Public Employees Retirement Association

SUPPLEMENTAL REPORT
(Based on a June 30, 1975 Census)

Compensation & Capital Incorporated

Public Employees Retirement A~sociation

SUMMARY SHEET
(Census as of June 30, 1975)

General	Percent Change		Police and Fire	Percent Change
		MEMBERSHIP		
$ 12,038	1.8%	Retired Members and Beneficiaries	$ 584	10.0%
22,039,631	12.3%	Annual Benefit Payments	1,386,181	16.4%
81,140	5.6%	Active Members	3,690	8.8%
$ 582,912,058	15.0%	Participating Payroll	40,849,878	15.8%
		FUNDED STATUS		
$ 556,873,746	4.1%	Value of Benefits Earned to Date	60,295,656	6.1%
449,178,269	10.5%	Assets	56,100,213	18.0%
80.7%	4.7% *	Funding Ratio	93.0%	9.3% *
		ADEQUACY OF CONTRIBUTIONS**		
9.500%		Member/Employer	20.000%	
9.605%		Actuarial Requirement	17.248%	
(0.105%)		Margin	2.752%	

* Increase in Funding Ratio not Percentage Change

** Assumes Basic Member additional will be funded over their remaining working lifetime

Compensation & Capital Incorporated

Public Employees Retirement Association

General Fund

STATEMENT OF FINANCIAL CONDITION AND STATUS OF FUNDING AS OF JUNE 30, 1975

This section is designed to show the financial condition of the retirement system by comparing the assets on hand to the value of the benefits earned to date; to derive the unfunded past service obligation; and to show the trend of the ratio of assets to the funding objective, i.e., the present value of benefits earned to date.

Public Employees Retirement Association

General Fund

STATEMENT OF FINANCIAL CONDITION
(Year Ended - June 30, 1975)

ASSETS

Cash and Investments (Net)	$ 449,178,269
Benefits Earned to Date Remaining to be Financed by Members and Employers	107,695,477
Total	$ 556,873,746

LIABILITIES

Benefits Payable to Retired Members and their Beneficiaries	$ 178,430,606
Deferred Vested Benefits Payable to Inactive Members	2,306,247
Benefits Earned to Date by Active Members	376,136,893
Total	$ 556,873,746

Public Employees Retirement Association

General Fund

ANALYSIS OF FUNDED STATUS
(Year ended - June 30, 1975)

	Assets	Obligation	Unfunded Obligation
Retired Members and Beneficiaries	$178,430,606	$178,430,606	$ -0-
Deferred Vested Inactive Members	2,306,247	2,306,247	-0-
Active Members	268,441,416	376,136,893	107,695,477
Total	$449,178,269	$556,873,746	$107,695,477

Ratio of Assets to Obligation 80.7%

Public Employees Retirement Association

General Fund

PROGRESS OF FUNDING

Year Ending 6/30	Funding Objective	Book Value of Assets	Ratio Assets/ Funding Objective
1973	$478,489,266	$349,259,698	73.0%
1974	534,952,952*	406,488,349	76.0
1975	556,873,746	449,178,269	80.7

*Reflects 1974 Amendments

Public Employees Retirement Association

General Fund

ACTUARIAL BASIS FOR DETERMINATION OF THE
ENTRY AGE NORMAL LEVEL FINANCING REQUIREMENT
(AS A PERCENTAGE OF PAYROLL) OF THE PROGRAM

This section is designed to illustrate the adequacy of the Employer/Member contribution rate by comparing it to the level actuarial requirement, expressed as a percentage of payroll.

Public Employees Retirement Association

General Fund

ACTUARIAL BALANCE SHEET
(Year ended - June 30, 1975)

	Residual Benefit	Integrated Plan	Total
RESOURCES			
Cash and Investments (net)	$243,581,178	$205,597,091	$449,178,269
Present Value of All Remaining Benefits to Be Funded By Future Contributions	118,011,804	544,413,942	662,425,746
Total	$361,592,982	$750,011,033	$1,111,604,015
LIABILITIES AND RESERVES			
Benefits Payable to Retired Members and Their Beneficiaries	$ 94,550,653	$ 83,879,953	$ 178,430,606
Deferred Vested Benefits Payable to Inactive Members	853,631	1,452,616	2,306,247
Active Members	266,188,698	664,678,464	930,867,162
Total	$361,592,982	$750,011,033	$1,111,604,015

Public Employees Retirement Association

General Fund

ANALYSIS OF ACTUARIAL OBLIGATION
(Census as of June 30, 1975)

