

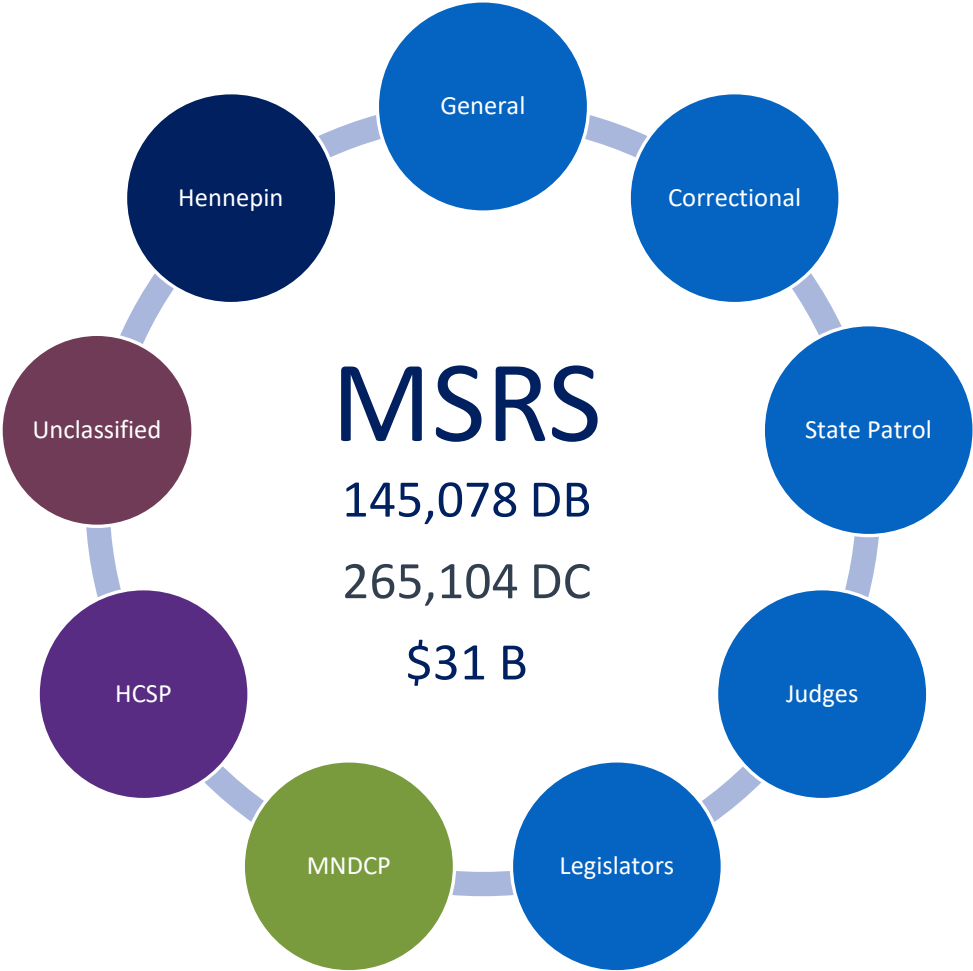


# LCPR Annual Update

Erin Leonard, Executive Director

February 12, 2024

# Minnesota State Retirement System Governance Overview



Governed by an 11 member Board of Directors

- 3 Governor appointees
- 4 elected members from General or Unclassified Plan
- 1 elected member from Correctional Plan
- 1 elected member from State Patrol Plan
- 1 elected retiree
- 1 member representing Met Council transit operations

Responsibilities include:

