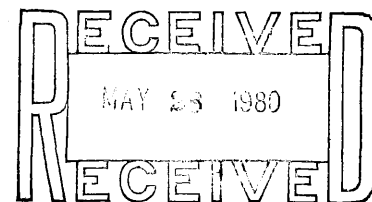


80-1840



Teachers' Retirement Fund Association
St. Paul, Minnesota

ACTUARIAL VALUATION REPORT
as of
December 31, 1979

LEGISLATIVE REFERENCE LIBRARY
STATE OF MINNESOTA

Pursuant to MS 356.215, sd 3

Recd 1 copy from Hse of Rep. Nov 1980

Teachers' Retirement Fund Association
St. Paul, Minnesota

TABLE OF CONTENTS

	<u>PAGE NO.</u>
<u>Letter of Transmittal</u>	1
<u>Comments</u>	2
<u>Financial Exhibits</u>	
Exhibit 1 Financial Balance Sheet	3
Exhibit 2 Sources and Uses of Funds	4
Exhibit 3 Reconciliation of Asset Balances	5
Exhibit 4 Asset Allocation	6
<u>Actuarial Requirements - 5%</u>	
<u>Total Fund</u>	
Exhibit 5 Financial Balance Sheet	7
Exhibit 6 Actuarial Requirements 30-Year Amortization	8
Exhibit 7 Statement of Revenue, Expenditures, Changes in Unfunded Accumulated Contribution Requirements	9
Exhibit 8 Increase in Unfunded Requirements	10
<u>Basic Division</u>	
Exhibit 9 Financial Balance Sheet	11
Exhibit 10 Actuarial Requirements 30-Year Amortization	12
Exhibit 11 Statement of Revenue, Expenditures, Changes in Unfunded Accumulated Contribution Requirements	13
Exhibit 12 Increase in Unfunded Requirements	14
<u>Coordinated Division</u>	
Exhibit 13 Financial Balance Sheet	15
Exhibit 14 Actuarial Requirements 30-Year Amortization	16
Exhibit 15 Statement of Revenue, Expenditures, Changes in Unfunded Accumulated Contribution Requirements	17
Exhibit 16 Increase in Unfunded Requirements	18

Employee Statistics

Exhibit 17	Reconciliation of Members	19
------------	---------------------------	----

Basic Division

Exhibit 18	Retired on Service Pension	20
Exhibit 19	Retired on Limited Pension	21
Exhibit 20	Retired with Reversionary Pensions	22
Exhibit 21	Retired on Disability Pension	23
Exhibit 22	Survivor Annuities	24
Exhibit 23	Considered Earnings - Male	25
Exhibit 24	Considered Earnings - Female	26

Coordinated Division

Exhibit 25	Retired on Service Pension	27
Exhibit 26	Considered Earnings - Male	28
Exhibit 27	Considered Earnings - Female	29

Summary of Plan

Basic Division	30 - 33
Coordinated Division	34 - 36

<u>Actuarial Assumptions</u>	37 - 43
------------------------------	---------

COMPENSATION & CAPITAL
INCORPORATED

49 SHERWOOD TERRACE

LAKE BLUFF, ILLINOIS 60044

TELEPHONE 312 234-9050

April 29, 1980

Board of Trustees
St. Paul Teachers' Retirement
Fund Association
555 Wabasha Street, Room 303
St. Paul, Minnesota 55102

Gentlemen:

In accordance with your request, we have made an actuarial valuation of the St. Paul Teachers' Retirement Fund Association for the year ended December 31, 1979, in order to determine the adequacy of the contributions being made to that system and to prepare the financial and actuarial reports as required by the laws of the State of Minnesota.

The results of our analysis are set forth in the following report. The basic financial and employee data are those submitted to us by the association office; the summaries and actuarial figures are those prepared by us from such data.

On the basis of the foregoing, and the assumptions indicated herein, we hereby certify that, to the best of our knowledge and belief, the attached statements are true and correct.

Respectfully submitted,

Davis H. R. Enisc
Fellow, Society of Actuaries
Enrolled Actuary No. 174

DHR:rs

Teachers' Retirement Fund Association
St. Paul, Minnesota

COMMENTS

This report sets forth the information of the Teachers' Retirement Fund Association of the City of St. Paul, Minnesota required by law for the legislature based on the annual actuarial valuation.

These figures have been prepared in accordance with the requirements of the law under the supervision of an approved actuary. Included in these requirements are the use of the Entry Age Normal Cost Method, anticipated salary increases of $3\frac{1}{2}\%$ per year, and an assumed interest of 5% per year.

The actuarial valuation measures all aspects of the St. Paul Teachers' Fund in accordance with the plan described in the section of the report titled "Summary of the Plan". This valuation takes into account the 1979 amendments to Minnesota Laws Chapter 356.215 and Chapter 354A including the change in amortization period and the augmentation of deferred benefits.

Exhibits 5, 9 and 13 show the present value of benefits for past and future service of active members, and current benefits being received by retirees (and beneficiaries).

Exhibits 6, 10 and 14 also indicate an amount of Unfunded Accumulated Contribution Requirement of \$115,965,025. This amount represents an increase of \$7,741,991. The primary reasons for the increase are estimated in Exhibits 8, 12 and 16.

Exhibits 6, 10 and 14 restate the dollar amount of obligation in Exhibits 5, 9 and 13, respectively, as percentages based on current payroll of active members. The resulting percentage total rate requirement may then be compared with the statutory contribution rate to ascertain the actuarial balance of the Fund.

The state teachers' levy of 11.5149% is well short of the actuarial requirement of 18.6664% (Exhibit 6). While the deficit of \$4 million is smaller than last year, this arises out of the lengthening of the amortization period from 18 to 30 years rather than an improvement in the financial status of the Plan. The Coordinated program also shows a small deficit so that the shift between the Basic and Coordinated systems, as time goes on, will not cure the shortfall. The principal effect of the substitution of the Coordinated for the Basic program will be to highlight the financial strain on the Association to meet the peaking benefit payments over the next two decades and to emphasize the need for more adequate financing.

