

# **Materials Related to Minnesota Public Pension Plan Coverage and Funding**

**Presented to the House Committees on  
Government Operations and Elections  
State Government Finance**

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# Minnesota Legislative Commission on Pensions and Retirement

## Function and Creation

### ■ Function of the Pension Commission

- The Pension Commission is a joint agency of the Minnesota Legislature.
- The Pension Commission performs four major functions:
  - i) reviews and makes recommendations to standing legislative committees on pending proposed public pension legislation;
  - ii) conducts ongoing research on pension policy issues;
  - iii) provides legislative oversight for Minnesota's system of over 700 public employee pension plans; and
  - iv) assesses the sufficiency of current public pension plan funding and recommends required modifications.
- The Minnesota Pension Commission is one of almost two dozen state pension commissions nationwide.

### ■ Creation of the Pension Commission

- Initially established as an Interim Commission
  - 1943 (Laws 1943, Chapter 449)
  - 1955 (Laws 1955, Chapter 829)
  - 1957 (Extra Session Laws 1957, Chapter 13)
  - 1959 (Extra Session Laws 1959, Chapter 82)
  - 1963 (Laws 1963, Chapter 888, Section 9)
  - 1965 (Laws 1965, Chapter 888, Section 5)
- No Pension Commission was established during the 1961-1963 Biennium
- Pension Commission established as a permanent entity in 1967 (Laws 1967, Chapter 549; coded as Minnesota Statutes, Section 3.85)
- Pension Commission is the oldest extant Minnesota Legislative Commission

# Legislative Commission on Pensions and Retirement Composition

## ■ Composition of the Pension Commission

- The Commission consists of five members of the House of Representatives and five members of the Senate
- The House members of the Commission are appointed by the Speaker of the House
- The Senate members of the Commission are appointed by the Subcommittee on Committees of the Senate Rules Committee
- 105 legislators have served on the Commission 1943-2006, during 259 two-year terms (including mid-term vacancies that were filled)
- Length of service by Commission members 1943-2006:

Total Years of Service	Number of Members	Percent of Total
1 Year	4	3.81%
2 Years	40	38.10%
3 Years	1	0.95%
4 Years	20	19.05%
6 Years	21	20.00%
7 Years	1	0.95%
8 Years	3	2.86%
10 Years	6	5.71%
11 Years	2	1.90%
12 Years	3	2.86%
16 Years	1	0.95%
18 Years	1	0.95%
20 Years	1	0.95%
22 Years	1	0.95%

- Geographical distribution of Commission members, by membership number and by Commission membership term 1943-2006

	Number of Members	Percent of Total Membership	Total Terms	Percent of Total Terms
Duluth	1	1.0%	1	0.4%
St. Paul	15	14.3%	32.5	12.5%
Minneapolis	23	21.9%	63.5	24.5%
Suburban Twin Cities	19	18.1%	49	18.9%
Greater Minnesota	47	44.8%	113	43.6%

## Legislative Commission on Pensions and Retirement Operation and Resources

### ■ Operation of the Pension Commission

- The Commission Chair sets the general direction of the Commission.
- The Commission Chair has a two-year term.
- The Commission Chair alternates between the House and Senate membership; the Chair and other Commission officers are elected from and by the Commission membership.
- After appointment, the Commission typically meets weekly during the Legislative Session until the initial committee bill hearing deadline.
- During the Interim, the Commission typically meets monthly.
- By longstanding agreement, the House and Senate committees with jurisdiction over pensions refrain from hearing proposed pension legislation until receiving a recommendation from the Commission.
- The Commission recommendation of proposed pension legislation requires a majority vote of the total commission membership of both the House and the Senate; all other Commission actions require simple majority vote of Commission members in attendance.
- The Commission recommendation on proposed pension legislation is typically accompanied by Commission-approved amendments.
- Commission recommended proposed pension legislation is typically consolidated into one or a small number of "Omnibus" Pension Bills.
- Commission recommended proposed pension legislation affecting pension benefits is typically accompanied by an actuarial cost estimate, generally prepared by the actuary retained jointly by the statewide and major local retirement administrations.

### ■ Staffing of the Commission

- The Commission employs a permanent staff of 3.5 full-time equivalent positions.

### ■ Actuarial Resources

- The official actuarial work for most Minnesota defined benefit plans is prepared by consulting actuarial firms retained by the five statewide or major retirement systems.
- The Commission retains a consulting actuary who reviews the actuarial work prepared by the consulting actuaries retained by the retirement systems and replicates selected actuarial work.

## Legislative Commission on Pensions and Retirement **Level of Proposed Public Pension Legislation**

### ■ **General Level of Public Pension Legislation**

- Historically, an average of 78 public pension bills are introduced annually
- Commission typically reviews 85 percent of proposed pension legislation introduced
- Typically, 40 introduced public pension bills annually are ultimately heard in some form by standing committees
- Proposed pension legislation typically covers a broad range of plans and circumstances:
  - 25 percent related to major statewide plans
  - 13 percent related to minor statewide plans
  - 6 percent related to local general employee plans
  - 15 percent related to police and paid fire pension plans
  - 8 percent related to volunteer fire relief associations
  - 20 percent related to individual or small group requests
  - 13 percent related to miscellaneous pension topics



# Legislative Commission on Pensions and Retirement

## Principles of Pension Policy

### 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. Mandatory Public Pension Plan Membership

To the extent possible, membership in a public pension plan should be mandatory for the personnel employed on a recurring or regular basis.
3. Consolidation of Public Pension Plans by a Minnesota Public Employer
  - 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. General Preference for Defined Benefit Plans Over Defined Contribution Plans
  - 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. Appropriate Early Retirement Reductions

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. Postretirement Benefit Increases

- 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. Reopening Optional Annuity Elections

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. Repayment of Previously Paid Benefits and Resumptions of Active Member Status

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. Allocation of Funding Burden Between Members and Employers

- 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. Appropriate Basis for Actuarial Assumption Changes

- 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. Appropriate Basis for Modifying Contribution Rates

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. Appropriate Investment of Public Pension Assets

- 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. Sole Membership Benefit Dedication of Plan Assets

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.

# Minnesota Public Pension Plans

## **Defined Benefit Plans and Defined Contribution Plans**

### Minnesota Defined Benefit Plans

#### A. Statewide Plans

1. General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General)
2. MSRS Correctional State Employees Retirement Plan (MSRS-Correctional)
3. State Patrol Retirement Plan
4. Judges Retirement Plan
5. Legislators Retirement Plan
6. Elected State Officers Retirement Plan
7. Military Affairs Personnel Retirement Plan
8. Department of Transportation Pilots Retirement Plan
9. State Fire Marshal Division Arson Investigators Retirement Plan
10. General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General)
11. Public Employees Police and Fire Retirement Plan (PERA-P&F)
12. Local Government Correctional Service Retirement Plan (PERA-Correctional)
13. Teachers Retirement Association (TRA)
14. University of Minnesota Faculty Supplemental Retirement Plan

#### B. Local Plans

1. Duluth Teachers Retirement Fund Association (DTRFA)
2. St. Paul Teachers Retirement Fund Association (SPTRFA)
3. Fairmont Police Relief Association
4. Minneapolis Firefighters Relief Association
5. Minneapolis Police Relief Association
6. Virginia Fire Department Relief Association
7. Various volunteer firefighter relief associations

### Minnesota Defined Contribution Plans

#### A. Statewide Plans

1. MSRS Unclassified Employees Retirement Program (MSRS-Unclassified)
2. Higher Education Individual Retirement Account Plan (MnSCU-IRAP)
3. Higher Education Supplemental Retirement Plan (MnSCU-Supplemental)
4. PERA Defined Contribution Retirement Plan
5. Ambulance Service Personnel Longevity Plan
6. University of Minnesota Faculty Retirement Plan

#### B. Local Plans

1. Hennepin County Supplemental Retirement Plan
2. Various volunteer firefighter relief associations
3. Various Housing and Redevelopment Authority (HRA) retirement plans

## 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 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. 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).
- Retirement plan creation, count by decade:

1860's	1	1930's	11
1870's	0	1940's	23
1880's	3	1950's	11
1890's	6	1960's	12
1900's	6	1970's	3
1910's	8	1980's	5
1920's	2	1990's	2

- Some retirement plans have been closed to new entrants, with replacement coverage by another public pension plan or benefit program (Minneapolis Employees Retirement Fund (MERF), St. Paul Teachers Retirement Fund Association (SPTRFA)-Basic Program, Duluth Teachers Retirement Fund Association (DTRFA)-Old Law Program, Minneapolis Firefighters Relief Association, Minneapolis Police Relief Association, Fairmont Police Relief Association, and Virginia Fire Department Relief Association).

## 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 into the Public Employees Police and Fire Retirement Plan (PERA-P&F);
  - 44 local police or paid firefighter relief associations into the Public Employees Police and Fire Retirement Plan (PERA-P&F), 1987-1998;
  - Minneapolis Teachers Retirement Fund Association (MTRFA) into the Teachers Retirement Association (TRA); and
  - Minneapolis Employees Retirement Fund (MERF) into the General Employees Retirement Plan of the Public Employees Retirement Association (PERA-General).

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## 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) <sup>53</sup>	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 <sup>54</sup>	1973
Supreme Court Clerk Retirement Plan <sup>7</sup>	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) <sup>9</sup>	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

### 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) <sup>58</sup>	1910
St. Paul Teachers Retirement Plan (SPTRFA) <sup>20</sup>	1910

### Local Police and Salaried Firefighters Pension Plans

	Establishment Date
Albert Lea Firefighters Relief Association <sup>21</sup>	1895
Albert Lea Police Relief Association <sup>22</sup>	1943
Anoka Police Relief Association <sup>23</sup>	1948
Austin Firefighters Relief Association <sup>24</sup>	1909
Austin Police Relief Association <sup>49</sup>	1943
Bloomington Firefighters Relief Association <sup>55</sup>	1947
Bloomington Police Relief Association <sup>21</sup>	1960
Brainerd Police Relief Association <sup>47</sup>	1952
Brooklyn Center Police Relief Association <sup>25</sup>	1967

## Minnesota Public Pension Plans Establishment

<b>Local Police and Salaried Firefighters Pension Plans</b>	<b>Establishment Date</b>
Buhl Police Relief Association <sup>26</sup>	1957
Chisholm Firefighters Relief Association <sup>27</sup>	1907
Chisholm Police Relief Association <sup>27</sup>	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 <sup>56</sup>	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 <sup>48</sup>	1949
Faribault Fire Department Relief Association <sup>22</sup>	1897
Faribault Police Relief Association <sup>47</sup>	1948
Fridley Firefighters Relief Association <sup>35</sup>	N/A
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 <sup>57</sup>	1947
Minneapolis Fire Department Relief Association <sup>52</sup>	1868/1874
Minneapolis Police Relief Association <sup>52</sup>	1890
Moorhead Firefighters Relief Association <sup>39</sup>	1955
Moorhead Police Relief Association <sup>39</sup>	1945
Nashwauk Police Relief Association <sup>40</sup>	1943
New Ulm 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>	1942
Richfield Police Relief Association <sup>22</sup>	1965
Rochester Fire Department Relief Association <sup>42</sup>	1891
Rochester Police Relief Association <sup>38</sup>	1939
St. Cloud Fire Department Relief Association <sup>43</sup>	1906
St. Cloud Police Relief Association <sup>44</sup>	1939
St. Louis Park Fire Department Relief Association <sup>37</sup>	1948
St. Louis Park Police Relief Association <sup>42</sup>	1955
St. Paul Fire Department Relief Association <sup>32</sup>	1868/1885
St. Paul Police Relief Association <sup>21</sup>	1903
South St. Paul Firefighters Relief Association <sup>21</sup>	1943
South St. Paul Police Relief Association <sup>57</sup>	1941
Thief River Falls Police Relief Association <sup>45</sup>	1941
Virginia Fire Department Relief Association <sup>51</sup>	1931
Virginia Police Relief Association <sup>47</sup>	1935
West St. Paul Fire Department Relief Association <sup>46</sup>	1947
West St. Paul Police Relief Association <sup>21</sup>	1967

## Minnesota Public Pension Plans Establishment

### Local Police and Salaried Firefighters Pension Plans

### Establishment Date

Winona Fire Department Relief Association <sup>37</sup>

1887

Winona Police Relief Association <sup>42</sup>

1914

### Local Volunteer Firefighters Pension Plans

### Establishment Date

692 volunteer firefighter relief associations as of 12/31/2001

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

N/A

Edina School District Supplemental Retirement Plan

N/A

Hopkins School District Supplemental Retirement Plan

N/A

Minnetonka School District Supplemental Retirement Plan

N/A

Richfield School District Supplemental Retirement Plan

N/A

St. Louis Park School District Supplemental Retirement Plan

N/A

Wayzata School District Supplemental Retirement Plan

N/A

*N/A means establishment year is 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.
- <sup>6</sup> 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.
- <sup>12</sup> 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.
- <sup>13</sup> 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.

