$1,763	\$2,027	\$2,657	\$2,930	\$4,221
MTRFA <sup>3</sup>	2,517	2,704	2,295	2,699	2,790	2	2
SPTRFA	1,870	2,136	2,338	2,708	3,002	3,598	4,447
Group Average	\$2,013	\$2,180	\$2,230	\$2,619	\$2,865	\$3,451	\$5,095
		Averade F	mplover Cont	ribution		I	I
Plan	1085	1990	1995	2000	2005	2010	2014
MSRS-General	\$956	\$1 310	<u>\$1 362</u>	<u>2000</u> \$1.586	<u>2005</u> \$1 769	\$2.561	\$2.038
PERA-General	\$750 813	972 972	1 066	1 285	1 837	2,501	φ2,750 2 775
TRA	2 180	2 468	2 804	1,303	2 273	2,017	4 340
Groun Average	\$1 267	\$1 494	<u>\$1,604</u>	<u>\$1 593</u>	\$1 949	\$2 711	<u>4,340</u> 3 351
	φ1,207	φ1,+7+	¢1,000	φ1,070 +0.007	ψ1,747	ψ <b>2</b> ,/11	5,551
MSRS-Correctional	\$2,269	\$2,085	\$2,103	\$3,286	\$3,261	\$5,828	\$6,476
State Patrol Plan	6,394	6,500	7,382	7,892	8,361	12,360	15,786
PERA-P&F	3,390	4,225	4,849	4,773	6,053	10,299	12,023
P&F CONSOIDATION ACCOUNTS		14,924	5,725	 2 E 4 2	 רבר ר		
PERA Local Govi. Correctional	 <u> </u>	 <u> </u>	<u>++</u>	<u>2,543</u>	<u>3,3/3</u>	<u>4,242</u>	<u>4,428</u>
Group Average	\$3,529	\$4,437	\$4,598	\$4,270	\$5,102	\$8,330	\$9,078
Legislators Plan	4	3	3	3	3	3	3
Elected State Officers Plan	5	4	4	4	4	4	1
Judges Plan	3	\$ <u>14,393</u>	\$ <u>19,018</u>	\$ <u>20,489</u>	<u>\$24,976</u>	<u>\$27,179</u>	<u>\$30,992</u>
Group Average							
MERF/ PERA-MERF Division 1	\$4,575	\$6,010	\$9,102	\$10,457	\$18,147	\$34,996	\$756,798
DTRFA	\$1,530	\$1,512	\$1,856	\$2,134	\$2,797	\$3,084	\$4,221
MTRFA <sup>2</sup>	3,835	3,905	3,650	3,956	4,113	2	2
SPTRFA	2,781	3,004	3,780	4,058	4,531	5,449	<u>6,388</u>
Group Average	\$2,990	\$3,079	\$3,426	\$3,770	\$4,139	\$4,930	\$255,802

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

<sup>3</sup> MTRFA merged into TRA in 2006

<sup>4</sup> Plan is terminally funded, meaning that the State contribution is made only upon the retirement of each participant.

<sup>5</sup> 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.