FINANCIAL EXHIBITS

EXHIBIT 1

Teachers' Retirement Fund Association
St. Paul, Minnesota

FINANCIAL BALANCE SHEET
(December 31, 1979)

A S S E T S

Cash		\$ 8,738.90
Receivables		
Interest	\$812,215.65	
Dividends	78,882.50	
Employer Contribution	620,135.24	1,511,233.39
Short-Term Notes, at Discounted Value		24,631,030.70
Bonds, at Amortized Cost		36,264,235.59
Stocks, at Cost		15,116,718.67
Deferred Yield Adjustment Account		2,098,344.17
Furniture and Equipment Less Depreciation		4,470.85
Administrative Expenses Payable		<u>(11,912.22)</u>
TOTAL ASSETS		<u>\$79,622,860.05</u>
Members Accumulated Contributions (without interest)		\$30,896,651.14
Administration Expenses 1979 -	\$185,999.43	

Teachers' Retirement Fund Association
St. Paul, Minnesota

SOURCES AND USES OF FUNDS

S O U R C E S

Cash Balance January 1, 1979		\$	9,309.24
Income from Employer Contribution:			
State of Minnesota-Basic	\$5,614,748.96		
-Coordinated	312,691.24		
Federal Programs -Basic	525,617.69		
-Coordinated	68,781.40		
			6,521,839.29
Income from Members:			
Payroll Deductions-Basic	\$3,853,815.92		
-Coordinated	299,652.64		
Prior Service	4,956.56		
Return of Refunds	1,785.49		
		\$	4,160,210.61
Income from Investments:			
Interest	\$5,351,674.09		
Dividends	745,457.85		
Miscellaneous	3,972.78		
		\$	6,101,104.72
Investments Sold			\$233,093,350.20
Total			<u>\$249,885,814.06</u>

U S E S

Pension Paid:			
Retirements	\$5,623,029.35		
Survivor	178,223.59		
Family	96,136.01		
Disability	342,919.64		
		\$	6,240,308.59
Refunds of Dues		\$	536,632.00
Administrative Expenses:			
Actuarial, Auditing, Legal	\$	21,931.00	
Data Processing		5,812.50	
Delegate Expense		5,400.00	
Investment Services		44,839.42	
Office Equipment		564.00	
Office Expense		12,603.40	
Salaries		88,841.44	
Taxes, Insurance, Affiliate Dues		13,522.14	
Accounts Payable - Withheld Taxes		(6,112.22)	
		\$	187,401.68
Refund - Federal Programs		\$	49,614.64
Investments Purchased			<u>\$242,863,118.26</u>
Cash Balance - December 31, 1979		\$	<u>8,738.89</u>
TOTAL			<u>\$249,885,814.06</u>

Teachers' Retirement Fund Association
St. Paul, Minnesota

RECONCILIATION OF ASSET BALANCES
(December 31, 1979)

Asset Balance - December 31, 1978 \$70,023,918.68

Additions:

Employer Contributions	\$ 6,153,180.22	
Member Contributions	4,158,651.91	
Investment Income	6,117,992.87	
Net Gain on Sale of Stock	176,526.75	\$16,606,351.75

Sub-Total \$86,630,270.43

Deductions:

Benefit Payments	\$ 6,237,813.28	
Refunds	533,983.03	
Administrative Expenses	185,999.43	
Federal Programs Refund	49,614.64	\$ 7,007,410.38

Asset Balance, December 31, 1979 \$79,622,860.05

Teachers' Retirement Fund Association
St. Paul, Minnesota

Asset Allocation
(December 31, 1979)

	<u>Basic Division</u>	<u>Coordinated Division</u>	<u>Total</u>
Asset Balance, 12/31/78	\$69,827,241.71	\$196,676.97	\$70,023,918.68
1. Employer Contributions	5,793,271.03	359,909.19	6,153,180.22
2. Employee Contributions	3,858,982.93	299,668.98	4,158,651.91
3. Benefits Paid	(6,237,669.85)	(143.43)	(6,237,813.28)
4. Refunds	(484,181.37)	(49,801.66)	(533,983.03)
5. Net (Items 1 to 4)	2,930,402.74	609,633.08	3,540,035.82
6. Investment Income	6,250,551.27	43,968.35	6,294,519.62
7. Administrative Expenses	(160,487.89)	(25,511.54)	(185,999.43)
8. Federal Programs Refund	(43,873.44)	(5,741.20)	(49,614.64)
9. Net (Items 6 to 8)	6,046,189.94	12,715.61	6,058,905.55
10. Increase for Year	8,976,592.68	622,348.69	9,598,941.37
Asset Balance 12/31/79	78,803,834.39	819,025.66	79,622,860.05

ACTUARIAL REQUIREMENTS - 5%

Teacher's Retirement Fund Association
St. Paul, Minnesota

FINANCIAL BALANCE SHEET
(December 31, 1979)

Present Value of Benefits Expected to be Paid by Retirement Fund

To Active Teachers for

Retirement	\$181,426,991
Disability	16,328,642
Survivorship	12,132,831
Refund	<u>2,104,793</u>

Total \$211,993,257

To Vested Teachers 681,214

To Teachers on Leave 2,337,178

To Former Teachers without
Vested Rights 237,555

To Teachers and Beneficiaries
Now Receiving Benefits for

Retirement	\$ 49,537,475
Disability	2,550,698
Survivorship	<u>2,377,432</u>

Total \$ 54,465,605

Total Value of Benefits \$269,714,809

Less Value of Expected Future Contributions* 74,126,924

Accumulated Contribution Requirement
Assuming Full Funding During
Prior Service Period 195,587,885

Assets on Hand 79,622,860

Accumulated Contribution Requirement
to be Amortized by 2009 115,965,025

* As Determined by the Entry Age Normal Cost Method.