## Minnesota Public Pension Plans Establishment

- <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. 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 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.
- <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 salaried 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.
- <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.
- <sup>52</sup> Plan was closed to new entrants as of June 15, 1980.
- <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 post-retirement 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.

## Minnesota Public Pension Plans Major and Statewide Plans, Fund and Administration

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

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# Minnesota Defined Benefit Retirement Plans Plan Demographics

## A. ACTIVE MEMBERSHIP

### 1. Number

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	45,590	49,576	49,705	47,920	47,125	48,494
PERA-General	86,312	102,664	126,612	135,560	142,303	140,389
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>
Subtotal	190,435	216,564	243,875	253,988	263,980	266,239
MSRS-Correctional	1,191	1,416	2,117	3,098	3,607	4,268
State Patrol	764	788	803	830	831	848
PERA-P&F	4,928	6,136	7,380	9,627	10,235	11,002
P&F Consolidation Accounts	--	287	1,061	--	--	--
Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,781</u>	<u>3,352</u>	<u>3,521</u>
Subtotal	6,883	8,627	11,361	16,336	18,025	19,639
Legislators	201	201	198	173	78	47
Elected State Officers	6	6	6	0	0	0
Judges	<u>240</u>	<u>262</u>	<u>271</u>	<u>282</u>	<u>295</u>	<u>312</u>
Subtotal	447	469	475	455	373	359
MERF Division of PERA <sup>1</sup>	3,812	2,730	2,036	1,152	462	143
DTRFA	1,182	1,553	1,512	1,441	1,164	1,054
MTRFA	2,758	3,252	4,686	5,777	4,756	-- <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>
Subtotal	6,828	8,148	9,940	11,663	10,269	4,803

### 2. Average Covered Salary

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	\$23,667	\$30,529	\$32,425	\$39,652	\$44,235	\$51,213
PERA-General	16,497	20,203	23,149	26,577	31,840	36,761
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>
Group Average	\$20,462	\$25,486	\$28,161	\$32,744	\$37,899	\$43,915
MSRS-Correctional	\$26,075	\$33,245	\$33,549	\$41,174	\$40,861	\$48,166
State Patrol	33,830	43,684	49,611	62,627	66,356	79,230
PERA-P&F	28,251	35,206	42,532	51,328	61,144	72,275
P&F Consolidation Accounts	--	37,928	50,216	--	--	--
Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>29,061</u>	<u>38,554</u>	<u>48,479</u>
Group Average	\$28,494	\$35,749	\$42,076	\$46,186	\$53,124	\$63,070
Legislators	\$22,423	\$31,987	\$36,326	\$34,932	\$40,573	\$41,925
Elected State Officers	61,000	71,270	75,374	--	--	--
Judges	<u>64,671</u>	<u>78,862</u>	<u>86,453</u>	<u>99,949</u>	<u>121,832</u>	<u>132,582</u>
Group Average	\$45,624	\$58,676	\$65,418	\$75,228	\$104,840	\$120,713
MERF Division of PERA <sup>1</sup>	\$26,165	\$33,949	\$40,986	\$47,068	\$57,608	\$62,116
DTRFA	\$26,415	\$26,109	\$32,054	\$36,851	\$48,314	\$52,275
MTRFA <sup>2</sup>	31,778	38,064	37,233	44,225	48,614	-- <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>
Group Average	\$28,518	\$33,654	\$37,340	\$42,574	\$50,177	\$62,204

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006

# Minnesota Defined Benefit Retirement Plans Plan Demographics

## A. ACTIVE MEMBERSHIP

### 3. Average Age

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	39.6	40.9	42.7	44.3	46.0	47.0
PERA-General	42.2	42.6	43.3	44.4	45.8	47.2
TRA	<u>41.5</u>	<u>42.8</u>	<u>42.9</u>	<u>42.6</u>	<u>43.1</u>	<u>43.5</u>
Group Average	41.4	42.3	43.1	43.9	45.1	46.1
MSRS-Correctional	36.0	37.5	38.0	40.3	40.5	41.7
State Patrol	40.5	40.6	42.3	40.8	41.1	41.8
PERA-P&F	37.2	37.6	38.4	38.7	39.2	40.0
P&F Consolidation Accounts	--	45.9	48.1	--	--	--
Local Govt. Correctional	--	--	--	<u>37.5</u>	<u>38.8</u>	<u>40.3</u>
Group Average	37.4	38.1	39.5	38.9	39.5	40.5
Legislators	45.6	49.4	49.3	53.8	58.9	63.7
Elected State Officers	46.2	52.1	52.0	--	--	--
Judges	<u>53.2</u>	<u>52.9</u>	<u>53.0</u>	<u>54.4</u>	<u>56.2</u>	<u>57.1</u>
Group Average	49.7	51.4	51.4	54.2	56.8	58.0
MERF Division of PERA <sup>1</sup>	47.6	48.8	51.0	52.9	55.6	60.1
DTRFA	43.5	43.2	43.9	44.1	46.4	47.2
MTRFA	44.0	44.7	43.3	42.6	44.5	-- <sup>2</sup>
SPTRFA	<u>42.9</u>	<u>43.3</u>	<u>43.9</u>	<u>43.1</u>	<u>44.1</u>	<u>45.5</u>
Group Average	43.4	43.8	43.6	43.0	44.5	45.9

### 4. Average Service

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	8.9	9.6	11.1	11.7	12.7	12.7
PERA-General	8.1	8.3	8.2	9.0	9.9	11.0
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>
Group Average	9.3	9.8	10.0	10.3	10.9	11.6
MSRS-Correctional	7.0	8.1	7.2	7.8	7.7	8.4
State Patrol	13.7	13.8	15.1	12.9	12.6	12.7
PERA-P&F	9.4	10.1	10.5	11.0	11.3	12.1
P&F Consolidation Accounts	--	19.7	22.0	--	--	--
Local Govt. Correctional	--	--	--	<u>0.9</u>	<u>3.9</u>	<u>6.4</u>
Group Average	9.5	10.4	11.3	8.8	9.3	10.3
Legislators	5.9	8.7	8.0	11.8	16.9	22.0
Elected State Officers	5.9	10.2	10.3	--	--	--
Judges	<u>11.5</u>	<u>10.7</u>	<u>10.6</u>	<u>10.9</u>	<u>11.4</u>	<u>11.1</u>
Group Average	8.9	9.8	9.5	11.2	12.6	12.5
MERF Division of PERA <sup>1</sup>	15.1	19.0	23.0	26.7	30.1	35.5
DTRFA	12.0	10.2	10.5	10.5	12.4	12.4
MTRFA	14.4	13.7	9.6	8.4	10.1	-- <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>
Group Average	12.8	12.0	10.3	9.6	10.7	12.3

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006.



# Minnesota Defined Benefit Retirement Plans Plan Demographics

## A. ACTIVE MEMBERSHIP

### 5. Average Member Contribution

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	\$891	\$1,267	\$1,320	\$1,586	\$1,769	\$2,561
PERA-General	732	897	998	1,268	1,688	2,252
TRA	<u>1,113</u>	<u>1,375</u>	<u>2,240</u>	<u>1,996</u>	<u>2,273</u>	<u>2,878</u>
Group Average	\$887	\$1,124	\$1,408	\$1,530	\$1,868	\$2,490
MSRS-Correctional	\$1,278	\$1,629	\$1,644	\$2,343	\$2,325	\$4,142
State Patrol	2,876	3,713	4,426	5,260	5,574	8,240
PERA-P&F	2,260	2,816	3,232	3,182	4,036	6,866
P&F Consolidation Accounts	--	2,849	3,816	--	--	--
Local Govt. Correctional	--	--	--	<u>1,694</u>	<u>2,248</u>	<u>2,826</u>
Group Average	\$2,158	\$2,704	\$3,075	\$2,875	\$3,432	\$5,609
Legislators	\$2,020	\$2,881	\$3,268	\$3,145	\$3,652	\$3,354
Elected State Officers	5,500	6,333	6,833	--	--	--
Judges	<u>2,671</u>	<u>3,401</u>	<u>5,498</u>	<u>7,996</u>	<u>9,747</u>	<u>9,997</u>
Group Average	\$2,416	\$3,216	\$4,585	\$6,152	--	\$9,127
MERF Division of PERA <sup>1</sup>	\$2,551	\$3,310	\$3,996	\$4,773	\$5,617	\$6,056
DTRFA	\$1,188	\$1,175	\$1,763	\$2,027	\$2,657	\$2,930
MTRFA <sup>2</sup>	2,517	2,704	2,295	2,699	2,790	--
SPTRFA	<u>1,870</u>	<u>2,136</u>	<u>2,338</u>	<u>2,708</u>	<u>3,002</u>	<u>3,598</u>
Group Average	\$2,013	\$2,180	\$2,230	\$2,619	\$2,865	\$3,451

### 6. Average Employer Contribution

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	\$956	\$1,310	\$1,362	\$1,586	\$1,769	\$2,561
PERA-General	813	972	1,066	1,385	1,837	2,619
TRA	<u>2,180</u>	<u>2,468</u>	<u>2,804</u>	<u>1,996</u>	<u>2,273</u>	<u>2,972</u>
Group Average	\$1,267	\$1,494	\$1,608	\$1,593	\$1,949	\$2,711
MSRS-Correctional	\$2,269	\$2,085	\$2,103	\$3,286	\$3,261	\$5,828
State Patrol	6,394	6,500	7,382	7,892	8,361	12,360
PERA-P&F	3,390	4,225	4,849	4,773	6,053	10,299
P&F Consolidation Accounts	--	14,924	5,725	--	--	--
Local Govt. Correctional	--	--	--	<u>2,543</u>	<u>3,373</u>	<u>4,242</u>
Group Average	\$3,529	\$4,437	\$4,598	\$4,270	\$5,102	\$8,330
Legislators	-- <sup>3</sup>	-- <sup>3</sup>	-- <sup>3</sup>	-- <sup>3</sup>	-- <sup>4</sup>	-- <sup>4</sup>
Elected State Officers	-- <sup>4</sup>	-- <sup>4</sup>	-- <sup>4</sup>	-- <sup>4</sup>	-- <sup>4</sup>	-- <sup>4</sup>
Judges	-- <sup>3</sup>	<u>\$14,393</u>	<u>\$19,018</u>	<u>\$20,489</u>	<u>\$24,976</u>	<u>\$27,179</u>
Group Average	--	--	--	--	--	--
MERF Division of PERA <sup>1</sup>	\$4,575	\$6,010	\$9,102 <sup>5</sup>	\$10,457 <sup>5</sup>	\$18,147 <sup>5</sup>	\$34,996 <sup>5</sup>
DTRFA	\$1,530	\$1,512	\$1,856 <sup>5</sup>	\$2,134 <sup>5</sup>	\$2,797	\$3,084
MTRFA <sup>2</sup>	3,835	3,905	3,650 <sup>3</sup>	3,956 <sup>3</sup>	4,113 <sup>3</sup>	--
SPTRFA	<u>2,781</u>	<u>3,004</u>	<u>3,780</u> <sup>3</sup>	<u>4,058</u> <sup>3</sup>	<u>4,531</u> <sup>3</sup>	<u>5,449</u> <sup>3</sup>
Group Average	\$2,990	\$3,079	\$3,426	\$3,770	\$4,139	\$4,930

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006.

