

## Supplemental Employer Contributions and Direct State Aid Payments to Public Pension Plans

Minnesota law provides for several types of supplemental employer contributions and state aid. This compilation describes each of these contributions or state aids, the plan to which the payment is made, when the aid expires, and the statute that requires the payment.<sup>1</sup>

Two acronyms that appear throughout this table are defined as follows:

MVA: “Market value of assets” means the value of plan assets as of the most recent fiscal year end (June 30<sup>th</sup>).

AVA: “Actuarial value of assets” means the value of plan assets resulting from the averaging of asset values over a five-year period to smooth the effect of market fluctuations.

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<sup>1</sup> The State also makes direct payments to public employers to help fund contributions the employer is required to make to public pension plans. For example, see the payments required to the cities of Fairmont, Minneapolis, Duluth, and Virginia under Section 423A.02 to defray employer contributions required to pension plans. This compilation does not include payments made directly to public employers.

## Minnesota State Retirement System

|  | Aid Amount  | Aid Expiration  | Funded Ratio<br>(2025) | Statute                           |
|--|---|---|------------------------|-----------------------------------|
| <b>Correctional Plan Supplemental Employer Contributions</b> | 4.45% of covered salary<br><i>(about \$16.52 million in 2025)</i> | The first day of the first full pay period of the fiscal year immediately following the issuance of the third actuarial valuation showing that the funded ratio using the MVA equals or exceeds 110%. | 82.83% (MVA)           | § 352.92, Subd. 2a, Para. (a)     |
| <b>State Patrol Plan Supplemental State Aid</b>              | \$1,000,060   | December 1 following three consecutive fiscal years in which the funded ratio using the AVA of both the PERA P&F Plan and the State Patrol Plan equal or exceed 100%.                                 | 84.65% (AVA)           | § 423A.022, Subd. 2, Para. (a)(3) |
| <b>State Patrol Plan Supplemental Employer Contributions</b> | 7% of covered salary<br><i>(about \$8.91 million in 2025)</i>     | The first day of the first full pay period of the fiscal year immediately following the issuance of the third actuarial valuation showing that the funded ratio using the MVA equals or exceeds 110%. | 87.76% (MVA)           | § 352B.02, Subd. 1c, Para. (d)    |
| <b>State Patrol Plan Direct State Aid</b>                    | \$2,300,000   | July 1, 2048  |                        | § 352B.251                        |
| <b>Judges Plan Direct State Aid</b>                          | \$6,000,000   | The first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 110%.   | 65.46% (AVA)           | § 490.123, Subd. 5, Para. (a)     |

## Public Employees Retirement Association

|  | Aid Amount   | Aid Expiration  | Funded Ratio<br>(2025) | Statute                           |
|--|--|---|------------------------|-----------------------------------|
| <b>General Plan<br/>Additional<br/>Employer Contribution</b> | 1% of covered payroll<br><i>(about \$86 million in 2025)</i> | The first day of the first full pay period occurring after the March 31 of the calendar year following the issuance of the actuarial valuation showing that the funded ratio using the AVA equals or exceeds 98%. | 87.56% (AVA)           | § 353.27, Subd. 3a.               |
| <b>General Plan<br/>MERF Direct State Aid</b>                | \$16,000,000   | Sept. 15, 2031  |                        | § 353.505, Para. (a)              |
| <b>Police &amp; Fire Plan<br/>Supplemental State Aid</b>     | \$8,999,920  | December 1 following three consecutive fiscal years in which the funded ratio using the AVA of both the PERA P&F Plan and the State Patrol Plan equal or exceed 100%.   | 88.55% (AVA)           | § 423A.022, Subd. 2, Para. (a)(1) |
| <b>Police &amp; Fire Plan<br/>Direct State Aid</b>           | \$9,000,000  | The first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 110%.   | 88.55% (AVA)           | § 353.65, Subd. 3b, Para. (a)     |
| <b>Police &amp; Fire Plan<br/>Direct State Aid</b>           | \$17,700,000   | July 1, 2048  |                        | § 353.65, Subd. 3b, Para. (b)     |
| <b>Police &amp; Fire Plan<br/>Direct State Aid</b>           | \$8,000,000  | July 1, 2042  |                        | § 353.65, Subd. 3b, Para. (c)     |

## Teachers Retirement Association

|   | Aid Amount   | Aid Expiration   | Funded Ratio<br>(2025) | Statute                   |
|---|--|--|------------------------|---------------------------|
| <b>Matching Aid and Additional Contributions by Special School District No. 1 and City of Minneapolis</b> | \$4,500,000<br>from employers<br><br>\$2,500,000<br>from state | The earlier of:<br><br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br><br>(2) July 1, 2048. | 81.6% (AVA)            | § 354.435,<br>Subd. 1 & 2 |
| <b>Amortization State Aid</b>   | \$1,780,368*   | The earlier of:<br><br>(1) the December 31 following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br><br>(2) July 1, 2048.                  | 81.6% (AVA)            | § 423A.02,<br>Subd. 3     |
| <b>Direct State Aid related to the Minneapolis Teachers merger</b>  | \$12,954,000   | The earlier of:<br><br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br><br>(2) July 1, 2048. | 81.6% (AVA)            | § 354.436                 |
| <b>Direct State Aid related to the Duluth Teachers merger</b>   | \$14,377,000   | The earlier of:<br><br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br><br>(2) July 1, 2048. | 81.6% (AVA)            | § 354.436                 |

\* The amount is based on a formula and is determined annually. The amount shown is for a prior year and may not be the amount of aid payable in 2026.

## St. Paul Teachers Retirement Fund Association

|                               | Aid Amount   | Aid Expiration   | Funded Ratio<br>(2025) | Statute/Law                          |
|-------------------------------|--------------|--|------------------------|--------------------------------------|
| <b>Amortization State Aid</b> | \$1,186,912* | The earlier of:<br>(1) the December 31 following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br>(2) July 1, 2048.                  | 69.68% (AVA)           | § 423A.02,<br>Subd. 3                |
| <b>Direct State Aid</b>       | \$2,827,000  | The earlier of:<br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br>(2) July 1, 2048. | 69.68% (AVA)           | § 354A.12,<br>Subd. 3a,<br>Para. (a) |
| <b>Direct State Aid</b>       | \$7,000,000  | The earlier of:<br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br>(2) July 1, 2048. | 69.68% (AVA)           | § 354A.12,<br>Subd. 3a,<br>Para. (b) |
| <b>Direct State Aid</b>       | \$5,000,000  | The earlier of:<br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br>(2) July 1, 2048. | 69.68% (AVA)           | § 354A.12,<br>Subd. 3a,<br>Para. (c) |
| <b>Direct State Aid</b>       | \$3,400,000  | The earlier of:<br>(1) the first day of the fiscal year following three consecutive fiscal years in which the funded ratio using the AVA equals or exceeds 100%; or<br>(2) July 1, 2048. | 69.68% (AVA)           | § 354A.12,<br>Subd. 3a,<br>Para. (d) |

\* The amount is based on a formula and is determined annually. The amount shown is for a prior year and may not be the amount of aid payable in 2026.

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