Teachers' Retirement Fund Association
St. Paul, Minnesota

ACTUARIAL REQUIREMENTS
(December 31, 1979)

TOTAL REQUIREMENTS

Expected Future Contributions on Behalf of Active Teachers	\$ 74,126,924
Accumulated Contribution Assuming Full Funding During Prior Service Period	<u>195,587,885</u>
Total - Value of All Benefits Payable to Present Members	\$269,714,809

AMORTIZATION RATE REQUIREMENT

Accumulated Contribution Requirement	\$195,587,885	
Assets on Hand	<u>79,622,860</u>	
Amount to be Amortized	\$115,965,025	
Contribution Requirement for Amortization Period of 30 Years	\$ 7,543,691	
Current Payroll	\$ 54,802,584	
Amortization Rate Requirement		13.7652%

LEVEL CONTRIBUTION (ENTRY AGE NORMAL) RATE REQUIREMENT

Expected Future Contributions on Behalf of Active Teachers	\$ 74,126,924	
Expected Future Payroll	\$613,544,900	
Total Entry Age Normal Rate Requirement	12.0817%	
Teacher Contribution Rate*	<u>7.5199</u>	
Employer Entry Age Normal Rate Requirement		4.5618%

ACTUARIAL BALANCE

Employer Statutory Contribution Rate**		11.5149%
Rate Requirements		
Amortization Rate Requirement	13.7652%	
Entry Age Normal Rate Requirement	4.5618	
Expenses Rate Requirement	<u>0.3394</u>	
Total Rate Requirement		18.6664%
Deficit of Statutory Rate over Rate Requirement		(7.1515%)

* Weighted by Current Payroll 86.28% Basic and 13.72% Coordinated.

** Rate established by Minnesota Statute, 12.63% Basic and 4.5% Coordinated weighted by Current Payroll.

Teachers' Retirement Fund Association
St. Paul, Minnesota

STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN
UNFUNDED ACCUMULATED CONTRIBUTION REQUIREMENT
(Year Ended December 31, 1979)

Revenue:

Employer Contributions	\$6,153,180.22	
Employee Contributions	4,158,651.91	
Net Investment Income	<u>6,294,519.62</u>	
Total Revenue		\$16,606,351.75

Expenditure:

Benefits	\$6,237,813.28	
Refund of Dues	533,983.03	
Administrative Expense	185,999.43	
Federal Programs Refund	<u>49,614.64</u>	
Total Expenditures		<u>\$ 7,007,410.38</u>
Increase in Assets (1979)		<u>\$ 9,598,941.37</u>
Increase in Accumulated Contribution Requirement		<u>17,340,932.00</u>
Increase (Decrease) in Unfunded Accumulated Contribution Requirement		<u>\$ 7,741,990.63</u>

Teacher's Retirement Fund Association
St. Paul, Minnesota

INCREASE (DECREASE) IN UNFUNDED REQUIREMENTS

Unfunded	December 31, 1978	\$108,223,034
Unfunded	December 31, 1979	<u>115,965,025</u>
Increase (Decrease)		<u>\$ 7,741,991</u>

ALLOCATION OF INCREASE (DECREASE) IN UNFUNDED REQUIREMENT

Change in Average Earnings		\$ 7,166,586
Amendment		3,922,034
Principal of Unfunded Anticipated in Total Rate Requirement	\$(3,543,764)	
Deficiency in Total Rate Require- ment over Statutory Rate	<u>3,316,990</u>	
Increase Due to Amortization		(226,774)
Investment Income in excess of 5%: Loss (Gain)		(2,599,145)
Experience Variation: Loss (Gain)		<u>(521,315)</u>
<u>Total Increase (Decrease)</u>		<u>\$ 7,741,991</u>

* Amendment: augmentation of deferred vested benefit.

Teacher's Retirement Fund Association
St. Paul, Minnesota

BASIC DIVISION

FINANCIAL BALANCE SHEET
(December 31, 1979)

Present Value of Benefits Expected to be Paid by Retirement Fund

To Active Teachers for

Retirement	\$174,373,292
Disability	15,842,045
Survivorship	12,132,831
Refund	<u>1,720,290</u>

Total \$204,068,458

To Vested Teachers 630,832

To Teachers on Leave 2,193,319

To Former Teachers without
Vested Rights 173,055

To Teachers and Beneficiaries
Now Receiving Benefits for

Retirement	\$ 49,531,005
Disability	2,550,698
Survivorship	<u>2,377,432</u>

Total \$ 54,459,135

Total Value of Benefits \$261,524,799

Less Value of Expected Future Contributions* 68,191,450

Accumulated Contribution Requirement
Assuming Full Funding During
Prior Service Period 193,333,349

Assets on Hand 78,803,834

Accumulated Contribution Requirement
to be Amortized by 2009 114,529,515

* As Determined by the Entry Age Normal Cost Method.

Teachers' Retirement Fund Association
St. Paul, Minnesota

BASIC DIVISION

ACTUARIAL REQUIREMENTS
(December 31, 1979)

TOTAL REQUIREMENTS

Expected Future Contributions on Behalf of Active Teachers	\$ 68,191,450
Accumulated Contribution Assuming Full Funding During Prior Service Period	<u>193,333,349</u>
Total - Value of All Benefits Payable to Present Members	\$261,524,799

AMORTIZATION RATE REQUIREMENT

Accumulated Contribution Requirement	\$193,333,349	
Assets on Hand	<u>78,803,834</u>	
Amount to be Amortized	\$114,529,515	
Contribution Requirement for Amortization Period of 30 Years	\$ 7,450,309	
Current Payroll	\$ 47,285,903	
Amortization Rate Requirement		15.7559%

LEVEL CONTRIBUTION (ENTRY AGE NORMAL) RATE REQUIREMENT

Expected Future Contributions on Behalf of Active Teachers	\$ 68,191,450	
Expected Future Payroll	\$538,040,600	
Total Entry Age Normal Rate Requirement	12.6740%	
Teacher Contribution Rate	<u>8.0000</u>	
Employer Entry Age Normal Rate Requirement		4.6740%

ACTUARIAL BALANCE

Employer Statutory Contribution Rate*	12.6300%
Rate Requirements	
Amortization Rate Requirement	15.7559%
Entry Age Normal Rate Requirement	4.6740
Expenses Rate Requirement	<u>0.3394</u>
Total Rate Requirement	20.7693%
Deficit of Statutory Rate over Rate Requirement	(8.1393%)

* Rate established by Minnesota Statute.