<sup>3</sup> Plan is terminally funded, meaning that the State contribution is made only upon the retirement of each participant.

<sup>4</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.

<sup>5</sup> Plan is funded also with a direct State appropriation, excluded from this calculation, which would increase the total employer contribution amount. As part of the 2006 consolidation of MTRFA into TRA, the MTRFA direct State appropriation transferred to TRA.

# Minnesota Defined Benefit Retirement Plans Plan Demographics

## B. SERVICE RETIREES

### 1. Number

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	10,464	11,810	14,004	16,276	19,202	23,337
PERA-General	17,277	24,314	31,487	39,940	48,147	59,159
TRA	<u>12,798</u>	<u>16,133</u>	<u>21,458</u>	<u>29,525</u>	<u>35,779</u>	<u>47,517</u>
Subtotal	40,539	52,257	66,949	85,741	103,128	130,013
MSRS-Correctional	309	340	399	616	1,025	1,505
State Patrol	285	346	401	531	612	684
PERA-P&F	765	1,057	1,435	3,991	4,668	5,354
P&F Consolidation Accounts	--	248	1,349	--	--	--
Local Govt. Correctional	--	--	--	<u>9</u>	<u>113</u>	<u>308</u>
Subtotal	1,359	1,991	3,584	5,147	6,418	7,851
Legislators	108	126	155	210	251	279
Elected State Officers	6	3	5	8	11	11
Judges	<u>83</u>	<u>105</u>	<u>131</u>	<u>153</u>	<u>163</u>	<u>170</u>
Subtotal	197	234	291	371	425	460
MERF Division of PERA <sup>1</sup>	3,459	3,688	3,657	3,757	3,737	3,360
DTRFA	562	634	788	937	1,164	1,171
MTRFA <sup>2</sup>	2,153	2,254	2,482	3,033	3,537	--
SPTRFA	<u>963</u>	<u>1,111</u>	<u>1,334</u>	<u>1,728</u>	<u>2,214</u>	<u>2,721</u>
Subtotal	3,678	3,999	4,604	5,698	6,915	3,892

### 2. Average Benefit

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	\$3,784	\$5,891	\$7,898	\$13,103	\$15,624	\$17,383
PERA-General	4,617	6,493	7,696	11,458	12,720	13,332
TRA	<u>6,680</u>	<u>10,781</u>	<u>15,952</u>	<u>26,617</u>	<u>27,756</u>	<u>26,141</u>
Group Average	\$5,053	\$7,681	\$10,381	\$16,990	\$18,477	\$18,741
MSRS-Correctional	\$4,966	\$7,306	\$11,592	\$15,619	\$20,496	\$17,999
State Patrol	11,745	19,066	25,865	43,808	51,456	57,180
PERA-P&F	8,271	13,592	18,613	35,115	41,928	48,027
P&F Consolidation Accounts	--	17,107	23,377	--	--	--
Local Govt. Correctional	--	--	--	<u>427</u>	<u>2,568</u>	<u>5,376</u>
Group Average	\$8,248	\$13,908	\$20,447	\$33,618	\$38,721	\$41,395
Legislators	\$6,568	\$8,884	\$11,751	\$17,864	\$20,424	\$21,186
Elected State Officers	13,836	21,009	20,070	26,612	29,088	32,887
Judges	<u>19,880</u>	<u>27,410</u>	<u>35,855</u>	<u>55,729</u>	<u>61,404</u>	<u>65,893</u>
Group Average	\$12,398	\$17,352	\$22,745	\$33,668	\$36,365	\$37,988
MERF Division of PERA <sup>1</sup>	\$8,598	\$13,258	\$16,463	\$24,148	\$30,396	\$34,583
DTRFA	\$4,044	\$5,027	\$9,581	\$13,853	\$16,740	\$18,876
MTRFA <sup>2</sup>	7,384	14,462	18,737	27,928	32,820	--
SPTRFA	<u>9,422</u>	<u>12,384</u>	<u>16,523</u>	<u>26,874</u>	<u>31,440</u>	<u>32,562</u>
Group Average	\$7,407	\$12,389	\$16,528	\$25,294	\$29,671	\$28,304

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006.

# Minnesota Defined Benefit Retirement Plans Plan Demographics

## C. SURVIVORS

### 1. Number

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	537	899	1,313	1,955	2,731	3,414
PERA-General	3,854	4,414	5,260	6,010	6,650	7,120
TRA	<u>781</u>	<u>929</u>	<u>1,331</u>	<u>1,912</u>	<u>2,597</u>	<u>3,682</u>
Subtotal	5,172	6,242	7,904	9,877	11,978	14,216
MSRS-Correctional	8	15	25	56	104	148
State Patrol	109	105	121	157	178	192
PERA-P&F	279	347	426	1,205	1,261	1,413
P&F Consolidation Accounts	--	129	580	--	--	--
Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>0</u>	<u>8</u>	<u>18</u>
Subtotal	396	596	1,152	1,418	1,551	1,771
Legislators	41	37	61	70	70	80
Elected State Officers	3	5	6	5	4	4
Judges	<u>52</u>	<u>64</u>	<u>77</u>	<u>82</u>	<u>85</u>	<u>94</u>
Subtotal	96	106	144	157	159	178
MERF Division of PERA <sup>1</sup>	938	942	987	1,056	986	840
DTRFA	23	29	46	53	94	105
MTRFA <sup>2</sup>	140	204	225	254	277	--
SPTRFA	<u>112</u>	<u>129</u>	<u>170</u>	<u>213</u>	<u>259</u>	<u>300</u>
Subtotal	275	362	441	520	630	405

### 2. Average Benefit

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	\$2,828	\$4,645	\$6,601	\$11,405	\$14,196	\$15,467
PERA-General	2,574	4,475	6,856	11,382	13,548	15,000
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>
Group Average	\$3,056	\$5,195	\$7,847	\$13,369	\$16,037	\$18,216
MSRS-Correctional	\$5,078	\$4,501	\$5,948	\$8,877	\$10,932	\$11,997
State Patrol	4,454	7,875	13,493	22,137	25,452	29,902
PERA-P&F	3,886	6,770	10,864	18,867	23,496	26,866
P&F Consolidation Accounts	--	8,453	11,854	--	--	--
Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>0</u>	<u>4,188</u>	<u>4,852</u>
Group Average	\$4,066	\$7,272	\$11,532	\$18,835	\$22,778	\$25,729
Legislators	\$2,437	\$4,242	\$5,537	\$9,539	\$12,708	\$15,798
Elected State Officers	7,451	9,874	11,107	20,446	n/r	23,816
Judges	<u>9,888</u>	<u>14,502</u>	<u>20,148</u>	<u>33,899</u>	<u>38,772</u>	<u>45,242</u>
Group Average	\$6,630	\$10,702	\$13,582	\$22,609	\$27,001	\$31,527
MERF Division of PERA <sup>1</sup>	\$5,143	\$8,454	\$11,453	\$17,586	n/r	\$29,788
DTRFA	\$2,638	\$3,308	\$7,521	\$11,528	\$13,068	\$16,593
MTRFA <sup>2</sup>	5,959	10,046	13,672	21,587	27,048	--
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>
Group Average	\$5,495	\$8,555	\$11,644	\$19,856	\$24,114	\$24,838

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006.

# Minnesota Defined Benefit Retirement Plans Plan Demographics

## D. DISABILITANTS

### 1. Number

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	695	676	824	1,070	1,434	1,684
PERA-General	654	708	959	1,397	1,853	2,215
TRA	<u>223</u>	<u>257</u>	<u>379</u>	<u>509</u>	<u>581</u>	<u>654</u>
Subtotal	1,572	1,641	2,162	2,976	3,868	4,553
MSRS-Correctional	12	9	25	75	150	208
State Patrol	13	14	18	22	35	48
PERA-P&F	54	89	146	482	686	859
P&F Consolidation Accounts	--	16	53	--	--	--
Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>3</u>	<u>59</u>	<u>116</u>
Subtotal	79	128	242	582	930	1,231
Legislators	--	--	--	--	--	--
Elected State Officers	--	--	--	--	--	--
Judges	<u>4</u>	<u>9</u>	<u>7</u>	<u>4</u>	<u>7</u>	<u>27</u>
Subtotal	4	9	7	4	7	27
MERF Division of PERA <sup>1</sup>	261	258	240	213	185	143
DTRFA	8	11	7	6	16	19
MTRFA <sup>2</sup>	47	40	49	20	25	--
SPTRFA	<u>28</u>	<u>30</u>	<u>35</u>	<u>23</u>	<u>32</u>	<u>23</u>
Subtotal	83	81	91	49	73	42

### 2. Average Benefit

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	\$2,924	\$4,159	\$5,613	\$9,434	\$11,268	\$12,997
PERA-General	4,911	5,487	6,712	9,077	9,948	10,865
TRA	<u>7,834</u>	<u>10,759</u>	<u>12,743</u>	<u>19,553</u>	<u>19,440</u>	<u>20,167</u>
Group Average	\$4,447	\$5,766	\$7,350	\$10,997	\$11,863	\$12,990
MSRS-Correctional	\$5,879	\$5,018	\$11,946	\$13,865	\$16,176	\$17,579
State Patrol	10,397	14,228	20,528	31,589	38,100	42,239
PERA-P&F	9,030	13,743	17,535	33,378	40,380	44,383
P&F Consolidation Accounts	--	15,379	21,871	--	--	--
Local Govt. Correctional	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,419</u>	<u>13,608</u>	<u>16,299</u>
Group Average	\$8,776	\$13,387	\$18,130	\$30,677	\$34,692	\$37,124
Legislators	--	--	--	--	--	--
Elected State Officers	--	--	--	--	--	--
Judges	<u>\$19,669</u>	<u>\$25,781</u>	<u>\$35,158</u>	<u>\$68,229</u>	<u>\$69,576</u>	<u>\$71,212</u>
Group Average	\$19,669	\$25,781	\$35,158	\$68,229	\$69,576	\$72,212
MERF Division of PERA <sup>1</sup>	\$6,503	\$9,617	\$12,378	\$18,179	\$22,356	\$25,772
DTRFA	\$3,956	\$6,478	\$11,925	\$11,024	\$15,168	\$13,812
MTRFA <sup>2</sup>	7,436	11,832	16,485	35,032	33,816	--
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>
Group Average	\$10,206	\$13,863	\$18,934	\$31,147	\$29,229	\$20,557

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006.

# Minnesota Defined Benefit Retirement Plans Plan Demographics

## E. DEFERRED MEMBERS AND INACTIVE MEMBERS

### 1. Deferred Retirees

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	940	1,824	5,518	11,125	13,592	15,388
PERA-General	1,863	2,699	7,156	21,495	35,768	45,151
TRA	<u>2,191</u>	<u>1,955</u>	<u>5,103</u>	<u>7,375</u>	<u>9,808</u>	<u>12,756</u>
Subtotal	4,994	6,478	17,777	39,995	59,168	73,295
MSRS-Correctional	30	113	296	419	738	993
State Patrol	21	23	19	24	34	39
PERA-P&F	163	128	250	470	927	1,315
P&F Consolidation Accounts	--	3	32	--	--	--
Local Govt. Correctional	--	--	--	<u>0</u>	<u>915</u>	<u>1,895</u>
Subtotal	214	267	597	913	2,614	4,242
Legislators	111	101	141	90	118	88
Elected State Officers	5	6	5	4	1	1
Judges	<u>7</u>	<u>2</u>	<u>7</u>	<u>9</u>	<u>21</u>	<u>18</u>
Subtotal	123	109	153	103	140	107
MERF Division of PERA <sup>1</sup>	101	97	86	233	174	102
DTRFA	50	42	122	172	313	301
MTRFA <sup>2</sup>	562	519	628	756	1,377	--
SPTRFA	<u>36</u>	<u>36</u>	<u>107</u>	<u>243</u>	<u>1,368</u>	<u>1,863</u>
Subtotal	648	597	857	1,171	3,058	2,164

### 2. Inactive Members

<u>Plan</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
MSRS-General	4,957	4,638	5,242	7,772	7,702	6,537
PERA-General	38,986	7,695	9,683	79,362	100,369	126,027
TRA	<u>13,628</u>	<u>15,356</u>	<u>16,411</u>	<u>17,833</u>	<u>19,151</u>	<u>23,651</u>
Subtotal	57,271	27,689	31,336	104,967	127,222	156,215
MSRS-Correctional	79	45	74	163	351	585
State Patrol	9	4	5	10	14	14
PERA-P&F	350	121	141	626	729	930
P&F Consolidation Accounts	--	1	0	--	--	--
Local Govt. Correctional	--	--	--	<u>0</u>	<u>906</u>	<u>1,605</u>
Subtotal	438	171	220	799	2,000	3,134
Legislators	15	3	9	3	2	1
Elected State Officers	1	0	0	0	0	0
Judges	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>
Subtotal	16	4	10	5	2	1
MERF Division of PERA <sup>1</sup>	197	184	181	0	0	0
DTRFA	0	435	561	575	638	721
MTRFA <sup>2</sup>	60	134	895	1,815	3,604	--
SPTRFA	<u>1,770</u>	<u>888</u>	<u>1,066</u>	<u>1,697</u>	<u>1,687</u>	<u>1,419</u>
Subtotal	1,830	1,457	2,522	4,087	5,929	2,140

<sup>1</sup> Administrative consolidation of MERF into PERA in 2010.