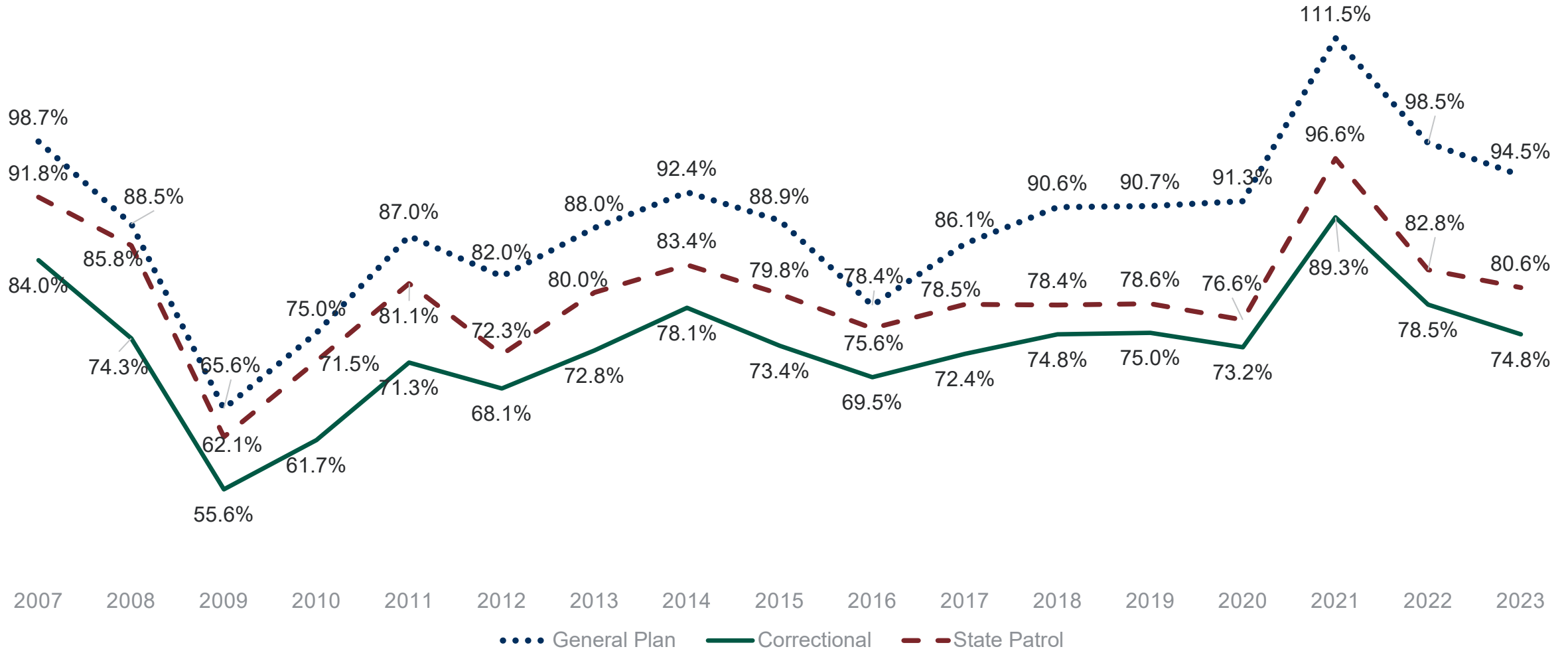
- Set policies, approve the agency operating budget, hiring and advising the executive director
- Consider disability and other appeals
- Oversee the administration of plans administered by MSRS

Defined Benefit (DB) plan and Unclassified Plan provisions are defined in Minnesota statutes

MNDCP and HCSP are governed by Plan Documents and federal laws and/or Internal Revenue Code

Rate of Return for this period was 8.9%

# MSRS Pension Plans: Funded Ratio History (Market Value Basis)



# Plan Funding Summary Actuarial Valuation Snapshot dated July 1, 2023



	General	Correctional	State Patrol	Judges
Funded Ratio (MVA)	94.5%	74.8%	80.6%	62.5%
Market Value of Assets	\$16.6 B	\$1.6 B	\$943 M	\$269 M
Unfunded Liability	\$1 B	\$0.5 B	\$74 M	\$162 M
Contribution Sufficiency	1.30% 1.17%* 1.67%**	0.51%	7.85%	2.63%
Projected Full Funding Date	2032	2047	2037	2047