Teachers' Retirement Fund Association
St. Paul, Minnesota

BASIC DIVISION

STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN
UNFUNDED ACCUMULATED CONTRIBUTION REQUIREMENT

(Year Ended December 31, 1979)

Revenue:

Employer Contributions	\$5,793,271.03	
Employee Contributions	3,858,982.93	
Net Investment Income	<u>6,250,551.27</u>	
Total Revenue		\$15,902,805.23

Expenditure:

Benefits	\$6,237,669.85	
Refund of Dues	484,181.37	
Administrative Expense	160,487.89	
Federal Programs Refund	<u>43,873.44</u>	
Total Expenditures		<u>\$ 6,926,212.55</u>

Increase in Assets (1979)		<u>\$ 8,976,592.68</u>
Increase in Accumulated Contribution Requirement		<u>16,434,878.00</u>
Increase (Decrease) in Unfunded Accumulated Contribution Requirement		<u>\$ 7,458,285.32</u>

Teacher's Retirement Fund Association
St. Paul, Minnesota

BASIC DIVISION

INCREASE (DECREASE) IN UNFUNDED REQUIREMENTS

Unfunded	December 31, 1978	\$107,071,229
Unfunded	December 31, 1979	<u>114,529,515</u>
Increase (Decrease)		<u>\$ 7,458,286</u>

ALLOCATION OF INCREASE (DECREASE) IN UNFUNDED REQUIREMENT

Change in Average Earnings		\$ 7,041,393
Amendment		3,695,547
Principal of Unfunded Anticipated in Total Rate Requirement	\$(3,506,048)	
Deficiency in Total Rate Require- ment over Statutory Rate	<u>3,302,698</u>	
Increase Due to Amortization		(203,350)
Investment Income in excess of 5%: Loss (Gain)		(2,580,989)
Experience Variation: Loss (Gain)		<u>(494,315)</u>
<u>Total Increase (Decrease)</u>		<u>\$ 7,458,286</u>

* Amendment: augmentation of deferred vested benefit.

Teacher's Retirement Fund Association
St. Paul, Minnesota

COORDINATED DIVISION

FINANCIAL BALANCE SHEET
(December 31, 1979)

Present Value of Benefits Expected to be Paid by Retirement Fund

To Active Teachers for

Retirement	\$ 7,053,699
Disability	486,597
Survivorship	-
Refund	<u>384,503</u>

Total \$ 7,924,799

To Vested Teachers 50,382

To Teachers on Leave 143,859

To Former Teachers without
Vested Rights 64,500

To Teachers and Beneficiaries
Now Receiving Benefits for

Retirement	\$ 6,470
Disability	-
Survivorship	<u>-</u>

Total \$ 6,470

Total Value of Benefits \$ 8,190,010

Less Value of Expected Future Contributions* 5,935,474

Accumulated Contribution Requirement
Assuming Full Funding During
Prior Service Period

2,254,536

Assets on Hand

819,026

Accumulated Contribution Requirement
to be Amortized by 2009

1,435,510

* As Determined by the Entry Age Normal Cost Method.

Teachers' Retirement Fund Association
St. Paul, Minnesota

COORDINATED DIVISION

ACTUARIAL REQUIREMENTS
(December 31, 1979)

TOTAL REQUIREMENTS

Expected Future Contributions on Behalf of Active Teachers	\$ 5,935,474
Accumulated Contribution Assuming Full Funding During Prior Service Period	<u>2,254,536</u>
Total - Value of All Benefits Payable to Present Members	\$ 8,190,010

AMORTIZATION RATE REQUIREMENT

Accumulated Contribution Requirement	\$ 2,254,536	
Assets on Hand	<u>819,026</u>	
Amount to be Amortized	\$ 1,435,510	
Contribution Requirement for Amortization Period of 30 Years	\$ 93,382	
Current Payroll	\$ 7,516,681	
Amortization Rate Requirement		1.2423%

LEVEL CONTRIBUTION (ENTRY AGE NORMAL) RATE REQUIREMENT

Expected Future Contributions on Behalf of Active Teachers	\$ 5,935,474	
Expected Future Payroll	\$75,504,300	
Total Entry Age Normal Rate Requirement	7.8611%	
Teacher Contribution Rate	<u>4.5000</u>	
Employer Entry Age Normal Rate Requirement		3.3611%

ACTUARIAL BALANCE

Employer Statutory Contribution Rate*	4.5000%
Rate Requirements	
Amortization Rate Requirement	1.2423%
Entry Age Normal Rate Requirement	3.3611
Expenses Rate Requirement	<u>0.3394</u>
Total Rate Requirement	4.9428%
Deficit of Statutory Rate over Rate Requirement	(0.4428%)

* Rate established by Minnesota Statute.

Teachers' Retirement Fund Association
St. Paul, Minnesota

COORDINATED DIVISION

STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN
UNFUNDED ACCUMULATED CONTRIBUTION REQUIREMENT
(Year Ended December 31, 1979)

Revenue:

Employer Contributions	\$ 359,909.19	
Employee Contributions	299,668.98	
Net Investment Income	<u>43,968.35</u>	
Total Revenue		\$ 703,546.52

Expenditure:

Benefits	\$ 143.43	
Refund of Dues	49,801.66	
Administrative Expense	25,511.54	
Federal Programs Refund	<u>5,741.20</u>	
Total Expenditures		\$ <u>81,197.83</u>

Increase in Assets (1979)	\$ <u>622,348.69</u>
Increase in Accumulated Contribution Requirement	<u>906,054.00</u>
Increase (Decrease) in Unfunded Accumulated Contribution Requirement	<u>\$ 283,705.31</u>

Teacher's Retirement Fund Association
St. Paul, Minnesota

COORDINATED DIVISION

INCREASE (DECREASE) IN UNFUNDED REQUIREMENTS

Unfunded	December 31, 1978	\$1,151,805
Unfunded	December 31, 1979	<u>1,435,510</u>
Increase (Decrease)		<u>\$ 283,705</u>

ALLOCATION OF INCREASE (DECREASE) IN UNFUNDED REQUIREMENT

Change in Average Earnings		\$ 125,193
Amendment		227,092
Principal of Unfunded Anticipated in Total Rate Requirement	\$(37,716)	
Deficiency in Total Rate Require- ment over Statutory Rate	<u>14,292</u>	
Increase Due to Amortization		(23,424)
Investment Income in excess of 5%: Loss (Gain)		(18,156)
Experience Variation: Loss (Gain)		<u>(27,000)</u>
<u>Total Increase (Decrease)</u>		<u>\$ 283,705</u>

* Amendment: augmentation of deferred vested benefit.