<sup>2</sup> MTRFA merged into TRA in 2006.

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## Post Retirement Increases

from the

Minnesota Post Retirement Investment Fund (MPRIF)

Minneapolis Employees Retirement Fund (MERF)

Minnesota State Retirement System (MSRS)

Minneapolis Teachers Retirement Fund Association (MTRFA)

Public Employees Retirement Association (PERA)

Duluth Teachers Retirement Fund Association (DTRFA)

Teachers Retirement Association (TRA)

St. Paul Teachers Retirement Fund Association (SPTRFA)

and Increases in the Consumer Price Index (CPI-W)

Effective Date	Percent Increase							
	CPI <sup>1</sup> %	MSRS <sup>2</sup> %	PERA <sup>2</sup> %	TRA <sup>2</sup> %	MERF <sup>2</sup> %	MTRFA <sup>3</sup> %	DTRFA <sup>4</sup> %	SPTRFA <sup>5</sup> %
1/1/10	-0.7	2.5 MPRIF <sup>2</sup>	2.5 MPRIF <sup>2</sup>	2.5 MPRIF <sup>2</sup>	0.00	--	2.00	0.00
1/1/09	4.1	2.500	2.500	2.500	3.50	--	2.24	2.50
1/1/08	2.9	2.500	2.500	2.500	2.66868	--	5.30	2.30
1/1/07	3.2	2.500	2.500	2.500	3.50	--	2.00	2.00
1/1/06	3.5	2.500	2.500	2.500	2.59039	2.00	2.00	2.00
1/1/05	2.6	2.500	2.500	2.500	3.17372	2.00	2.00	2.00
1/1/04	2.2	2.103	2.103	2.103	2.10347	2.00	2.00	2.00
1/1/03	1.4	0.7450	0.7450	0.7450	0.74456	2.00	2.00	2.00
1/1/02	2.7	4.4935	4.4935	4.4935	5.34299	2.31	5.25	3.70
1/1/01	3.5	9.5342	9.5342	9.5342	10.50999	8.81	10.2391	7.6723
1/1/00	2.2	11.1436	11.1436	11.1436	10.2275	9.67	9.0275	9.2619
1/1/99	1.3	9.8254	9.8254	9.8254	8.0432	7.33	7.0125	7.2145
1/1/98	2.3	10.0876	10.0876	10.0876	6.6680	7.28	6.3407	7.00
1/1/97	2.9	8.0395	8.0395	8.0395	3.9500	6.23	5.6315	--
1/1/96	2.9	6.3954	6.3954	6.3954	3.5950	3.85	4.6424	--
1/1/95	2.5	3.9850	3.9850	3.9850	3.1440	2.13	--	--
1/1/94	2.8	6.0170	6.0170	6.0170	3.8240	4.50	--	--
1/1/93	2.9	4.5530	4.5530	4.5530	5.9840	--	--	--
1/1/92	4.1	4.2950	4.2950	4.2950	0.0000	--	--	--
1/1/91	5.2	5.1000	5.1000	5.1000	5.0790	--	--	--
1/1/90	4.8	4.0400	4.0400	4.0400	6.9180	--	--	--
1/1/89	4.0	6.9180	6.9180	6.9180	5.93591	--	--	--
1/1/88	3.6	8.0540	8.0540	8.0540	9.37158	--	--	--
1/1/87	1.6	9.7920	9.7920	9.7920	7.5890	--	--	--
1/1/86	3.5	7.9000	7.9000	7.9000	8.7160	--	--	--
1/1/85	3.5	6.9050	6.9050	6.9050	7.3370	--	--	--
1/1/84	3.0	7.4990	7.4990	7.4990	10.77	--	--	--
1/1/83	6.0	6.8530	6.8530	6.8530	9.17	--	--	--
1/1/82	10.3	7.4360	7.4360	7.4360	--	--	--	--
1/1/81	13.4	3.2090	3.2090	3.2090	--	--	--	--
1/1/80	11.4	0.00	0.00	0.00	--	--	--	--
1/1/79	7.7	0.00	0.00	0.00	--	--	--	--
1/1/78	6.5	4.00	4.00	4.00	--	--	--	--

Note: These increases are permanent increases to retiree annuities.

<sup>1</sup> Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) annual average percent change

<sup>2</sup> The MPRIF was abolished and merged with the respective active member funds on June 30, 2009

<sup>3</sup> MTRFA first paid a post retirement adjustment under the new system on 1/1/94. MTRFA was merged into TRA in 2006.

<sup>4</sup> DTRFA first paid a post retirement adjustment under the new system on 1/1/96

<sup>5</sup> SPTRFA first paid a post retirement adjustment under the new system on 1/1/98

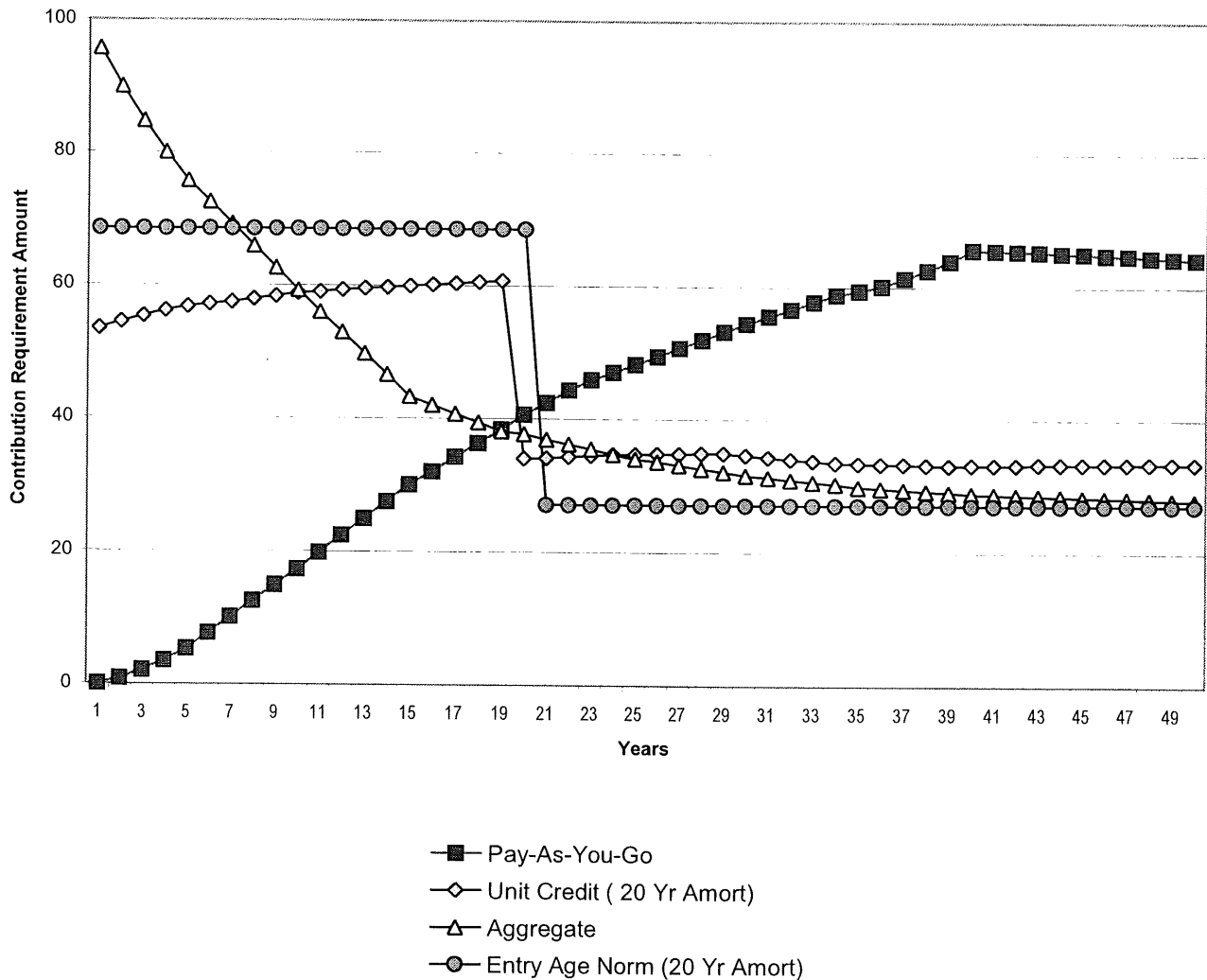
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## Nature of Actuarial Funding

- 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:      Funding Requirement
    1. Normal Cost
    2. Administrative Expenses
    3. Supplementary (Amortization) ContributionTotal Actuarial Requirement (1. + 2. + 3.)  
  
  Contributions
    4. Member Contributions
    5. Employer Contributions
    6. State Aid or Other Regular FundingTotal Contributions (4. + 5. + 6.)