Retired Members		
Service Retirement (Payable from Minnesota Adjustable Fixed Benefit Fund) - Net	$127,505,245	
Disability	7,260,283	
Survivor	31,988,353	
Reserve for Future Old Law Survivors	11,676,725	$ 178,430,606
Deferred Vested Benefits		2,306,247
Active Members		
Retirement	$719,027,538	
Disability	47,007,356	
Survivor	36,421,137	
Vested - Retirement	99,234,368	
Refund	29,176,763	$930,867,162
Total Obligation		$1,111,604,015

Public Employees Retirement Association

General Fund

DETERMINATION OF THE PRIOR ENTRY AGE NORMAL CONTRIBUTION REQUIREMENTS

(Census as of June 30, 1975)

	Residual Benefit	Integrated Plan	Total
Total Obligation	$361,592,982	$750,011,033	$1,111,604,015
Net Assets on Hand	243,581,178	205,597,091	449,178,269
Obligation to be Funded in the Future	$118,011,804	$544,413,942	$662,425,746
Present Value of Future Attained Age Normal Contribution	$118,011,804	Not Applicable	$118,011,804
Present Value of Future Entry Age Normal Level Contribution Requirements	Not Applicable	295,094,864	295,094,864
Prior Entry Age Normal Level Contribution Requirements Accumulated to Date	$	$249,319,078	$249,319,078

Public Employees Retirement Association

General Fund

INTEREST REQUIREMENT ON THE
PRIOR ENTRY AGE NORMAL REQUIREMENTS
(Census as of June 30, 1975)

	Integrated Plan
Prior Entry Age Normal Level Contribution Requirements Accumulated to Date	$249,319,078
Interest Requirement on Accumulated Net Prior Requirement	12,465,954
Considered Payroll	582,912,058
Interest Requirement as Percentage of Considered Payroll	2.139%
Forty Year Funding Requirement	14,529,817
Forty Year Funding Requirement as a Percentage of Considered Payroll	2.493%

Public Employees Retirement Association

General Fund

ENTRY AGE NORMAL LEVEL CONTRIBUTION REQUIREMENTS
(Census as of June 30, 1975)

	Residual Benefit	Integrated Plan
Present Value of Future Entry Age Normal Level Contribution Requirements	$118,011,804	$295,094,864
Present Value of Future Payroll of Current Members of the Association	1,344,098,000	4,130,124,600
Attained Age Normal Level Contribution Rate*	8.780%	Not Applicable
Entry Age Normal Level Contribution Rate at Beginning of the Year*	Not Applicable	7.145%
Entry Age Normal Level Contribution Rate Adjusted for Mid-Year Receipt	9.000%	7.324%

*Future Requirements - Future Payroll

Public Employees Retirement Association

General Fund

ACTUARIAL BALANCE EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL

(Census as of June 30, 1975)

	Residual Benefit	Integrated Plan
Member Contribution Rate	4.000%	4.000%
Employer Contribution Rate	5.000	5.500
Total	9.000%	9.500%

	Requirement		
	Residual Benefit	Expected Ultimate Level	Federal Law
Attained Age Normal Contribution Requirement	9.000%		
Entry Age Normal Level Contribution Rate		7.324%	7.324%
Interest Requirement on Prior Level Requirements		2.139	2.493
Expense Allowance		0.142	0.142
Total Level Requirement	9.000%	9.605%	9.959%
Actuarial Balance Contribution Rate Less Level Requirement	0.000%	(0.105%)	(0.459%)

Public Employees Retirement Association

Police and Fire Fund

STATEMENT OF FINANCIAL CONDITION AND STATUS OF FUNDING AS OF JUNE 30, 1975

This section is designed to show the financial condition of the retirement system by comparing the assets on hand to the value of the benefits earned to date; to derive the unfunded past service obligation; and to show the trend of the ratio of assets to the funding objective, i. e., the present value of benefits earned to date.

Public Employees Retirement Association

Police and Fire Fund

STATEMENT OF FINANCIAL CONDITION
(Year ended - June 30, 1975)

Assets

Cash and Investments (Net)	$ 56,100,213
Benefits Earned to Date Remaining to be Financed by Members and Employers	4,195,443
Total	$ 60,295,656

LIABILITIES

Benefits Payable to Retired Members and Their Beneficiaries	$ 13,099,692
Deferred Vested Benefits Payable to Inactive Members	546,300
Benefits Earned to Date by Active Members	46,649,664
Total	$ 60,295,656

Public Employees Retirement Association

Police and Fire Fund

ANALYSIS OF FUNDED STATUS
(Year Ended - June 30, 1975)