# SERVICE RETIREES

		Num	ber of Membe	ers			
Plan MSRS-General PERA-General TRA Subtotal	<u>1985</u> 10,464 17,277 <u>12,798</u> 40,539	<u>1990</u> 11,810 24,314 <u>16,133</u> 52,257	<u>1995</u> 14,004 31,487 <u>21,458</u> 66,949	2000 16,276 39,940 <u>29,525</u> 85,741	2005 19,202 48,147 <u>35,779</u> 103,128	2010 23,337 59,159 <u>47,517</u> 130,013	<u>2014</u> 29,225 71,740 <u>53,774</u> 154,739
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Accounts PERA Local Govt. Correctional Subtotal	309 285 765  1,359	340 346 1,057 248  1,991	399 401 1,435 1,349  3,584	616 531 3,991  <u>9</u> 5,147	1,025 612 4,668  <u>113</u> 6,418	1,505 684 5,354  <u>308</u> 7,851	2,075 776 7,002 <u></u> 5 <u>71</u> 10,424
Legislators Plan Elected State Officers Plan Judges Plan Subtotal	108 6 <u>83</u> 197	126 3 <u>105</u> 234	155 5 <u>131</u> 291	210 8 <u>153</u> 371	251 11 <u>163</u> 425	279 11 <u>170</u> 460	301 1 <u>227</u> 528
MERF/ PERA-MERF Division <sup>2</sup>	3,459 562	3,688	3,657 788	3,757 037	3,737 1 164	3,360 1 171	2,929 1 353
MTRFA <sup>3</sup> SPTRFA <i>Subtotal</i>	2,153 <u>963</u> 3,678	2,254 <u>1,111</u> 3,999	2,482 <u>1,334</u> 4,604	3,033 <u>1,728</u> 5,698	3,537 <u>2,214</u> 6,915	<u>2,721</u> <u>3,892</u>	1,353 2 <u>3,156</u> 4,519
		Av	verage Benefi	t			
<u>Plan</u> MSRS-General PERA-General TRA <i>Group Average</i>	<u>1985</u> \$3,784 4,617 <u>6,680</u> \$5,053	<u>1990</u> \$5,891 6,493 <u>10,781</u> \$7,681	<u>1995</u> \$7,898 7,696 <u>15,952</u> \$10,381	<u>2000</u> \$13,103 11,458 <u>26,617</u> \$16,990	<u>2005</u> \$15,624 12,720 <u>27,756</u> \$18,477	<u>2010</u> \$17,383 13,332 <u>26,141</u> \$18,741	<u>2014</u> \$18,686 13,511 <u>27,411</u> \$19,869
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Accounts PERA Local Govt. Correctional <i>Group Average</i>	\$4,966 11,745 8,271  \$8,248	\$7,306 19,066 13,592 17,107  \$13,908	\$11,592 25,865 18,613 23,377  \$20,447	\$15,619 43,808 35,115  <u>427</u> \$33,618	\$20,496 51,456 41,928  <u>2,568</u> \$38,721	\$17,999 57,180 48,027  <u>5,376</u> \$41,395	\$20,600 58,785 51,909  <u>7,499</u> \$34,698
Legislators Plan Elected State Officers Plan Judges Plan <i>Group Average</i>	\$6,568 13,836 <u>19,880</u> \$12,398	\$8,884 21,009 <u>27,410</u> \$17,352	\$11,751 20,070 <u>35,855</u> \$22,745	\$17,864 26,612 <u>55,729</u> \$33,668	\$20,424 29,088 <u>61,404</u> \$36,365	\$21,186 32,887 <u>65,893</u> \$37,988	\$23,284 <sup>1</sup> <u>66,102</u> \$44,693
MERF/ PERA-MERF Division 1	\$8,598	\$13,258	\$16,463	\$24,148	\$30,396	\$34,583	\$36,458
DTRFA MTRFA <sup>2</sup> SPTRFA <i>Group Average</i>	\$4,044 7,384 <u>9,422</u> \$7,407	\$5,027 14,462 <u>12,384</u> \$12,389	\$9,581 18,737 <u>16,523</u> \$16,528	\$13,853 27,928 <u>26,874</u> \$25,294	\$16,740 32,820 <u>31,440</u> \$29,671	\$18,876 <sup>2</sup> <u>32,562</u> \$28,304	\$18,469 <sup>2</sup> <u>30,961</u> \$28,629