## Pattern of Recognizing Pension Costs Over Time Under Various Funding Methods



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

**Actuarial Valuation Results-  
Actuarial and Market Value of Assets**

**Statewide General Employee Plans**

		MSRS-General		PERA-General		TRA		Total Statewide	
		2010		2010		2010		General Employee Plans	
								2010	
A. <u>Membership</u>									
(1)	Active Members		48,494		140,389		77,356		266,239
(2)	Service Retirees		23,337		59,159		47,517		130,013
(3)	Disabilitants		1,684		2,215		654		4,553
(4)	Survivors		3,414		7,120		3,682		14,216
(5)	Deferred Retirees		15,388		45,151		12,756		73,295
(6)	Nonvested Former Members		<u>6,537</u>		<u>126,027</u>		<u>23,651</u>		<u>156,215</u>
(7)	Total Membership		98,854		380,061		165,616		644,531
B. <u>Funding and Financing</u>									
(1)	Covered Payroll		\$2,483,519,000		\$5,160,545,000		\$4,047,547,000		\$11,691,611,000
(2)	Benefits Payable		\$473,447,000		\$906,300,000		\$1,421,382,000		\$2,801,129,000
(3)	Normal Cost	7.77%	\$193,027,000	6.50%	\$335,526,000	8.36%	\$338,474,000	7.42%	\$867,027,000
(4)	Administrative Expenses	<u>0.23%</u>	<u>\$5,712,000</u>	<u>0.18%</u>	<u>\$9,289,000</u>	<u>0.24%</u>	<u>\$9,714,000</u>	<u>0.21%</u>	<u>\$24,715,000</u>
(5)	Normal Cost & Expense	8.00%	\$198,739,000	6.68%	\$344,815,000	8.60%	\$348,188,000	7.63%	\$891,742,000
(6)	Employee Contributions	5.00%	\$124,176,000	6.13%	\$316,120,000	5.50%	\$222,737,000	5.67%	\$663,033,000
(7)	Employer Contributions	5.00%	\$124,176,000	7.13%	\$367,746,000	5.68%	\$229,799,000	6.17%	\$721,721,000
(8)	Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
(9)	Direct State Funding	0.00%	\$0	0.00%	\$0	0.47%	\$19,049,000	0.16%	\$19,049,000
(10)	Other Govt. Funding	0.00%	\$0	0.00%	\$0	0.06%	\$2,500,000	0.02%	\$2,500,000
(11)	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>
(12)	Total Contributions	10.00%	\$248,352,000	13.25%	\$683,866,000	11.71%	\$474,085,000	12.03%	\$1,406,303,000
C. <u>Actuarial Value of Assets:</u>									
		<u>Actuarial Value of Assets</u>		<u>Actuarial Value of Assets</u>		<u>Actuarial Value of Assets</u>		<u>Actuarial Value of Assets</u>	
(1)	Accrued Liability		\$10,264,071,000		\$17,180,956,000		\$22,081,634,000		\$49,526,661,000
(2)	Current Assets (AVA)		<u>\$8,960,391,000</u>		<u>\$13,126,993,000</u>		<u>\$17,323,146,000</u>		<u>\$39,410,530,000</u>
(3)	Unfunded Accr. Liability (AVA)		\$1,303,680,000		\$4,053,963,000		\$4,758,488,000		\$10,116,131,000
(4)	Funding Ratio (AVA)	87.30%		76.40%		78.45%		79.57%	
(5)	Normal Cost & Expense	8.00%	\$198,739,000	6.68%	\$344,815,000	8.60%	\$348,188,000	7.63%	\$891,742,000
(6)	Amortization (AVA)	<u>2.99%</u>	<u>\$74,200,000</u>	<u>5.78%</u>	<u>\$298,280,000</u>	<u>7.11%</u>	<u>\$287,781,000</u>	<u>5.65%</u>	<u>\$660,261,000</u>
(7)	Total Requirements (AVA)	10.99%	\$272,939,000	12.46%	\$643,095,000	15.71%	\$635,969,000	13.27%	\$1,552,003,000
(8)	Total Requirements (AVA)	10.99%	\$272,939,000	12.46%	\$643,095,000	15.71%	\$635,969,000	13.27%	\$1,552,003,000
(9)	Total Contributions	<u>10.00%</u>	<u>\$248,352,000</u>	<u>13.25%</u>	<u>\$683,866,000</u>	<u>11.71%</u>	<u>\$474,085,000</u>	<u>12.03%</u>	<u>\$1,406,303,000</u>
(10)	Deficiency/(Surplus) (AVA)	0.99%	\$24,587,000	(0.79%)	(\$40,771,000)	4.00%	\$161,884,000	1.25%	\$145,700,000
D. <u>Market Value of Assets:</u>									
		<u>Market Value of Assets</u>		<u>Market Value of Assets</u>		<u>Market Value of Assets</u>		<u>Market Value of Assets</u>	
(1)	Accrued Liability		\$10,264,071,000		\$17,180,956,000		\$22,081,634,000		\$49,526,661,000
(2)	Current Assets (MVA)		<u>\$7,692,531,000</u>		<u>\$11,338,582,000</u>		<u>\$14,917,240,000</u>		<u>\$33,948,353,000</u>
(3)	Unfunded Accr. Liability (MVA)		\$2,571,540,000		\$5,842,374,000		\$7,164,394,000		\$15,578,308,000
(4)	Funding Ratio (MVA)	74.95%		66.00%		67.55%		68.55%	
(5)	Normal Cost & Expense	8.00%	\$198,739,000	6.68%	\$344,815,000	8.60%	\$348,188,000	7.63%	\$891,742,000
(6)	Amortization (MVA)	<u>5.89%</u>	<u>\$146,361,000</u>	<u>8.33%</u>	<u>\$429,873,000</u>	<u>10.70%</u>	<u>\$433,060,000</u>	<u>8.63%</u>	<u>\$1,009,294,000</u>
(7)	Total Requirements (MVA)	13.90%	\$345,100,000	15.01%	\$774,688,000	19.30%	\$781,248,000	16.26%	\$1,901,036,000
(8)	Total Requirements (MVA)	13.90%	\$345,100,000	15.01%	\$774,688,000	19.30%	\$781,248,000	16.26%	\$1,901,036,000
(9)	Total Contributions	<u>10.00%</u>	<u>\$248,352,000</u>	<u>13.25%</u>	<u>\$683,866,000</u>	<u>11.71%</u>	<u>\$474,085,000</u>	<u>12.03%</u>	<u>\$1,406,303,000</u>
(10)	Deficiency/(Surplus) (MVA)	3.90%	\$96,748,000	1.76%	\$90,822,000	7.59%	\$307,163,000	4.23%	\$494,733,000

Actuarial Valuation Results-  
Market Value of Assets

Statewide General Employee Retirement Plans

	MSRS-General		PERA		TRA		Total Statewide General Employee Plans	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>Membership</b>								
Active Members	48,494	48,989	140,389	142,097	77,356	77,786	266,239	268,872
Service Retirees	23,337	22,457	59,159	56,948	47,517	46,108	130,013	125,513
Disabilitants	1,684	1,656	2,215	2,075	654	624	4,553	4,355
Survivors	3,414	3,230	7,120	7,036	3,682	3,476	14,216	13,742
Deferred Retirees	15,388	15,210	45,151	43,645	12,756	12,490	73,295	71,345
Nonvested Former Members	<u>6,537</u>	<u>6,912</u>	<u>126,027</u>	<u>122,434</u>	<u>23,651</u>	<u>23,073</u>	<u>156,215</u>	<u>152,419</u>
Total Membership	98,854	98,454	380,061	374,235	165,616	163,557	644,531	636,246
<b>Funded Status</b>								
Accrued Liability	\$10,264,071,000	\$10,512,760,000	\$17,180,956,000	\$18,799,416,000	\$22,081,634,000	\$23,114,802,000	\$49,526,661,000	\$52,426,978,000
Current Assets (MVA)	<u>\$7,692,531,000</u>	<u>\$6,897,118,000</u>	<u>\$11,338,582,000</u>	<u>\$10,116,852,000</u>	<u>\$14,917,240,000</u>	<u>\$16,129,257,000</u>	<u>\$33,948,353,000</u>	<u>\$33,143,227,000</u>
Unfunded Accrued Liability	\$2,571,540,000	\$3,615,642,000	\$5,842,374,000	\$8,682,564,000	\$7,164,394,000	\$6,985,545,000	\$15,578,308,000	\$19,283,751,000
Funding Ratio	74.95%	65.61%	66.00%	53.81%	67.55%	69.78%	68.55%	63.22%
<b>Financing Requirements</b>								
Covered Payroll	\$2,483,519,000	\$2,493,948,000	\$5,160,545,000	\$5,130,307,000	\$4,047,547,000	\$4,049,217,000	\$11,691,611,000	\$11,673,472,000
Benefits Payable	\$473,447,000	\$445,792,000	\$906,300,000	\$863,910,000	\$1,421,382,000	\$1,381,366,000	\$2,801,129,000	\$2,691,068,000
Normal Cost	7.77%	7.86%	6.50%	7.82%	8.36%	8.88%	7.42%	8.19%
Administrative Expenses	<u>0.23%</u>	<u>0.22%</u>	<u>0.18%</u>	<u>0.20%</u>	<u>0.24%</u>	<u>0.28%</u>	<u>0.21%</u>	<u>0.23%</u>
Normal Cost & Expense	8.00%	8.08%	6.68%	8.02%	8.60%	9.16%	7.63%	8.43%
Normal Cost & Expense	8.00%	8.08%	6.68%	8.02%	8.60%	9.16%	7.63%	8.43%
Amortization (MVA)	<u>5.89%</u>	<u>16.51%</u>	<u>8.33%</u>	<u>11.59%</u>	<u>10.70%</u>	<u>10.23%</u>	<u>8.63%</u>	<u>12.17%</u>
Total Requirements	13.90%	24.59%	15.01%	19.61%	19.30%	19.39%	16.26%	20.60%
Employee Contributions	5.00%	4.75%	6.13%	6.00%	5.50%	5.50%	5.67%	5.56%
Employer Contributions	5.00%	4.75%	7.13%	6.88%	5.68%	5.69%	6.17%	6.01%
Employer Add'l Cont.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Direct State Funding	0.00%	0.00%	0.00%	0.00%	0.47%	0.44%	0.16%	0.15%
Other Govt. Funding	0.00%	0.00%	0.00%	0.00%	0.06%	0.06%	0.02%	0.02%
Administrative Assessment	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions	10.00%	9.50%	13.25%	12.88%	11.71%	11.70%	12.03%	11.75%
Total Requirements	13.90%	24.59%	15.01%	19.61%	19.30%	19.39%	16.26%	20.60%
Total Contributions	<u>10.00%</u>	<u>9.50%</u>	<u>13.25%</u>	<u>12.88%</u>	<u>11.71%</u>	<u>11.70%</u>	<u>12.03%</u>	<u>11.75%</u>
Deficiency (Surplus)	3.90%	15.09%	1.76%	6.73%	7.59%	7.69%	4.23%	8.85%