	Assets	Obligation	Unfunded Obligation
Retired Members and Beneficiaries	$13,099,692	$13,099,692	$ -0-
Deferred Vested Inactive Members	546,300	546,300	-0-
Active Members	42,454,221	46,649,664	4,195,443
Total	$56,100,213	$60,295,656	$4,195,443

Ratio of Assets to Obligation 93.0%

Public Employees Retirement Association

Police and Fire Fund

PROGRESS OF FUNDING

Year Ending 6/30	Funding Objective	Book Value of Assets	Ratio Assets/ Funding Objective
1973	$51,833,540	$38,959,178	75.2%
1974	56,824,407	47,546,849	83.7
1975	60,295,656	56,100,213	93.0

Public Employees Retirement Association

Police and Fire Fund

ACTUARIAL BASIS FOR DETERMINATION OF THE ENTRY AGE NORMAL LEVEL FINANCING REQUIREMENT (AS A PERCENTAGE OF PAYROLL) OF THE PROGRAM

This section is designed to illustrate the adequacy of the Employer/Member contribution rate by comparing it to the level actuarial requirement, expressed as a percentage of payroll.

Public Employees Retirement Association

Police and Fire Fund

ACTUARIAL BALANCE SHEET
(Year Ended - June 30, 1975)

RESOURCES

Cash and Investments (net)	$ 56,100,213
Present Value of All Remaining Benefits to Be Funded By Future Contributions	$ 88,643,400
Total	$144,743,613

LIABILITIES AND RESERVE

Benefits Payable to Retired Members and Their Beneficiaries	$ 13,099,692
Deferred Vested Benefits Payable to Inactive Members	546,300
Active Members	131,097,621
Total	$144,743,613

Public Employees Retirement Association

Police and Fire Fund

ANALYSIS OF ACTUARIAL OBLIGATION
(Census as of June 30, 1975)

Retired Members		
Service Retirement (Payable from Minnesota Adjustable Fixed Benefit Fund) - Net	$ 9,510,000	
Disability	440,613	
Survivor	2,633,042	
Reserve for Future Old Law Survivors	516,037	$ 13,099,692
Deferred Vested Benefits		546,300
Active Members		
Retirement	$ 80,026,525	
Disability	26,658,233	
Survivor	10,477,389	
Vested - Retirement	10,605,282	
- Refund	3,330,192	$131,097,621
Total Obligation		$144,743,613

Public Employees Retirement Association

Police and Fire Fund

DETERMINATION OF THE PRIOR ENTRY AGE NORMAL CONTRIBUTION REQUIREMENTS
(Census as of June 30, 1975)

Total Obligation	$144,743,613
Net Assets on Hand	56,100,213
Obligation to be Funded in the Future	88,643,400
Present Value of Future Entry Age Normal Level Contribution Requirements	77,102,381
Prior Entry Age Normal Level Contribution Requirements Accumulated To Date	$11,541,019

Public Employees Retirement Association

Police and Fire Fund

INTEREST REQUIREMENT ON THE PRIOR ENTRY AGE NORMAL REQUIREMENTS
(Census as of June 30, 1975)

Prior Entry Age Normal Level Contribution Requirements Accumulated to Date	$ 11,541,019
Interest Requirement on Accumulated Net Prior Requirement	577,051
Considered Payroll	40,849,878
Interest Requirement as Percentage of Considered Payroll	1.413%
Forty Year Funding Requirement	672,588
Forty Year Funding Requirement as a Percentage of Considered Payroll	1.646%

Public Employees Retirement Association

Police and Fire Fund

ENTRY AGE NORMAL LEVEL CONTRIBUTION REQUIREMENTS
(Census as of June 30, 1975)

Present Value of Future Entry Age Normal Level Contribution Requirements	$ 77,102,381
Present Value of Future Payroll of Current Members of the Association	502,113,000
Entry Age Normal Level Contribution Rate at Beginning of the Year*	15.356%
Entry Age Normal Level Contribution Rate Adjusted for Mid-Year Receipt	15.740%

* Future Requirements - Future Payroll

Public Employees Retirement Association

Police and Fire Fund

ACTUARIAL BALANCE EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL
(Census as of June 30, 1975)

Member Contribution Rate	8.000%
Employer Contribution Rate	12.000
Total	20.000%

	Requirement	
	Expected Ultimate Level	Federal Law
Entry Age Normal Level Contribution Rate	15.740%	15.740%
Interest Requirement on Prior Level Requirements	1.413	1.646
Expense Allowance	0.095	0.095
Total Level Requirement	17.248%	17.481%
Actuarial Balance Contribution Rate Less Level Requirement	2.752%	2.519%