\*2048 amortization date, 356.215, subd. 11(c) extended the amortization date to 2053

\*\*Assuming 6% employee contribution & 2048 amortization date

# General Employees Retirement Plan Funding (July 1, 2023)

Includes State of Minnesota, Metropolitan Council, University of Minnesota civil service and some Minnesota State university system employees

## *Membership Information*

Total: 130,298

Active: 52,459

Benefit Recipients: 48,053

Deferred/Inactive: 29,786

## *Current Funding Summary*

(Market Value)

94.5% Funded

\$16.6 Billion Assets

\$1.0 Billion Unfunded

Projected Full Funding Date: 2032

## *Contribution Requirements*

Statutory Contribution: 11.75%\*

Employee: 5.50%\* & Employer: 6.25%

Total Required Contribution: 10.45%

Contribution Sufficiency: 1.30%

## *Benefit Highlights*

Average Initial Benefit: \$1,792 per month

2024 Post-Retirement Increase: 1.5% fixed

# Correctional Employees Retirement Plan Funding (July 1, 2023)

Includes employees working with offenders in the state correctional system or patients in security hospitals

## *Membership Information*

Total: 11,368

Active: 4,426

Benefit Recipients: 4,089

Deferred/Inactive: 2,853

## *Current Funding Summary*

(Market Value)

74.8% Funded

\$1,596 Billion Assets

\$0.538 Billion Unfunded

Projected Full Funding Date: 2047

## *Contribution Requirements*

Statutory Contribution: 28.45%

Employee: 9.60%

Employer: 14.40%

Supplemental: 4.45%

Total Required Contribution: 27.94%

Contribution Sufficiency: 0.51%

## *Benefit Highlights*

Average Initial Benefit: \$2,620 per month

2024 Post-Retirement Increase: 1.5% fixed

# State Patrol Retirement Plan Funding (July 1, 2023)

Includes State Troopers, Conservation Officers, Crime Bureau officers & other peace officers

## *Membership Information*

Total: 2,277

Active: 979

Benefit Recipients: 1,168

Deferred/Inactive: 130

## *Current Funding Summary*

(Market Value)

80.6% Funded

\$943 Million Assets

\$74 Million Unfunded

Projected Full Funding Date: 2037

## *Contribution Requirements*

Statutory Contribution: 46.40%

Employee: 15.40%

Employer: 23.10%

Supplemental: 7.90%

Total Required Contribution: 38.55%

Contribution Sufficiency: 7.85%

## *Benefit Highlights*

Average Initial Benefit: \$5,588 per month

2024 Post-Retirement Increase: 1.0% fixed

# Judges Retirement Plan Funding (July 1, 2023)

Appointed and elected judges

## *Membership Information*

Total: 760

Active: 321

Benefit Recipients: 421

Deferred/Inactive: 18

## *Current Funding Summary*

(Market Value)

62.5% Funded

\$269 Million Assets

\$162 Million Unfunded

Projected Full Funding Date: 2047

## *Contribution Requirements*

Statutory Contribution: 41.23%

Employee: 7.53%

Employer: 22.50%

Supplemental: 11.20%

Total Required Contribution: 38.60%

Contribution Sufficiency: 2.63%

## *Benefit Highlights*

Average Initial Benefit: \$5,872 per month

2024 Post-Retirement Increase: 1.5% fixed



# Additional MSRS Plans

## Legislators Plan

375 Members

Closed in 1997

## Unclassified Plan 401(a)

3,521 Participants with a  
balance

\$358.2 Million

## MN Deferred Compensation Plan (MNDCP) 457(b)

100,138 Participants  
with a balance

\$9.2 Billion

## Health Care Savings Plan (HCSP)

160,551 Participants  
with a balance

\$1.8 Billion

# 2024 Legislative Agenda

- Administrative Bill
- Adoption of the experience study recommendations
- No proposed benefit changes at this time
- Stakeholders may have some eligibility bills to bring forward



# Thank you!



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