Actuarial Valuation Results-  
Market Value of Assets

Statewide Public Safety Employee Retirement Plans

	MSRS-Correctional		State Patrol		PERA-P&F		PERA-Correctional		Total Statewide Public Safety Plans											
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009										
Membership																				
Active Members	4,268	4,403	848	876	11,002	11,035	3,521	3,715	19,639	20,029										
Service Retirees	1,505	1,381	684	673	5,354	5,213	308	267	7,851	7,534										
Disabilitants	206	194	48	44	859	838	116	101	1,229	1,177										
Survivors	148	134	192	191	1,413	1,380	18	18	1,771	1,723										
Deferred Retirees	993	949	39	41	1,315	1,280	1,895	1,683	4,242	3,953										
Nonvested Former Members	585	626	14	11	930	911	1,605	1,525	3,134	3,073										
Total Membership	7,705	7,687	1,825	1,836	20,873	20,657	7,463	7,309	37,866	37,489										
Funded Status																				
Accrued Liability	\$851,086,000	\$821,250,000	\$683,360,000	\$725,334,000	\$5,963,672,000	\$6,296,274,000	\$248,867,000	\$229,383,000	\$7,746,985,000	\$8,072,241,000										
Current Assets (MVA)	\$525,245,000	\$456,783,000	\$488,870,000	\$450,060,000	\$4,453,737,000	\$4,001,046,000	\$211,368,000	\$167,300,000	\$5,679,220,000	\$5,075,189,000										
Unfunded Accrued Liability	\$325,841,000	\$364,467,000	\$194,490,000	\$275,274,000	\$1,509,935,000	\$2,295,228,000	\$37,499,000	\$62,083,000	\$2,067,765,000	\$2,997,052,000										
Funding Ratio	61.71%	55.62%	71.54%	62.05%	74.68%	63.55%	84.93%	72.93%	73.31%	62.87%										
Financing Requirements																				
Covered Payroll	\$205,574,000	\$208,388,000	\$67,187,000	\$67,421,000	\$795,171,000	\$786,887,000	\$170,693,000	\$172,770,000	\$1,238,625,000	\$1,235,466,000										
Benefits Payable	\$36,078,000	\$33,239,000	\$46,119,000	\$44,480,000	\$326,041,000	\$310,099,000	\$3,353,000	\$2,836,000	\$411,591,000	\$390,654,000										
Normal Cost	18.09%	\$37,188,000	18.22%	\$37,970,000	22.98%	\$15,437,000	25.37%	\$17,103,000	19.65%	\$156,244,000	22.07%	\$173,703,000	12.68%	\$21,642,000	13.26%	\$22,904,000	18.61%	\$230,511,000	20.37%	\$251,680,000
Administrative Expenses	0.22%	\$452,000	0.20%	\$417,000	0.18%	\$123,000	0.16%	\$108,000	0.10%	\$795,000	0.13%	\$1,023,000	0.13%	\$222,000	0.13%	\$227,000	0.13%	\$1,592,000	0.14%	\$1,775,000
Normal Cost & Expense	18.31%	\$37,640,000	18.42%	\$38,387,000	23.16%	\$15,560,000	25.53%	\$17,211,000	19.75%	\$157,039,000	22.20%	\$174,726,000	12.81%	\$21,864,000	13.39%	\$23,131,000	18.74%	\$232,103,000	20.51%	\$253,455,000
Normal Cost & Expense	18.31%	\$37,640,000	18.42%	\$38,387,000	23.16%	\$15,560,000	25.53%	\$17,211,000	19.75%	\$157,039,000	22.20%	\$174,726,000	12.81%	\$21,864,000	13.39%	\$23,131,000	18.74%	\$232,103,000	20.51%	\$253,455,000
Amortization (MVA)	9.38%	\$19,292,000	10.15%	\$21,149,000	17.88%	\$12,016,000	24.69%	\$16,644,000	11.24%	\$89,377,000	16.92%	\$133,179,000	2.19%	\$3,738,177	3.38%	\$5,832,000	10.05%	\$124,423,177	14.31%	\$176,804,000
Total Requirements	27.69%	\$56,932,000	28.57%	\$59,536,000	41.04%	\$27,576,000	50.21%	\$33,855,000	30.99%	\$246,416,000	39.13%	\$307,905,000	15.00%	\$25,602,177	16.76%	\$28,963,000	28.78%	\$356,526,177	34.83%	\$430,259,000
Employee Contributions	8.60%	\$17,679,000	7.70%	\$16,046,000	10.40%	\$6,988,000	10.40%	\$7,012,000	9.50%	\$75,541,000	9.40%	\$73,967,000	5.83%	\$9,951,000	5.83%	\$10,073,000	8.89%	\$110,159,000	8.67%	\$107,098,000
Employer Contributions	12.10%	\$24,875,000	11.10%	\$23,131,000	15.60%	\$10,481,000	15.60%	\$10,518,000	14.25%	\$113,312,000	14.10%	\$110,951,000	8.75%	\$14,936,000	8.75%	\$15,117,000	13.21%	\$163,604,000	12.93%	\$159,717,000
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	0.00%	\$0	0.00%	\$0
Direct State 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
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	20.70%	\$42,554,000	18.80%	\$39,177,000	26.00%	\$17,469,000	26.00%	\$17,530,000	23.75%	\$188,853,000	23.50%	\$184,918,000	14.58%	\$24,887,000	14.58%	\$25,190,000	22.10%	\$273,763,000	21.60%	\$266,815,000
Total Requirements	27.69%	\$56,932,000	28.57%	\$59,536,000	41.04%	\$27,576,000	50.21%	\$33,855,000	30.99%	\$246,416,000	39.13%	\$307,905,000	15.00%	\$25,602,177	16.76%	\$28,963,000	28.78%	\$356,526,177	34.83%	\$430,259,000
Total Contributions	20.70%	\$42,554,000	18.80%	\$39,177,000	26.00%	\$17,469,000	26.00%	\$17,530,000	23.75%	\$188,853,000	23.50%	\$184,918,000	14.58%	\$24,887,000	14.58%	\$25,190,000	22.10%	\$273,763,000	21.60%	\$266,815,000
Deficiency (Surplus)	6.99%	\$14,378,000	9.77%	\$20,359,000	15.04%	\$10,107,000	24.21%	\$16,325,000	7.24%	\$57,563,000	15.63%	\$122,987,000	0.42%	\$715,177	2.18%	\$3,773,000	6.68%	\$82,763,177	13.23%	\$163,444,000

**Actuarial Valuation Results-  
Market Value of Assets**

**Statewide Specialty Employee Retirement Plans**

	<u>Elective State Officers</u>		<u>Judges</u>		<u>Legislators</u>		<u>Total Statewide Specialty Plans</u>	
	2010	2009	2010	2009	2010	2009	2010	2009
<u>Membership</u>								
Active Members	0	0	312	312	47	48	359	360
Service Retirees	11	11	170	162	279	284	460	457
Disabilitants	0	0	27	27	0	0	27	27
Survivors	4	4	94	96	80	74	178	174
Deferred Retirees	1	1	18	20	88	95	107	116
Nonvested Former Members	0	0	0	0	1	2	1	2
Total Membership	16	16	621	617	495	503	1,132	1,136
<u>Funded Status</u>								
Accrued Liability	\$3,782,189	\$3,885,951	\$240,579,000	\$241,815,000	\$86,236,000	\$90,431,000	\$330,597,189	\$336,131,951
Current Assets (MVA)	<u>\$214,002</u>	<u>\$213,165</u>	<u>\$126,201,000</u>	<u>\$114,690,000</u>	<u>\$26,821,000</u>	<u>\$28,663,000</u>	<u>\$153,236,002</u>	<u>\$143,566,165</u>
Unfunded Accrued Liability	\$3,568,187	\$3,672,786	\$114,378,000	\$127,125,000	\$59,415,000	\$61,768,000	\$177,361,187	\$192,565,786
Funding Ratio	5.66%	5.49%	52.46%	47.43%	31.10%	31.70%	46.35%	42.71%
<u>Financing Requirements</u>								
Covered Payroll	\$0	\$0	\$41,366,000	\$41,644,000	\$1,970,000	\$2,061,000	\$43,336,000	\$43,705,000
Benefits Payable	\$451,443	\$440,432	\$17,057,000	\$16,261,000	\$7,159,000	\$7,016,000	\$24,667,443	\$23,717,432
Normal Cost	\$0	\$0	17.10%	17.52%	14.90%	18.87%	17.00%	17.58%
Administrative Expenses	<u>\$1,000</u>	<u>\$1,000</u>	<u>0.10%</u>	<u>0.08%</u>	<u>1.34%</u>	<u>1.21%</u>	<u>0.16%</u>	<u>0.13%</u>
Normal Cost & Expense	\$1,000	\$1,000	17.20%	17.60%	16.24%	20.09%	17.16%	17.72%
Normal Cost & Expense	\$1,000	\$1,000	17.20%	17.60%	16.24%	20.09%	17.16%	17.72%
Amortization (MVA)	<u>\$642,501</u>	<u>\$600,274</u>	<u>17.26%</u>	<u>18.70%</u>	<u>343.25%</u>	<u>318.15%</u>	<u>33.56%</u>	<u>34.20%</u>
Total Requirements	\$643,501	\$601,274	34.45%	36.30%	359.49%	338.23%	50.71%	51.91%
Employee Contributions	\$0	\$0	7.22%	7.30%	9.00%	8.98%	7.30%	7.38%
Employer Contributions	\$0	\$0	20.02%	20.50%	0.00%	0.00%	19.11%	19.53%
Employer Add'l Cont.	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Direct State Funding	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Govt. Funding	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Administrative Assessment	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions	\$0	\$0	27.24%	27.80%	9.00%	8.98%	26.41%	26.91%
Total Requirements	\$643,501	\$601,274	34.45%	36.30%	359.43%	338.23%	50.71%	51.91%
Total Contributions	<u>\$0</u>	<u>\$0</u>	<u>27.24%</u>	<u>27.80%</u>	<u>9.00%</u>	<u>8.98%</u>	<u>26.41%</u>	<u>26.91%</u>
Deficiency (Surplus)	\$643,501	\$601,274	7.21%	8.50%	350.43%	329.26%	24.30%	25.00%

**Actuarial Valuation Results-  
Market Value of Assets**

**Statewide First Class City Employee Retirement Plans**

	DTRFA 2010		DTRFA 2009		SPTRFA 2010		SPTRFA 2009		MERF 2010*		MERF 2009		Total First Class City Plans 2010		Total First Class City Plans 2009	
Membership																
Active Members		1,054		1,016		3,837		3,962		143		174		5,034		5,152
Service Retirees		1,171		1,151		2,721		2,593		3,360		3,468		7,252		7,212
Disabilitants		19		17		23		25		143		146		185		188
Survivors		105		96		300		293		840		879		1,245		1,268
Deferred Retirees		301		348		1,863		1,823		102		120		2,266		2,291
Nonvested Former Members		<u>721</u>		<u>750</u>		<u>1,419</u>		<u>1,451</u>		<u>0</u>		<u>0</u>		<u>2,140</u>		<u>2,201</u>
Total Membership		3,371		3,378		10,163		10,147		4,588		4,787		18,122		18,312
Funded Status																
Accrued Liability		\$312,649,572		\$364,811,453		\$1,471,630,000		\$1,454,314,000		\$1,286,151,000		\$1,575,011,525		\$3,070,430,572		\$3,394,136,978
Current Assets (MVA)		<u>\$192,402,546</u>		<u>\$179,933,200</u>		<u>\$815,307,000</u>		<u>\$781,432,000</u>		<u>\$14,917,240,000</u>		<u>\$859,895,146</u>		<u>\$15,924,949,546</u>		<u>\$1,821,260,346</u>
Unfunded Accrued Liability		\$120,247,026		\$184,878,253		\$656,323,000		\$672,882,000		(\$13,631,089,000)		\$715,116,379		(\$12,854,518,974)		\$1,572,876,632
Funding Ratio	61.54%		49.32%		55.40%		53.73%		1159.84%		54.60%		518.66%		53.66%	
Financing Requirements																
Covered Payroll		\$56,152,078		\$55,344,873		\$250,225,000		\$252,726,000		\$8,883,000		\$10,841,852		\$315,260,078		\$318,912,725
Benefits Payable		\$23,596,191		\$22,704,163		\$95,300,000		\$95,137,000		\$147,099,000		\$148,741,747		\$265,995,191		\$266,582,910
Normal Cost	5.85%	\$3,287,998	7.42%	\$4,108,948	8.28%	\$20,735,000	8.52%	\$21,558,000	5.86%	\$520,000	10.63%	\$1,152,674	7.79%	\$24,542,998	8.41%	\$26,819,622
Administrative Expenses	<u>0.91%</u>	<u>\$510,984</u>	<u>0.85%</u>	<u>\$470,431</u>	<u>0.24%</u>	<u>\$601,000</u>	<u>0.24%</u>	<u>\$607,000</u>	<u>16.80%</u>	<u>\$1,492,000</u>	<u>9.21%</u>	<u>\$998,120</u>	<u>0.83%</u>	<u>\$2,603,984</u>	<u>0.65%</u>	<u>\$2,075,551</u>
Normal Cost & Expense	6.76%	\$3,798,982	8.27%	\$4,579,379	8.52%	\$21,336,000	8.76%	\$22,165,000	22.66%	\$2,012,000	19.84%	\$2,150,794	8.61%	\$27,146,982	9.06%	\$28,895,173
Normal Cost & Expense	6.76%	\$3,798,982	8.27%	\$4,579,379	8.52%	\$21,336,000	8.76%	\$22,165,000	22.66%	\$2,012,000	19.84%	\$2,150,794	8.61%	\$27,146,982	9.06%	\$28,895,173
Amortization (MVA)	<u>13.55%</u>	<u>\$7,606,940</u>	<u>20.64%</u>	<u>\$11,420,834</u>	<u>15.80%</u>	<u>\$39,538,000</u>	<u>15.52%</u>	<u>\$39,219,000</u>	<u>516.11%</u>	<u>\$45,846,000</u>	<u>837.41%</u>	<u>\$90,790,765</u>	<u>29.50%</u>	<u>\$92,990,940</u>	<u>44.35%</u>	<u>\$141,430,599</u>
Total Requirements	20.31%	\$11,405,922	28.91%	\$16,000,213	24.32%	\$60,874,000	24.28%	\$61,384,000	538.77%	\$47,858,000	857.25%	\$92,941,559	38.11%	\$120,137,922	53.41%	\$170,325,772
Employee Contributions	5.50%	\$3,088,365	5.50%	\$3,043,968	5.56%	\$13,917,000	5.58%	\$14,108,000	9.75%	\$866,000	9.75%	\$1,057,081	5.67%	\$17,871,365	5.71%	\$18,209,049
Employer Contributions	5.79%	\$3,251,205	5.79%	\$3,204,468	8.42%	\$21,072,000	8.45%	\$21,351,000	9.75%	\$866,000	69.01%	\$7,481,962	7.99%	\$25,189,205	10.05%	\$32,037,430
Employer Add'l Cont.	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	46.59%	\$4,138,000	1.39%	\$150,590	1.31%	\$4,138,000	0.05%	\$150,590
Direct State Funding	1.19%	\$666,361	0.63%	\$346,000	1.62%	\$4,057,000	1.61%	\$4,057,000	256.12%	\$22,750,000	83.01%	\$9,000,000	8.71%	\$27,473,361	4.20%	\$13,403,000
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	<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>	<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	12.48%	\$7,005,931	11.92%	\$6,594,436	15.60%	\$39,046,000	15.64%	\$39,516,000	322.21%	\$28,620,000	163.16%	\$17,689,633	23.69%	\$74,671,931	20.01%	\$63,800,069
Total Requirements	20.31%	\$11,405,922	28.91%	\$16,000,213	24.32%	\$60,874,000	24.28%	\$61,384,000	538.77%	\$47,858,000	857.25%	\$92,941,559	38.11%	\$120,137,922	53.41%	\$170,325,772
Total Contributions	<u>12.48%</u>	<u>\$7,005,931</u>	<u>11.92%</u>	<u>\$6,594,436</u>	<u>15.60%</u>	<u>\$39,046,000</u>	<u>15.64%</u>	<u>\$39,516,000</u>	<u>322.21%</u>	<u>\$28,620,000</u>	<u>163.16%</u>	<u>\$17,689,633</u>	<u>23.69%</u>	<u>\$74,671,931</u>	<u>20.01%</u>	<u>\$63,800,069</u>
Deficiency (Surplus)	7.83%	\$4,399,991	16.99%	\$9,405,777	8.72%	\$21,828,000	8.64%	\$21,868,000	216.56%	\$19,238,000	694.09%	\$75,251,926	14.42%	\$45,465,991	33.40%	\$106,525,703