Teachers' Retirement Fund Association
St. Paul, Minnesota

RECONCILIATION OF MEMBERS

ACTIVE

Active (Including 119 on Leave) December 31, 1978	2,792
--	-------

Additions:

New Apointments 1979	208	
Reappointments	<u>15</u>	<u>223</u>

Total	3,015
-------	-------

Separations:

Retirements	40	
Deaths	5	
Terminations	<u>130</u>	<u>175</u>

Active (Including 179 On Leave) December 31, 1979	<u>2,840</u>
--	--------------

Substitutes	<u>543</u>
-------------	------------

Inactive Members	<u>33</u>
------------------	-----------

RETIRED

Retired Members December 31, 1978	<u>874</u>
--------------------------------------	------------

Additions During 1979:

Retirement	37	
Disability	<u>3</u>	<u>40</u>

Total	914
-------	-----

Separations - Deaths	<u>40</u>
----------------------	-----------

Retired Members December 31, 1979	<u>874</u>
--------------------------------------	------------

Beneficiaries:

Reversionary	13
Survivor	36
Children	23

Total	<u>72</u>
-------	-----------

Teachers' Retirement Fund Association
St. Paul, Minnesota

BASIC DIVISION

RETIRED ON SERVICE PENSION

<u>AGE</u>	<u>MALE</u>		<u>FEMALE</u>	
	<u>NUMBER</u>	<u>ANNUAL PENSION</u>	<u>NUMBER</u>	<u>ANNUAL PENSION</u>
55	-	\$ -	1	\$ 14,207
56	3	21,804	2	15,241
57	1	8,606	1	4,787
58	1	13,813	2	15,736
59	2	22,929	3	29,105
60	4	50,187	8	98,909
61	5	72,647	2	21,577
62	5	69,756	5	37,536
63	9	109,709	11	96,419
64	9	109,427	14	110,573
65	8	104,529	19	169,024
66	10	127,270	16	136,481
67	13	154,586	21	141,051
68	8	105,567	15	135,333
69	5	44,885	25	180,980
70	10	99,229	18	143,894
71	4	31,968	21	141,531
72	5	53,153	22	154,365
73	3	27,384	34	225,376
74	5	46,687	25	146,328
75	6	51,381	32	187,466
76	1	6,072	36	204,419
77	7	43,324	38	177,282
78	2	12,200	17	80,596
79	3	14,651	25	107,313
80	4	18,598	20	83,932
81	2	7,917	25	108,529
82	2	9,875	20	81,647
83	-	-	20	75,929
84	1	4,479	21	76,195
85	5	19,771	21	83,989
86	1	4,238	21	82,651
87	1	4,221	18	64,814
88	-	-	11	43,303
89	-	-	8	30,429
90	-	-	9	32,679
91	1	3,362	8	29,910
92	-	-	5	15,644
93	1	3,462	2	7,017
94	-	-	3	9,623
95	-	-	2	6,869
96	-	-	4	11,974
97	-	-	1	3,203
TOTALS	<u>147</u>	<u>\$1,477,687</u>	<u>632</u>	<u>\$3,623,866</u>

Teachers' Retirement Fund Association
St. Paul, Minnesota

RETIRED ON LIMITED PENSION

AGE	MALE		FEMALE	
	NUMBER	ANNUAL PENSION	NUMBER	ANNUAL PENSION
66	2	\$16,253	5	\$33,426
67	2	7,122	5	21,219
68	1	3,538	8	22,346
69	1	470	3	8,263
70	-	-	4	16,661
71	-	-	1	2,925
73	-	-	3	14,328
74	1	3,132	1	3,912
75	-	-	1	2,256
76	1	3,180	3	11,016
77	-	-	1	2,460
79	-	-	2	4,476
81	-	-	-	-
82	1	2,312	2	5,489
84	-	-	2	5,056
85	1	2,544	1	2,458
86	-	-	1	2,546
88	-	-	1	2,294
92	-	-	2	4,110
TOTALS	<u>10</u>	<u>\$38,551</u>	<u>46</u>	<u>\$165,241</u>

Teachers' Retirement Fund Association
St. Paul, Minnesota

RETIRED WITH REVERSIONARY PENSIONS

<u>AGE</u>	<u>MALE</u>		<u>FEMALE</u>	
	<u>NUMBER</u>	<u>ANNUAL PENSION</u>	<u>NUMBER</u>	<u>ANNUAL PENSION</u>
80	1	\$ 4,403	1	\$ 3,758
83	-	-	1	4,129
88	<u>1</u>	<u>3,700</u>	<u>-</u>	<u>-</u>
TOTAL	<u>2</u>	<u>\$ 8,103</u>	<u>2</u>	<u>\$ 7,887</u>

Teachers' Retirement Fund Association
St. Paul, Minnesota

RETIRED ON DISABILITY PENSION

<u>AGE</u>	<u>MALE</u>		<u>FEMALE</u>	
	<u>NUMBER</u>	<u>ANNUAL PENSION</u>	<u>NUMBER</u>	<u>ANNUAL PENSION</u>
38	-	\$ -	1	\$ 9,709
44	-	-	1	9,870
46	-	-	1	14,929
47	1	15,216	-	-
50	1	13,548	-	-
51	1	11,268	-	-
52	-	-	4	40,502
55	1	17,030	-	-
57	2	17,952	1	13,809
58	2	20,696	1	10,286
59	2	33,000	1	14,748
60	1	14,739	1	7,803
62	1	17,594	1	4,716
63	2	33,719	1	11,498
65	-	-	1	12,951
66	1	6,228	-	-
67	1	4,188	-	-
70	-	-	1	4,400
73	-	-	1	3,239
76	-	-	1	3,099
78	-	-	1	3,482
TOTAL	<u>16</u>	<u>\$205,178</u>	<u>18</u>	<u>\$165,041</u>

