



*To: Members of the Legislative Commission on Pensions and Retirement*

*From: Susan Lenczewski, Executive Director*  
*Aleena Wilson, Analyst*

*Subject: Appointment of the Commission Actuary*

*Date: March 6, 2025*

Commission staff requests that the Commission approve the appointment of VIA Actuarial Solutions (VIA) as the Commission's actuary effective as soon as a contract can be finalized and signed by the Chair of the Commission and VIA. The selection of VIA was recommended by a group of four Commission members who interviewed representatives from four actuarial firms on November 27, 2024. VIA was the Commission actuary January 2020 through January 2025.

### **Background**

Minnesota Statutes, section 356.214, subdivision 4, under the heading "Commission to contract with auditing actuary," states:

(a) The Legislative Commission on Pensions and Retirement may contract with an established actuarial consulting firm to audit or review the actuarial valuations, experience studies, and actuarial cost analyses....

(b) Any actuarial consulting firm retained under paragraph (a) will, according to a schedule determined under an agreement with the Legislative Commission on Pensions and Retirement, audit the valuation reports submitted by the actuary retained by each governing or managing board or administrative official, and provide an assessment of the reasonableness, reliability, and areas of concern or potential improvement in the specific reports reviewed, the procedures utilized by any particular reporting actuary, or general modifications to standards, procedures, or assumptions that the commission may wish to consider.....

The Commission has had an actuary pursuant to this statute since 2009. Milliman served in this role for an initial four-year period, which was extended for an additional year. Milliman was succeeded by Deloitte Consulting LLP in 2014, which was succeeded by Van Iwaarden Associates (now VIA Actuarial Solutions) in 2020. The Commission's contract with VIA Actuarial Solutions expired on January 21, 2025.

### **RFP and Proposals**

To ensure that the Commission is contracting with the most qualified, experienced, and responsive actuary at the best price, staff undertakes an RFP process. Commission staff prepared a Request for

Proposals (RFP) and submitted the RFP to the Minnesota State Register for publication on October 21, 2024. In addition, staff emailed the RFP or a link to the RFP to seven actuarial firms that are known for their work with public pension plans and posted the RFP on the Commission website ([www.lcpr.mn.gov/rfp.htm](http://www.lcpr.mn.gov/rfp.htm)). The RFP informed Interested firms that they could submit questions on the RFP by October 25, 2024. Staff received 14 questions from three firms and published answers on Friday, November 1. As noted in the RFP, proposals were due to the LCPR by Monday, November 18, 2024.

We received proposals from the following four actuarial firms:

1. Milliman
2. Segal
3. Foster & Foster
4. VIA Actuarial Solutions

### **Interviews and Recommendation**

On behalf of Commission Chair Kaohly Vang Her, at the last meeting of the Commission in 2024, staff asked for volunteers from the Commission to participate in this process. Specifically, volunteers were needed to interview the candidates and make a recommendation. Chair Her, Senators Frentz and Rasmusson, and Representative Nadeau volunteered, and interviews were scheduled for Wednesday, November 27, 2024.

The two-, three-, or four-member team from each firm gave a presentation and responded to questions for approximately 45 minutes each. The legislators were provided with a binder of confidential information that included the proposals from each firm and other materials, including a fee comparison chart and a chart that compares the firms in a number of categories.

At the conclusion of the interviews, the legislators discussed the interviews and reached a consensus that VIA Actuarial Solutions be recommended to the Commission for appointment as the Commission's actuary, subject to positive reports from VIA's references. The appointment would be for the next three years, with the option to extend the engagement for an additional two years.

During the week of December 16, 2024, Commission staff contacted two of the references provided by VIA, both of which gave positive reviews. LCPR staff did not contact the two other references provided by VIA as they were previously contacted as part of the 2019 RFP process and also gave positive reviews.

### **Approval by the Commission**

Staff urges the Commission to appoint the actuary as soon as possible. The schedule for work to be performed by the actuary following appointment by the Commission, as noted in the RFP, is the following for Fiscal Year 2025, which ends on June 30, 2025:

### Replication Valuations

Pension Plan	Valuation Date	Delivery Date
Teachers Retirement Association	July 1, 2024	FY 2025
St. Paul Teachers Retirement Fund Association	July 1, 2024	FY 2025

### Experience Study Reviews

Pension Plan	Study Period	Delivery Date
State Patrol Plan	July 1, 2019-June 30, 2023	FY2025
MSRS Correctional Plan	July 1, 2019-June 30, 2023	FY2025
Judges Plan	July 1, 2019-June 30, 2023	FY2025
Public Employees Police and Fire Plan	July 1, 2019-June 30, 2023	FY2025
PERA Correctional Plan	July 1, 2019-June 30, 2023	FY2025

The “Delivery Date” in FY 2025 means as early as possible during that fiscal year, which ends June 30, 2025. Optimally, the reports would be completed by the actuary before the end of the legislative session so the Commission could receive the reports and respond if any action is needed. For the actuary to meet this deadline for these valuation replications and experience study reviews, the actuary needs to get started as soon as possible. Staff will work with the actuary to adjust this deadline as necessary to provide enough time to get the reports completed.

In addition, if the Commission Chair for the 2025-2026 biennium wants the actuary to prepare cost estimates for pension-related bills considered during the 2025 session, we need to have the actuary in place to begin that work right away.