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**Impact of 2010 Omnibus Retirement Bill  
on Minnesota Defined Benefit Retirement Plans  
and Other Unfunded Actuarial Accrued Liability Changes**

Plan	Plan	Changes Related to:							Plan
	Year	Interest Oblig., Norm. Cost, & Contrib.	Actuarial Assumption Gain or Loss:				UAAL Changes Related to:		Year
	Beginning UAAL		Salary Increase	Investment Return	Retiree Mortality	Other	Benefit Plan Amend.	Act. Assump. Changes	End Date UAAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
MSRS-General	1,482,359,000	97,818,000	(158,877,000)	572,503,000	523,000	(16,607,000)	(650,404,000)	(23,635,000)	1,303,680,000
PERA-General	5,640,926,000	233,639,000	(169,777,000)	848,873,000	33,391,000	5,827,000	(2,764,179,000)	236,917,000	4,053,963,000
TRA	5,232,394,000	351,879,000	(297,584,000)	1,061,858,000	44,520,000	119,882,000	(1,692,109,000)	(62,352,000)	4,758,488,000
Subtotal	12,355,679,000	683,336,000	(626,238,000)	2,483,234,000	78,434,000	109,102,000	(5,106,692,000)	150,930,000	10,116,131,000
MSRS-Corr.	230,911,000	20,848,000	(15,123,000)	36,663,000	918,000	18,486,000	(45,480,000)	0	247,223,000
State Patrol	140,833,000	12,383,000	(10,626,000)	36,437,000	(3,672,000)	3,266,000	(62,472,000)	0	116,149,000
PERA-P&F	1,056,419,000	85,265,000	(96,316,000)	341,851,000	24,019,000	(11,201,000)	(624,704,000)	0	775,333,000
PERA-Corr.	11,806,000	497,000	(5,638,000)	14,428,000	45,000	321,000	(14,611,000)	0	6,848,000
Subtotal	1,439,969,000	118,993,000	(127,703,000)	429,379,000	21,310,000	10,872,000	(747,267,000)	0	1,145,553,000
Legislators	61,768,000	3,448,000	(413,000)	(948,000)	416,000	(439,000)	(4,417,000)	0	59,415,000
Elect. State Officers	3,672,786	(159,315)	0	19,115	130,927	(25,695)	(69,631)	0	3,568,187
Judges	94,695,000	3,948,000	(3,495,000)	8,864,000	1,016,000	(678,000)	(8,499,000)	0	95,851,000
Subtotal	160,135,786	7,236,685	(3,908,000)	7,935,115	1,562,927	(1,142,695)	(12,985,631)	0	158,834,187
MERF Div. of PERA	670,966,000	27,392,000	(2,000)	(47,306,000)	7,297,000	(22,944,000)	0	(193,285,000)	442,118,000
DTRFA	85,555,895	5,475,645	N/R	29,239,035	N/R	(1,283,443)	(61,646,473)	0	57,340,659
SPTRFA	404,360,000	17,777,000	(13,954,000)	77,284,000	1,666,000	(4,047,000)	(17,846,000)	4,945,000	470,185,000
Subtotal	489,915,895	23,252,645	(13,954,000)	106,523,035	1,666,000	(5,330,443)	(79,492,473)	4,945,000	527,525,659
Grand Total	14,445,699,681	832,818,330	(771,803,000)	3,027,071,150	102,972,927	113,500,862	(5,946,437,104)	155,875,000	11,948,043,846

*UAAL = unfunded actuarial accrued liability*

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## Change in Minnesota Defined Benefit Retirement Plan Normal Cost Components 2009-2010

Retirement Plan	Retirement Benefit		Disability Benefit		Survivor Benefit		Deferred Retirement		Refunds		Total Normal Cost	
<b>MSRS-General</b>												
2009	5.61%	\$138,712,000	0.45%	\$11,268,000	0.26%	\$6,351,000	0.90%	\$22,530,000	0.69%	\$17,230,000	7.86%	\$196,091,000
2010	<u>5.91%</u>	<u>\$146,695,000</u>	<u>0.41%</u>	<u>\$10,138,000</u>	<u>0.20%</u>	<u>\$5,070,000</u>	<u>0.68%</u>	<u>\$16,944,000</u>	<u>0.57%</u>	<u>\$14,180,000</u>	<u>7.77%</u>	<u>\$193,027,000</u>
Change	+0.30%	+\$7,983,000	-0.04%	-\$1,130,000	-0.06%	-\$1,281,000	-0.22%	-\$5,586,000	-0.12%	-\$3,050,000	-0.09%	-\$3,064,000
<b>PERA-General Basic</b>												
2009	5.61%	\$83,000	0.34%	\$5,000	0.20%	\$3,000	3.51%	\$52,000	0.00%	\$0	9.66%	\$143,000
2010	<u>3.10%</u>	<u>\$38,000</u>	<u>0.19%</u>	<u>\$3,000</u>	<u>0.22%</u>	<u>\$3,000</u>	<u>2.30%</u>	<u>\$28,000</u>	<u>0.00%</u>	<u>\$0</u>	<u>5.81%</u>	<u>\$72,000</u>
Change	-2.51%	-\$45,000	-0.15%	-\$2,000	+0.02%	\$0	-1.21%	-\$24,000	0.00%	\$0	-3.85%	-\$71,000
<b>PERA-General Coord.</b>												
2009	5.77%	\$296,100,000	0.37%	\$18,978,000	0.13%	\$6,900,000	1.54%	\$78,835,000	0.00%	\$0	7.81%	\$400,813,000
2010	<u>4.90%</u>	<u>\$252,925,000</u>	<u>0.29%</u>	<u>\$15,247,000</u>	<u>0.15%</u>	<u>\$7,515,000</u>	<u>1.16%</u>	<u>\$59,767,000</u>	<u>0.00%</u>	<u>\$0</u>	<u>6.50%</u>	<u>\$335,454,000</u>
Change	-0.87%	-\$43,175,000	-0.08%	-\$3,731,000	+0.02%	+\$615,000	-0.38%	-\$19,068,000	0.00%	\$0	-1.31%	-\$65,359,000
<b>TRA Basic</b>												
2009	11.38%	\$498,000	0.50%	\$22,000	0.39%	\$17,000	3.15%	\$138,000	0.41%	\$18,000	15.83%	\$693,000
2010	<u>10.12%</u>	<u>\$351,000</u>	<u>0.46%</u>	<u>\$16,000</u>	<u>0.41%</u>	<u>\$14,000</u>	<u>1.86%</u>	<u>\$64,000</u>	<u>0.38%</u>	<u>\$13,000</u>	<u>13.23%</u>	<u>\$458,000</u>
Change	-1.26%	-\$147,000	-0.04%	-\$6,000	+0.02%	-\$3,000	-1.29%	-\$74,000	-0.03%	-\$5,000	-2.60%	-\$235,000
<b>TRA Coordinated</b>												
2009	7.05%	\$285,055,000	0.20%	\$8,212,000	0.09%	\$3,540,000	0.98%	\$39,726,000	0.55%	\$22,353,000	8.87%	\$358,886,000
2010	<u>6.83%</u>	<u>\$276,210,000</u>	<u>0.17%</u>	<u>\$6,921,000</u>	<u>0.08%</u>	<u>\$3,232,000</u>	<u>0.56%</u>	<u>\$22,628,000</u>	<u>0.72%</u>	<u>\$29,025,000</u>	<u>8.36%</u>	<u>\$338,016,000</u>
Change	-0.22%	-\$8,845,000	-0.03%	-\$1,291,000	-0.01%	-\$308,000	-0.42%	-\$17,098,000	+0.17%	+\$6,672,000	-0.51%	-\$20,870,000
<b>MSRS-Correctional</b>												
2009	13.27%	\$27,660,000	2.34%	\$4,877,000	0.33%	\$677,000	1.73%	\$3,603,000	0.55%	\$1,153,000	18.22%	\$37,970,000
2010	<u>12.45%</u>	<u>\$25,614,000</u>	<u>3.38%</u>	<u>\$6,946,000</u>	<u>0.31%</u>	<u>\$634,000</u>	<u>1.58%</u>	<u>\$3,241,000</u>	<u>0.37%</u>	<u>\$753,000</u>	<u>18.09%</u>	<u>\$37,188,000</u>
Change	-0.82%	-\$2,046,000	+1.04%	+\$2,069,000	-0.02%	-\$43,000	-0.15%	-\$362,000	-0.18%	-\$400,000	-0.13%	-\$782,000
<b>State Patrol</b>												
2009	21.54%	\$14,519,000	2.19%	\$1,478,000	1.08%	\$728,000	0.46%	\$312,000	0.10%	\$66,000	25.37%	\$17,103,000
2010	<u>19.54%</u>	<u>\$13,124,000</u>	<u>1.96%</u>	<u>\$1,319,000</u>	<u>0.99%</u>	<u>\$665,000</u>	<u>0.41%</u>	<u>\$274,000</u>	<u>0.08%</u>	<u>\$55,000</u>	<u>22.98%</u>	<u>\$15,437,000</u>
Change	-2.00%	-\$1,395,000	-0.23%	-\$159,000	-0.09%	-\$63,000	-0.05%	-\$38,000	-0.02%	-\$11,000	-2.39%	-\$1,666,000
<b>PERA-P&amp;F</b>												
2009	16.83%	\$132,430,000	2.89%	\$22,727,000	0.87%	\$6,875,000	1.48%	\$11,671,000	0.00%	\$0	22.07%	\$173,703,000
2010	<u>15.17%</u>	<u>\$120,636,000</u>	<u>2.62%</u>	<u>\$20,779,000</u>	<u>0.77%</u>	<u>\$6,154,000</u>	<u>1.09%</u>	<u>\$8,675,000</u>	<u>0.00%</u>	<u>\$0</u>	<u>19.65%</u>	<u>\$156,244,000</u>
Change	-1.66%	-\$11,794,000	-0.27%	-\$1,948,000	-0.10%	-\$721,000	-0.39%	-\$2,996,000	0.00%	\$0	-2.42%	-\$17,459,000