SURVIVOR ANNUITIES

C H I L D R E N

<u>Number</u>	<u>Annual Pension</u>
23	\$88,978

M A L E

	<u>Reversionary Survivors</u>		<u>Regular Survivors</u>	
<u>Age</u>	<u>Number</u>	<u>Annual Pension</u>	<u>Number</u>	<u>Annual Pension</u>
51	-	\$ -	1	\$ 3,477
55	-	-	1	3,900
62	-	-	1	6,431
65	-	-	1	6,395
68	-	-	1	8,641
71	-	-	1	1,548
74	-	-	1	7,404
75	-	-	1	3,407
79	-	-	1	6,228
84	-	-	-	-
Totals	-	\$ -	9	\$ 47,431

F E M A L E

	<u>Reversionary Survivors</u>		<u>Regular Survivors</u>	
<u>Age</u>	<u>Number</u>	<u>Annual Pension</u>	<u>Number</u>	<u>Annual Pension</u>
42	-	\$ -	1	\$ 6,985
43	-	-	1	4,291
53	-	-	1	6,459
55	-	-	2	10,796
56	-	-	1	2,520
58	-	-	1	2,760
60	-	-	3	20,832
62	-	-	2	5,541
63	-	-	1	10,659
64	-	-	1	12,146
66	-	-	1	5,184
68	-	-	2	8,203
69	1	1,371	1	2,280
70	-	-	1	2,259
72	-	-	2	5,069
73	1	1,441	1	5,208
74	-	-	1	3,852
75	1	1,045	2	15,280
77	2	4,176	-	-
79	5	12,298	-	-
80	-	-	1	4,734
83	1	1,814	-	-
84	1	1,479	-	-
85	1	1,338	-	-
98	-	-	1	4,428
Total	13	\$24,962	27	\$139,486

Teachers' Retirement Fund Association
St. Paul, Minnesota

CONSIDERED EARNINGS
(Year Ended December 31, 1979)

Basic Division - Active Male Employees
(Age and Credited Service as of December 31, 1979)

AGE	YEARS OF SERVICE							
	Under 1		1		2 to 4		5 to 9	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	-	\$ -
25 to 29	-	-	7	95,107	17	229,456	8	133,681
30 to 34	-	-	3	47,983	24	478,718	89	1,650,216
35 to 39	-	-	4	80,850	10	207,319	55	1,156,824
40 to 44	-	-	-	-	6	140,626	35	882,223
45 to 49	-	-	-	-	1	22,080	19	476,142
50 to 54	-	-	1	18,900	1	22,564	5	116,982
55 to 59	-	-	-	-	-	-	4	128,601
60 to 64	-	-	-	-	-	-	1	21,957
65 & Up	-	-	-	-	-	-	-	-
Total	-	\$ -	15	\$ 242,840	59	\$1,100,763	216	\$4,566,626

AGE	YEARS OF SERVICE							
	10 to 14		15 to 19		20 to 24		25 to 29	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	-	\$ -
25 to 29	-	-	-	-	-	-	-	-
30 to 34	35	675,196	-	-	-	-	-	-
35 to 39	93	2,226,868	16	422,295	-	-	-	-
40 to 44	47	1,151,117	62	1,620,627	14	371,493	-	-
45 to 49	29	751,998	41	1,072,310	65	1,758,798	15	408,778
50 to 54	22	550,746	20	489,576	32	831,710	58	1,566,888
55 to 59	6	153,486	13	334,481	15	393,576	41	1,097,897
60 to 64	2	51,261	7	184,986	4	111,920	4	115,834
65 & Up	-	-	-	-	-	-	-	-
Total	235	\$5,560,672	159	\$4,124,275	130	\$3,467,497	118	\$3,189,397

AGE	YEARS OF SERVICE							
	30 to 34		35 to 39		40 & Up		All	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	-	\$ -
25 to 29	-	-	-	-	-	-	32	458,244
30 to 34	-	-	-	-	-	-	151	2,852,113
35 to 39	-	-	-	-	-	-	178	4,094,156
40 to 44	-	-	-	-	-	-	164	4,166,086
45 to 49	-	-	-	-	-	-	170	4,490,106
50 to 54	18	498,926	-	-	-	-	157	4,096,292
55 to 59	44	1,307,217	6	183,652	-	-	129	3,598,910
60 to 64	12	330,219	4	133,021	-	-	34	949,198
65 & Up	1	23,300	1	31,666	-	-	2	54,966
Total	75	\$2,159,662	11	\$ 348,339	-	\$ -	1,017	\$24,760,071

Teachers' Retirement Fund Association
St. Paul, Minnesota

CONSIDERED EARNINGS
(Year Ended December 31, 1979)

Basic Division - Active Female Employees
(Age and Credited Service as of December 31, 1979)

AGE	YEARS OF SERVICE							
	Under 1		1		2 to 4		5 to 9	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	8	\$ 98,077	3	\$ 36,379	-	\$ -
25 to 29	-	-	26	317,490	88	1,170,151	28	423,614
30 to 34	-	-	11	129,528	45	667,612	179	2,850,932
35 to 39	-	-	7	91,469	27	428,004	63	1,196,145
40 to 44	-	-	3	43,011	17	266,916	52	1,032,148
45 to 49	-	-	5	77,700	15	229,585	34	682,081
50 to 54	-	-	2	30,050	6	76,658	34	687,185
55 to 59	-	-	-	-	2	31,994	12	218,075
60 to 64	-	-	-	-	-	-	3	59,639
65 & Up	-	-	-	-	-	-	-	-
Total	-	\$ -	62	\$ 787,325	203	\$2,907,299	405	\$7,149,819

AGE	YEARS OF SERVICE							
	10 to 14		15 to 19		20 to 24		25 to 29	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	-	\$ -
25 to 29	-	-	-	-	-	-	-	-
30 to 34	48	863,049	-	-	-	-	-	-
35 to 39	66	1,468,815	10	246,325	-	-	-	-
40 to 44	45	1,017,404	40	930,106	5	114,634	-	-
45 to 49	34	718,258	21	467,823	21	482,863	7	161,655
50 to 54	20	459,754	21	492,468	18	446,110	16	381,680
55 to 59	18	410,043	19	400,810	18	423,398	7	173,291
60 to 64	7	156,303	13	286,950	13	322,863	6	146,531
65 & Up	1	19,000	3	66,700	-	-	-	-
Total	239	\$5,112,626	127	\$2,891,182	75	\$1,789,868	36	\$ 863,157