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

# SURVIVORS

		Num	ber of Membe	ers			
<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	2005	<u>2010</u>	<u>2014</u>
MSRS-General	537	899	1,313	1,955	2,731	3,414	3,686
PERA-General	3,854	4,414	5,260	6,010	6,650	7,120	7,690
TRA	<u>781</u>	<u>929</u>	<u>1,331</u>	<u>1,912</u>	<u>2,597</u>	<u>3,682</u>	<u>4,472</u>
<i>Subtotal</i>	5,172	6,242	7,904	9,877	11,978	14,216	15,849
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Accounts PERA Local Govt. Correctional <i>Subtotal</i>	8 109 279  396	15 105 347 129 <u></u> 596	25 121 426 580  1,152	56 157 1,205  <u>0</u> 1,418	104 178 1,261  <u>8</u> 1,551	148 192 1,413  <u>18</u> 1,771	174 155 1,886  <u>36</u> 2,251
Legislators Plan	41	37	61	70	70	80	74
Elected State Officers Plan	3	5	6	5	4	4	1
Judges Plan	<u>52</u>	<u>64</u>	<u>77</u>	<u>82</u>	<u>85</u>	<u>94</u>	<u>84</u>
<i>Subtotal</i>	96	106	144	157	159	178	158
MERF/ PERA-MERF Division <sup>2</sup>	938	942	987	1,056	986	840	739
DTRFA	23	29	46	53	94	105	128
MTRFA <sup>3</sup>	140	204	225	254	277	<sup>2</sup>	<sup>2</sup>
SPTRFA	<u>112</u>	<u>129</u>	<u>170</u>	<u>213</u>	<u>259</u>	<u>300</u>	<u>339</u>
<i>Subtotal</i>	275	362	441	520	630	405	467
		A۱	verage Benefi	t			
<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	2014
MSRS-General	\$2,828	\$4,645	\$6,601	\$11,405	\$14,196	\$15,467	\$16,981
PERA-General	2,574	4,475	6,856	11,382	13,548	15,000	15,073
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>	27,518
<i>Group Average</i>	\$3,056	\$5,195	\$7,847	\$13,369	\$16,037	\$18,216	\$19,857
MSRS-Correctional	\$5,078	\$4,501	\$5,948	\$8,877	\$10,932	\$11,997	\$14,793
State Patrol Plan	4,454	7,875	13,493	22,137	25,452	29,902	33,497
PERA-P&F	3,886	6,770	10,864	18,867	23,496	26,866	29,219
P&F Consolidation Accounts		8,453	11,854				
PERA Local Govt. Correctional	<u></u>			<u>0</u>	<u>4,188</u>	<u>4,852</u>	<u>7,104</u>
<i>Group Average</i>	\$4,066	\$7,272	\$11,532	\$18,835	\$22,778	\$25,729	\$21,153
Legislators Plan	\$2,437	\$4,242	\$5,537	\$9,539	\$12,708	\$15,798	\$18,276
Elected State Officers Plan	7,451	9,874	11,107	20,446	n/r	23,816	1
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>48,929</u>
<i>Group Average</i>	\$6,630	\$10,702	\$13,582	\$22,609	\$27,001	\$31,527	\$33,603
MERF/ PERA-MERF Division 1	\$5,143	\$8,454	\$11,453	\$17,586	n/r	\$29,788	\$31,911
DTRFA	\$2,638	\$3,308	\$7,521	\$11,528	\$13,068	\$16,593	\$16,388
MTRFA <sup>2</sup>	5,959	10,046	13,672	21,587	27,048	<sup>2</sup>	<sup>2</sup>
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>30,862</u>
<i>Group Average</i>	\$5,495	\$8,555	\$11,644	\$19,856	\$24,114	\$24,838	\$26,387