## Change in Minnesota Defined Benefit Retirement Plan Normal Cost Components 2009-2010

Retirement Plan	Retirement Benefit		Disability Benefit		Survivor Benefit		Deferred Retirement		Refunds		Total Normal Cost	
PERA- Correctional												
2009	8.58%	\$14,818,000	1.88%	\$3,254,000	0.32%	\$550,000	2.48%	\$4,282,000	0.00%	\$0	13.26%	\$22,904,000
2010	8.45%	\$14,421,000	1.82%	\$3,111,000	0.39%	\$660,000	2.02%	\$3,450,000	0.00%	\$0	12.68%	\$21,642,000
Change	-0.13%	-\$397,000	-0.06%	-\$143,000	+0.07%	+\$110,000	-0.46%	-\$832,000	0.00%	\$0	-0.58%	-\$1,262,000
Legislators												
2009	17.95%	\$370,000	0.00%	\$0	0.87%	\$18,000	0.00%	\$0	0.05%	\$1,000	18.87%	\$389,000
2010	12.75%	\$252,000	0.00%	\$0	0.67%	\$13,000	0.63%	\$12,000	0.85%	\$17,000	14.90%	\$294,000
Change	-5.20%	-\$118,000	0.00%	\$0	-0.20%	-\$5,000	+0.63%	+\$12,000	+0.80%	+\$16,000	-3.97%	-\$95,000
Judges												
2009	15.18%	\$6,321,000	1.10%	\$457,000	1.23%	\$511,000	0.00%	\$0	0.01%	\$6,000	17.52%	\$7,295,000
2010	14.92%	\$6,172,000	1.05%	\$433,000	1.07%	\$442,000	0.00%	\$0	0.06%	\$25,000	17.10%	\$7,072,000
Change	-0.26%	-\$149,000	-0.05%	-\$24,000	-0.16%	-\$69,000	0.00%	\$0	+0.05%	+\$19,000	-0.42%	-\$223,000
DTRFA												
2009	6.22%	\$3,444,520	0.12%	\$69,123	0.15%	\$80,861	0.93%	\$514,444	0.00%	\$0	7.42%	\$4,108,948
2010	4.79%	\$2,691,988	0.10%	\$58,079	0.12%	\$65,708	0.84%	\$472,223	0.00%	\$0	5.85%	\$3,287,998
Change	-1.43%	-\$752,532	-0.02%	-\$11,044	-0.03%	-\$15,153	-0.09%	-\$42,221	0.00%	\$0	-1.57%	-\$820,950
SPTRFA Basic												
2009	11.17%	\$928,000	0.34%	\$28,000	0.13%	\$11,000	1.88%	\$156,000	0.00%	\$0	13.52%	\$1,123,000
2010	10.42%	\$644,000	0.30%	\$18,000	0.11%	\$7,000	2.31%	\$142,000	0.00%	\$0	13.14%	\$811,000
Change	-0.75%	-\$284,000	-0.04%	-\$10,000	-0.02%	-\$4,000	+0.43%	-\$14,000	0.00%	\$0	-0.38%	-\$312,000
SPTRFA Coordinated												
2009	6.98%	\$17,052,000	0.13%	\$309,000	0.16%	\$395,000	1.10%	\$2,679,000	0.00%	\$0	8.37%	\$20,435,000
2010	6.49%	\$15,831,000	0.11%	\$277,000	0.14%	\$347,000	1.42%	\$3,469,000	0.00%	\$0	8.16%	\$19,924,000
Change	-0.49%	-\$1,221,000	-0.02%	-\$32,000	-0.02%	-\$48,000	+0.32%	+\$790,000	0.00%	\$0	-0.21%	-\$511,000
MERF Div. of PERA												
2009	5.22%	\$566,361	2.42%	\$262,127	0.82%	\$89,180	1.35%	\$146,137	0.82%	\$88,869	10.63%	\$1,152,674
2010	2.49%	\$221,000	1.48%	\$131,000	0.20%	\$18,000	1.69%	\$150,000	0.00%	\$0	5.86%	\$520,000
Change	-2.73%	-\$345,361	-0.94%	-\$131,127	-0.62%	-\$71,180	+0.34%	+\$3,863	-0.82%	-\$88,869	-4.77%	-\$632,674

# Impact of 2010 Contribution Increases and Comparison of Member and Employer Sharing of Retirement Plan Actuarial Costs

Plan/Year	Normal Cost <sup>1</sup> (NC)	Admin. Expense <sup>1</sup> (AdmEx)	NC & AdmEx <sup>1</sup>	Amort. Req. <sup>2</sup>	Total Actuarial Req. <sup>2</sup>	Contributions			Normal Cost/Admin. Expense			Total Actuarial Requirements		
						Member Contrib. <sup>1</sup>	Employer Contrib. <sup>1</sup>	Contribution (Sufficiency) /Deficiency <sup>2</sup>	Member Contrib. Share	Employer Contrib. Share	Contrib. Deficiency Portion	Member Contrib. Share	Employer Contrib. Share	Contrib. Deficiency Portion
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>MSRS-General</b>														
2009	7.86%	0.22%	8.08%	16.51%	24.59%	4.75%	4.75%	15.09%	58.8%	41.2%	--	19.3%	19.3%	61.4%
2010	7.77%	0.23%	8.00%	5.90%	13.90%	5.00%	5.00%	3.90%	62.5%	37.5%	--	36.0%	36.0%	28.0%
2010+	7.77%	0.23%	8.00%	5.90%	13.90%	5.00%	5.00%	3.90%	62.5%	37.5%	--	36.0%	36.0%	28.0%
<b>PERA- General</b>														
2009	7.82%	0.20%	8.02%	11.59%	19.61%	6.00%	6.88%	6.73%	74.8%	15.2%	--	30.6%	35.1%	34.3%
2010	6.50%	0.18%	6.68%	9.89%	16.57%	6.13%	7.13%	3.34%	91.8%	8.2%	--	37.0%	43.0%	20.0%
2010+	6.50%	0.18%	6.68%	9.89%	16.57%	6.38%	7.38%	2.84%	95.5%	4.5%	--	38.5%	44.5%	17.0%
<b>TRA</b>														
2009	8.88%	0.28%	9.16%	10.23%	19.39%	5.50%	5.69%	7.69%	60.0%	40.0%	--	28.4%	29.3%	42.3%
2010	8.36%	0.24%	8.60%	8.46%	17.06%	5.50%	5.68%	5.35%	64.0%	36.0%	--	32.2%	33.3%	34.5%
2010+	8.36%	0.24%	8.60%	8.46%	17.06%	7.50%	7.68%	1.88%	87.2%	12.8%	--	44.0%	45.0%	11.0%
<b>MSRS-Corr</b>														
2009	18.22%	0.20%	18.42%	10.15%	28.57%	7.70%	11.10%	9.77%	41.8%	58.2%	--	27.0%	38.9%	34.1%
2010	18.09%	0.22%	18.31%	9.38%	27.69%	8.60%	12.10%	6.99%	47.0%	53.0%	--	31.1%	43.7%	25.2%
2010+	18.09%	0.22%	18.31%	9.38%	27.69%	8.60%	12.10%	6.99%	47.0%	53.0%	--	31.1%	43.7%	25.2%
<b>State Patrol</b>														
2009	25.37%	0.16%	25.53%	24.69%	50.21%	10.40%	15.60%	24.21%	40.7%	59.3%	--	20.7%	31.0%	48.3%
2010	22.98%	0.18%	23.16%	17.88%	41.04%	10.40%	15.60%	15.04%	44.9%	55.1%	--	25.3%	38.0%	36.7%
2010+	22.98%	0.18%	23.16%	17.88%	41.04%	12.40%	18.60%	10.04%	53.5%	46.5%	--	30.2%	45.3%	24.5%
<b>PERA-P&amp;F</b>														
2009	22.07%	0.13%	22.20%	16.92%	39.13%	9.40%	14.10%	15.63%	42.3%	51.7%	--	24.0%	36.0%	40.0%
2010	19.65%	0.10%	19.75%	11.20%	30.95%	9.50%	14.25%	7.20%	48.1%	51.9%	--	30.7%	46.0%	23.3%
2010+	19.65%	0.10%	19.75%	11.20%	30.95%	9.60%	14.40%	6.95%	48.6%	51.4%	--	31.0%	46.5%	22.5%
<b>PERA-Corr</b>														
2009	13.26%	0.13%	13.39%	3.38%	16.76%	5.83%	8.75%	2.18%	43.5%	56.5%	--	34.8%	52.2%	13.0%

<sup>1</sup> Number is expressed as a percentage of covered payroll of the applicable retirement plan.

<sup>2</sup> Number is based on the actuarial results using a market value of assets and is expressed as a percentage of covered payroll of the applicable retirement plan.

# Impact of 2010 Contribution Increases and Comparison of Member and Employer Sharing of Retirement Plan Actuarial Costs

Plan/Year	Normal Cost <sup>1</sup> (NC)	Admin. Expense <sup>1</sup> (AdmEx)	NC & AdmEx <sup>1</sup>	Amort. Req. <sup>2</sup>	Total Actuarial Req. <sup>2</sup>	Contributions			Normal Cost/Admin. Expense			Total Actuarial Requirements		
						Member Contrib. <sup>1</sup>	Employer Contrib. <sup>1</sup>	Contribution (Sufficiency) /Deficiency <sup>2</sup>	Member Contrib. Share	Employer Contrib. Share	Contrib. Deficiency Portion	Member Contrib. Share	Employer Contrib. Share	Contrib. Deficiency Portion
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
2010	12.68%	0.13%	12.81%	12.40%	25.21%	5.83%	8.75%	10.63%	45.5%	54.5%	--	23.1%	34.7%	42.2%
2010+	12.68%	0.13%	12.81%	12.40%	25.21%	5.83%	8.75%	10.63%	45.5%	54.5%	--	23.1%	34.7%	42.2%
Judges														
2009	17.52%	0.08%	17.60%	18.70%	36.30%	7.30%	20.50%	8.50%	41.5%	58.5%	--	20.1%	56.5%	23.4%
2010	17.10%	0.10%	17.20%	17.26%	34.46%	7.22%	20.02%	7.22%	42.0%	58.0%	--	21.0%	58.1%	20.9%
2010+	17.10%	0.10%	17.20%	17.26%	34.46%	7.22%	20.02%	7.22%	42.0%	58.0%	--	21.0%	58.1%	20.9%
Legislators														
2009	18.87%	1.21%	20.09%	318.15%	338.23%	8.98%		329.26%	44.7%	--	55.3%	2.7%	--	97.3%
2010	14.90%	1.34%	16.24%	343.19%	359.43%	9.00%		350.43%	55.4%	--	44.6%	2.5%	--	97.5%
2010+	14.90%	1.34%	16.24%	343.19%	359.43%	9.00%		350.43%	55.4%	--	44.6%	2.5%	--	97.5%
DTRFA														
2009	7.42%	0.88%	8.27%	20.64%	28.91%	5.50%	6.42%	16.99%	66.5%	33.5%	--	19.0%	22.2%	58.8%
2010	5.85%	0.91%	6.76%	13.55%	20.31%	5.50%	6.98%	7.83%	81.4%	18.6%	--	27.1%	34.4%	38.5%
2010+	5.85%	0.91%	6.76%	13.55%	20.31%	6.50%	7.98%	5.83%	96.2%	3.8%	--	32.0%	39.3%	28.7%
SPTRFA														
2009	8.52%	0.24%	8.76%	15.52%	24.28%	5.58%	10.06%	8.64%	63.7%	36.3%	--	23.0%	41.4%	35.6%
2010	8.28%	0.24%	8.52%	15.80%	24.32%	5.56%	10.04%	8.72%	65.3%	34.7%	--	22.9%	41.3%	35.8%
2010+	8.28%	0.24%	8.52%	15.80%	24.32%	6.56%	11.04%	6.72%	77.0%	23.0%	--	27.0%	45.4%	27.6%
MERF Div. of PERA														
2009	10.63%	9.21%	19.84%	837.41%	857.25%	9.75%	153.41%	694.09%	49.1%	50.9%	--	1.1%	17.9%	81.0%
2010	5.86%	16.80%	22.66%	516.11%	536.76%	9.75%	312.46%	216.55%	43.0%	57.0%	--	1.8%	58.2%	40.0%
2010+	5.86%	16.80%	22.66%	516.44%	536.76%	9.75%	312.46%	216.55%	43.0%	57.0%	--	1.8%	58.2%	40.0%