AGE	YEARS OF SERVICE							
	30 to 34		35 to 39		40 & Up		All	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	11	\$ 134,456
25 to 29	-	-	-	-	-	-	142	1,911,255
30 to 34	-	-	-	-	-	-	283	4,511,121
35 to 39	-	-	-	-	-	-	173	3,430,758
40 to 44	-	-	-	-	-	-	162	3,404,219
45 to 49	-	-	-	-	-	-	137	2,819,965
50 to 54	6	133,200	-	-	-	-	123	2,707,105
55 to 59	13	303,240	5	139,750	-	-	94	2,100,601
60 to 64	8	188,556	10	223,810	1	19,500	61	1,404,152
65 & Up	-	-	1	16,500	-	-	5	102,200
Total	27	\$ 624,996	16	\$ 380,060	1	\$ 19,500	1,191	\$22,525,832

Teachers' Retirement Fund Association
St. Paul, Minnesota

COORDINATED DIVISION

RETIRED ON SERVICE PENSION

<u>AGE</u>	<u>MALE</u>		<u>FEMALE</u>	
	<u>NUMBER</u>	<u>ANNUAL PENSION</u>	<u>NUMBER</u>	<u>ANNUAL PENSION</u>
65	-	\$ -	1	\$ 573.72

Teachers' Retirement Fund Association
St. Paul, Minnesota

CONSIDERED EARNINGS
(Year Ended December 31, 1979)

Coordinated Division - Active Male Employees
(Age and Credited Service as of December 31, 1979)

AGE	YEARS OF SERVICE							
	Under 1		1		2 to 4		5 to 9	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	17	\$ 84,275	-	\$ -	-	\$ -	-	\$ -
25 to 29	78	357,385	17	171,370	3	33,762	2	31,630
30 to 34	60	235,019	9	100,961	6	80,779	4	68,802
35 to 39	37	156,720	5	93,289	1	17,500	4	98,476
40 to 44	30	124,604	4	33,700	-	-	1	16,400
45 to 49	23	56,676	1	16,165	-	-	1	24,300
50 to 54	12	31,740	-	-	1	6,935	1	25,150
55 to 59	10	23,183	2	6,415	-	-	-	-
60 to 64	6	3,932	1	16,350	-	-	-	-
65 & Up	-	-	-	-	-	-	-	-
Total	273	\$1,073,534	39	\$ 438,250	11	\$ 138,976	13	\$ 264,758

AGE	YEARS OF SERVICE							
	10 to 14		15 to 19		20 to 24		25 to 29	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	-	\$ -
25 to 29	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-
35 to 39	1	19,700	-	-	-	-	-	-
40 to 44	-	-	1	18,900	-	-	-	-
45 to 49	1	23,900	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	-
55 to 59	-	-	1	23,300	-	-	-	-
60 to 64	1	23,122	-	-	-	-	-	-
65 & Up	-	-	-	-	-	-	-	-
Total	3	\$ 66,722	2	\$ 42,200	-	\$ -	-	\$ -

AGE	YEARS OF SERVICE							
	30 to 34		35 to 39		40 & Up		All	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	17	\$ 84,275
25 to 29	-	-	-	-	-	-	100	594,147
30 to 34	-	-	-	-	-	-	79	485,561
35 to 39	-	-	-	-	-	-	48	385,685
40 to 44	-	-	-	-	-	-	36	193,604
45 to 49	-	-	-	-	-	-	26	121,041
50 to 54	-	-	-	-	-	-	14	63,825
55 to 59	-	-	-	-	-	-	13	52,898
60 to 64	-	-	-	-	-	-	8	43,404
65 & Up	-	-	-	-	-	-	-	-
Total	-	\$ -	-	\$ -	-	\$ -	341	\$2,024,440

Teachers' Retirement Fund Association
St. Paul, Minnesota

CONSIDERED EARNINGS
(Year Ended December 31, 1979)

Coordinated Division - Active Female Employees
(Age and Credited Service as of December 31, 1979)

AGE	YEARS OF SERVICE							
	Under 1		1		2 to 4		5 to 9	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	78	\$ 413,938	21	\$ 241,945	-	\$ -	-	\$ -
25 to 29	133	917,868	47	571,178	11	127,071	2	29,100
30 to 34	72	495,467	15	195,340	7	96,778	11	168,417
35 to 39	55	228,033	17	207,430	5	75,009	2	30,425
40 to 44	42	232,264	10	143,351	7	114,374	5	99,190
45 to 49	21	112,207	10	89,895	5	83,341	-	-
50 to 54	12	48,595	4	33,174	9	93,394	2	25,500
55 to 59	6	20,709	9	77,249	1	3,014	-	-
60 to 64	4	7,263	1	1,872	5	18,626	2	6,543
65 & Up	-	-	-	-	-	-	-	-
Total	423	\$2,476,344	134	\$1,561,434	50	\$ 611,607	24	\$ 359,175

AGE	YEARS OF SERVICE							
	10 to 14		15 to 19		20 to 24		25 to 29	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	-	\$ -
25 to 29	-	-	-	-	-	-	-	-
30 to 34	6	107,443	-	-	-	-	-	-
35 to 39	5	99,351	1	24,368	-	-	-	-
40 to 44	1	23,300	1	20,800	-	-	-	-
45 to 49	-	-	2	42,200	-	-	-	-
50 to 54	2	42,487	-	-	-	-	-	-
55 to 59	1	24,300	-	-	1	17,859	-	-
60 to 64	1	17,750	-	-	2	60,560	-	-
65 & Up	1	3,263	-	-	-	-	-	-
Total	17	\$ 317,894	4	\$ 87,368	3	\$ 78,419	-	\$ -

AGE	YEARS OF SERVICE							
	30 to 34		35 to 39		40 & Up		All	
	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS	NO.	EARNINGS
Under 25	-	\$ -	-	\$ -	-	\$ -	99	\$ 655,883
25 to 29	-	-	-	-	-	-	193	1,645,217
30 to 34	-	-	-	-	-	-	111	1,063,445
35 to 39	-	-	-	-	-	-	85	664,616
40 to 44	-	-	-	-	-	-	66	633,279
45 to 49	-	-	-	-	-	-	38	327,643
50 to 54	-	-	-	-	-	-	29	243,150
55 to 59	-	-	-	-	-	-	18	143,131
60 to 64	-	-	-	-	-	-	15	112,614
65 & Up	-	-	-	-	-	-	1	3,263
Total	-	\$ -	-	\$ -	-	\$ -	655	\$5,492,241

SUMMARY OF PLAN

Teachers' Retirement Fund Association
St. Paul, Minnesota

BASIC DIVISION

SUMMARY OF PLAN

(As Amended Effective July 1, 1978)

1. Name

Teachers' Retirement Fund Association, St. Paul, Minnesota.