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

# DISABILITANTS

		Num	ber of Membe	ers			
Plan	<u>1985</u>	<u>1990</u>	<u>1995</u>	2000	2005	2010	2014
MSRS-General	695	676	824	1,070	1,434	1,684	1,818
PERA-General	654	708	959	1,397	1,853	2,215	3,704
TRA	<u>223</u>	<u>257</u>	<u>379</u>	<u>509</u>	<u>581</u>	<u>654</u>	<u>563</u>
Subtotal	1,572	1,641	2,162	2,976	3,868	4,553	6,082
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Accounts PERA Local Govt. Correctional <i>Subtotal</i>	12 13 54  79	9 14 89 16 <u></u> 128	25 18 146 53  242	75 22 482  <u>3</u> 582	150 35 686  <u>59</u> 930	208 48 859  <u>116</u> 1,231	268 51 1,151  <u>162</u> 1,635
Legislators Plan							1
Elected State Officers Plan							<u></u> 1
Judges Plan	<u>4</u>	<u>9</u>	<u>7</u>	<u>4</u>	7	<u>27</u>	<u>24</u>
Subtotal	4	9	7	4	7	27	24
MERF/ PERA-MERF Division <sup>2</sup>	261	258	240	213	185	143	109
DTRFA	8	11	7	6	16	19	21
MTRFA <sup>3</sup>	47	40	49	20	25		<sup>2</sup>
SPTRFA	<u>28</u>	<u>30</u>	<u>35</u>	<u>23</u>	<u>32</u>	<u>23</u>	<u>34</u>
<i>Subtotal</i>	83	81	91	49	73	42	55
		Av	verage Benefi	t			
<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	2005	2010	<u>2014</u>
MSRS-General	\$2,924	\$4,159	\$5,613	\$9,434	\$11,268	\$12,997	\$13,975
PERA-General	4,911	5,487	6,712	9,077	9,948	10,865	12,546
TRA	<u>7,834</u>	<u>10,759</u>	<u>12,743</u>	<u>19,553</u>	<u>19,440</u>	20,167	<u>19,393</u>
<i>Group Average</i>	\$4,447	\$5,766	\$7,350	\$10,997	\$11,863	\$12,990	\$15,305
MSRS-Correctional	\$5,879	\$5,018	\$11,946	\$13,865	\$16,176	\$17,579	\$19,343
State Patrol Plan	10,397	14,228	20,528	31,589	38,100	42,239	43,721
PERA-P&F	9,030	13,743	17,535	33,378	40,380	44,383	45,320
P&F Consolidation Accounts		15,379	21,871				
PERA Local Govt. Correctional	<u></u>			<u>10,419</u>	<u>13,608</u>	<u>16,299</u>	<u>15,902</u>
<i>Group Average</i>	\$8,776	\$13,387	\$18,130	\$30,677	\$34,692	\$37,124	\$31,072
Legislators Plan Elected State Officers Plan Judges Plan <i>Group Average</i>	 <u>\$19,669</u> \$19,669	  <u>\$25,781</u> \$25,781	  <u>\$35,158</u> \$35,158	  <u>\$68,229</u> \$68,229	  <u>\$69,576</u> \$69,576	  <u>\$71,212</u> \$72,212	 1 \$ <u>74,875</u> \$74,875
MERF/ PERA-MERF Division <sup>1</sup>	\$6,503	\$9,617	\$12,378	\$18,179	\$22,356	\$25,772	\$25,394
DTRFA	\$3,956	\$6,478	\$11,925	\$11,024	\$15,168	\$13,812	\$14,278
MTRFA <sup>2</sup>	7,436	11,832	16,485	35,032	33,816		<sup>2</sup>
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>17,836</u>
<i>Group Average</i>	\$10,206	\$13,863	\$18,934	\$31,147	\$29,229	\$20,557	\$19,169

