

1.1 A bill for an act
1.2 relating to retirement; establishing a process to change the investment return
1.3 assumption for computing joint and survivor annuities; requiring an investment
1.4 return assumption for computing joint and survivor annuities that has been approved
1.5 or deemed approved to be included in the appendix to the standards for actuarial
1.6 work; amending Minnesota Statutes 2024, section 356.461, subdivision 1.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2024, section 356.461, subdivision 1, is amended to read:

1.9 Subdivision 1. **Joint and survivor annuity computation.** (a) Notwithstanding any
1.10 provision of section 356.215, subdivision 8, or 356.415 to the contrary, for purposes of
1.11 computing joint and survivor annuities under each covered retirement plan in subdivision
1.12 2, the applicable investment return assumption is 6.5 percent unless a different percentage
1.13 has been approved or deemed approved under paragraph (b) for the covered retirement plan.

1.14 (b) A change in the investment return assumption for computing joint and survivor
1.15 annuities may be proposed by the governing board of a covered retirement plan. The
1.16 assumption may be changed only with the approval of the Legislative Commission on
1.17 Pensions and Retirement or after a period of one year has elapsed since the date on which
1.18 the proposed assumption change was received by the Legislative Commission on Pensions
1.19 and Retirement without commission action.

1.20 (c) The executive director of the Legislative Commission on Pensions and Retirement
1.21 must update the appendix to the standards for actuarial work whenever a change in the
1.22 assumption is approved or deemed approved.

2.1 **EFFECTIVE DATE.** This section is effective July 1, 2026, or, if earlier, the effective
2.2 date of the approval by the Legislative Commission on Pensions and Retirement of a change
2.3 in the investment return assumption for computing joint and survivor annuities for a covered
2.4 retirement plan under section 356.461, subdivision 2.