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

		U	eleffed Retire	iea – Number	ci members			
<u>Plan</u> MSRS-General PERA-General TRA	Subtotal	<u>1985</u> 940 1,863 <u>2,191</u> 4,994	1990 1,824 2,699 <u>1,955</u> 6,478	<u>1995</u> 5,518 7,156 <u>5,103</u> 17,777	2000 11,125 21,495 <u>7,375</u> 39,995	2005 13,592 35,768 <u>9,808</u> 59,168	<u>2010</u> 15,388 45,151 <u>12,756</u> 73,295	2014 16,472 48,505 12,907 77,884
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Ac PERA Local Govt. Cor	counts rrectional	30 21 163 	$     \begin{array}{r}       113 \\       23 \\       128 \\       3 \\       \overline{} \\      $	296 19 250 32 	419 24 470  <u>0</u> 212	738 34 927  <u>915</u> 2 414	993 39 1,315  <u>1,895</u> 4,242	1,232 44 1,481  <u>2,380</u> 5 127
Legislators Plan Elected State Officers Judges Plan	Plan Subtotal	111 5 <u>7</u> 123	101 6 <u>2</u> 109	597 141 5 <u>7</u> 153	913 90 4 <u>9</u> 103	2,614 118 1 <u>21</u> 140	4,242 88 1 <u>18</u> 107	5,137 63 1 <u>16</u> 79
MERF/ PERA-MERF I	Division <sup>2</sup>	101	97	86	233	174	102	43
DTRFA MTRFA <sup>3</sup> SPTRFA	Subtotal	50 562 <u>36</u> 648	42 519 <u>36</u> 597	122 628 <u>107</u> 857	172 756 <u>243</u> 1,171	313 1,377 <u>1,368</u> 3,058	301 <sup>2</sup> <u>1,863</u> 2,164	253 <sup>2</sup> <u>1,829</u> 2,082
		Ir	nactive Memb	ers – Number	of Members			
<u>Plan</u> MSRS-General PERA-General TRA	Subtotal	<u>1985</u> 4,957 38,986 <u>13,628</u> 57,271	<u>1990</u> 4,638 7,695 <u>15,356</u> 27,689	<u>1995</u> 5,242 9,683 <u>16,411</u> 31,336	<u>2000</u> 7,772 79,362 <u>17,833</u> 104,967	<u>2005</u> 7,702 100,369 <u>19,151</u> 127,222	<u>2010</u> 6,537 126,027 <u>23,651</u> 156,215	<u>2014</u> 5,818 121,019 <u>29,984</u> 156,821
MSRS-Correctional State Patrol Plan PERA-P&F P&F Consolidation Ac PERA Local Govt. Cor	counts rectional <i>Subtotal</i>	79 9 350  438	45 4 121 1 	74 5 141 0 <u></u> 220	163 10 626  <u>0</u> 799	351 14 729  <u>906</u> 2,000	585 14 930  <u>1,605</u> 3,134	384 17 975 <u>1,936</u> 3,312
Legislators Plan Elected State Officers Judges Plan	Plan <i>Subtotal</i>	15 1 <u>0</u> 16	3 0 <u>1</u> 4	9 0 <u>1</u> 10	3 0 <u>2</u> 5	2 0 <u>0</u> 2	1 0 <u>0</u> 1	0 1 <u>0</u>
MERF/ PERA-MERF I	Division1	197	184	181	0	0	0	0
DTRFA MTRFA <sup>2</sup> SPTRFA	Subtotal	0 60 <u>1,770</u> 1,830	435 134 <u>888</u> 1,457	561 895 <u>1,066</u> 2,522	575 1,815 <u>1,697</u> 4,087	638 3,604 <u>1,687</u> 5,929	721 <sup>2</sup> <u>1,419</u> 2,140	747 <sup>2</sup> <u>1,616</u> 2,363

Deferred Retirees – Number of Members

<sup>1</sup> ESO administratively consolidated into the Legislators Plan in 2014

<sup>2</sup> MERF administratively consolidated into PERA in 2010

# Minnesota Public Pension Plans History of Post-Retirement Adjustments

Post-Retirement Annual Percent Increase<sup>1</sup> and the Increase in the Consumer Price Index<sup>2</sup>

			MSRS Plans			PERA Plans		TF	RA		
Effective	CPI <sup>2</sup>	Judges	MSRS	St. Patrol	MERF <sup>3</sup>	PERA	-P&F	TRA	MTRFA <sup>4</sup>	DTRFA	SPTRFA
Jan 1:	%	%	%	%	9	6	%	9	6	%	%
2015	1.5	1.75	2.00	1.00	1.0	00	1.00	2.0	0	1.00	1.00
2014	1.4	1.75 5	2.00	1.00 6	1.0	00	1.00	2.0	0	1.00 <sup>7</sup>	1.00
2013	2.1	2	.00	1.50	1.0	00	1.50	2.0	0	0.00	1.00
2012	3.6	2	.00	1.50	1.0	00	1.00	0.0	0	0.00	0.00
2011	2.1	2	.00 8	1.50 <sup>9</sup>	1.0	0 10	1.00 <sup>11</sup>	0.0	0 12	0.00 13	0.00 14
2010	-0.7		2.50		0.00 <sup>2</sup>	2.50		2.5	0	2.00	0.00
2009	4.1		2.50 <sup>15</sup>		3.50	2.50 <sup>14</sup>		2.5	0 14	2.24	2.50
2008	2.9		2.50		2.66868	2.50		2.5	0	5.30	2.30
2007	1.8		2.50		3.50	2.50		2.5	0	2.00	2.00
2006	3.5		2.50		2.59039	2.50		2.50	2.00 <sup>3</sup>	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			

<sup>1</sup> These are permanent increases to retiree annuities

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

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

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

<sup>6</sup> 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.

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

<sup>8</sup> 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.

<sup>10</sup> 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%.

<sup>11</sup> 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.

<sup>13</sup> 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.

<sup>14</sup> 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.

<sup>15</sup> 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**

	State Board of Investment						
Cal. Year	Basic Fund	Post Fund	MTRFA	DTRFA	SPTRFA	MERF	
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%	
	Combine	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%	<b></b> 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%		
2014	12.	7% <sup>3</sup>					

 <sup>&</sup>lt;sup>1</sup> MTRFA merged into TRA in 2006
 <sup>2</sup> MERF administratively consolidated into PERA in 2010
 <sup>3</sup> 9/30/2014 figure

# State Board of Investment

# Fiscal Year Investment Returns of the Combined Investment Fund

Fiscal Year	% Return	Interest Rate Actuarial Assumption	Difference
2014	18.6%	8.0%	+10.6%
2013	14.2	8.0	+6.2
2012	2.4	8.5	-6.1
2011	23.3	8.5	+14.8
2010	15.2	8.5	+6.7
2009	-19.6	8.5	-28.1
2008	-4.8	8.5	-13.3
2007	18.5	8.5	+10.0
2006	12.6	8.5	+4.1
2005	11.0	8.5	+2.5
2004	16.6	8.5	+8.1
2003	1.9	8.5	-6.6
2002	-8.2	8.5	-16.7
2001	-7.4	8.5	-15.9
2000	10.5	8.5	+2.0
1999	11.3	8.5	+2.8
1998	22.2	8.5	+13.7
1997	21.8	8.5	+13.3
1996	18.8	8.5	+10.3
1995	15.8	8.5	+7.3
1994	2.1	8.5	-6.4
1993	14.4	8.5	+5.9
1992	14.5	8.5	+6.0
1991	6.7	8.5	-1.9
1990	10.8	8.5	+2.4

# **Current and Near-Term Issues**

- <u>Question</u> What issues are likely to be brought before the Pension Commission and the Committee this session or in the near-term?
- <u>Answer</u> There are several issues related to Minnesota public pension plans and Minnesota public employee retirement coverage that are likely to arise and be considered by the Legislative Commission on Pensions and Retirement, as follows *(not in order of importance or in order of likely scheduling)*:
  - The appropriate interest actuarial assumption rate or rates for Minnesota defined benefit retirement plans.
  - Defined contribution retirement plan or defined benefit retirement plan coverage for Minnesota public employees.
  - Triggers for shifting from post-2008 reduced post-retirement adjustment rate to pre-2010 full post-retirement adjustment rates.
  - Large contribution deficiencies for the Judges Retirement Plan, the State Patrol Retirement Plan, the MSRS Correctional State Employees Retirement Plan, the Public Employees Police and Fire Retirement Plan, and the Teachers Retirement Association.
  - State aid and contribution levels for local covered employing units for the former MERF Division of PERA following its merger into the PERA General Employee Retirement Plan.
  - Continuation of the St. Paul Teachers Retirement Fund Association as a separate retirement plan, fund, and administration.
  - Amount of state aids related to public pensions and their distribution.
  - Expansion of the Statewide Volunteer Fire Retirement Plan to include former monthly benefit volunteer firefighters' relief associations.
  - Likelihood of enhanced numbers of retirements over the next five to ten years and their impact on retirement plan costs and funding.