2. Type of Plan

Self-insured, managed by a Board of Trustees consisting of the Chairman of the Board of Independent School District Number 625 and nine others elected by and from members of the Teachers' Association.

3. Employers Included

Board of Education - City of St. Paul.

4. Employees Included

All employees regularly appointed to the St. Paul Public Schools in a position covered by a certificate issued by the Minnesota State Department of Education and not covered under Section 218 of the Social Security Act.

5. Service Considered for Benefits

All periods of service for which salary deductions were made or for which payments in lieu of salary deductions were deposited including military, governmental, outside and previous St. Paul service, and service during sabbatical leave. After June 30, 1974, St. Paul service for part-time teachers is granted on a proportional basis of actual duty days to the agreed number of annual duty days. Year of service credited prior to May 31, 1976 shall not be recomputed.

6. Earnings Considered

Annual total salary. Average salary based on the five years during the last 10 years of St. Paul Service which produced the highest average. For any member employed on a part-time basis during any of the 10 years, the average is computed on the basis of the amount earned in the time required to complete one full year of service.

7. Employer Contributions

Based on Contribution Requirements set by State Teachers Retirement Association including social security taxes.

8. Employee Contributions

8% of annual total salary including salary otherwise payable to a member on sabbatical leave.

If an employee elects to purchase eligible outside service, he may do so pursuant to Article IV, Section 2, Paragraph 2(d) of the Articles of Incorporation and By-Laws as amended effective June 1, 1978.

9. Normal Retirement Benefit

On or after attainment of age 60 and completion of 25 years of service.

Pension equal to 2% of average salary multiplied by the number of years of accredited service; such accredited service limited to a maximum of 40 years.

10. Limited Service Benefit

Employees compelled to retire upon attainment of a specified age after completion of 10 years of service but less than 25 years of service. Annuity determined as for Normal Retirement considering service and earnings to actual retirement.

11. Early Retirement Benefit

After attainment of age 55 and completion of 25 years of service. Annuity determined as for Normal Retirement considering service and earnings to actual retirement and reduced by 1/2 of 1% for each month or major fraction thereof between actual retirement and attainment of age 60.

12. Disability Benefit

In the event of total and permanent disability after completion of five years of accredited St. Paul service.

Until age 65 the pension is equal to 75% of annual total salary for last full year of service minus any Social Security and/or Workmen's Compensation benefits being received.

At age 65 the benefit is recomputed as for Normal Retirement considering average salary and accredited service the disabled member would have had if he had continued to teach in his latest position during his period of disability.

13. Deferred Vested Benefit

In the event of termination after completion of ten years of service. Annuity determined as for Normal Retirement payable at age 65, augmented by interest compounded annually at the rate of 5% until January 1, 1981 and thereafter at the rate of 3%.

14. Death Benefit

Active

- (a) In the event of death prior to retirement and after completion of three years of service, an annuity is payable:
 - (i) For each dependent child, subject to a maximum of two at one time, equal to 25% of the maximum salary payable to a teacher holding a B.A. degree for the year in which the member died, and
 - (ii) To the surviving spouse, maintaining a home and having legal custody of the dependent child or children equal to 15% of the maximum salary in (i) above.

If the surviving spouse is also eligible for the benefits in (b) next following, such spouse may elect either benefits under (b) or the 15% benefit in (ii) above. All benefits attributable to one deceased member are limited to 90% of such member's final pay.

- (b) In the event of death after completion of 10 years of accredited service, the survivor, as defined in the plan, becomes entitled to a benefit based on the annuity earned to the date of the member's death and payable for life or until remarriage, equal to a joint-and-last survivorship annuity under which 100% of the reduced benefit is payable to the survivor.

Retired

In the event of death after retirement, the survivor receives a life annuity equal to the amount earned by the member to the date of this retirement after reduction to a 100% joint-and-last survivorship form of annuity.

15. Cash Refund of Dues

- (a) Upon termination or death of an active member prior to eligibility for any other pension, the full amount of his dues, without interest, paid since January 1, 1940, will be returned to him or to his beneficiary.

- (b) Upon the death of an active member eligible for a dependent children's benefit, but no other benefit under the Plan, the amount of the dues paid since January 1, 1940 which is in excess of the amount payable to the dependent children, without interest, shall be returned to his beneficiary.
- (c) Upon the death of a retired member, who was not survived by a survivor entitled to any other pension under the Plan, the amount of dues paid since January 1, 1940, without interest, in excess of that amount already paid in pension, will be returned to his beneficiary.

In all cases above, if the member has completed the probationary employment period under the applicable teacher tenure law, all amounts payable are credited with interest in a manner to be determined by the Board of Trustees.

16. Savings Provision

Any member who retires after December 31, 1954 on a Normal Limited, Early, or Disability Pension, shall receive a pension not less than the maximum amount payable to any member who retired before January 1, 1955 for an equal period of service, including all increases of the pension of such previously retired member becoming effective after December 31, 1954.

17. Proportionate Annuity

At age 65 or under a mandatory retirement statute. Annuity determined as for Normal Retirement based on service prior to termination.

18. Combined Service

Service totaling 10 or more years in any Minnesota funds with the same provision shall be entitled to an annuity from each fund based on their respective service in each fund.

19. Increases to Prior Retirees

Minnesota Statutes Law 1976, Chapter 326 provided increases to certain retirees based on service at retirement and years of retirement. The cost of these increases was provided by an appropriation from the general fund in the State Treasury.

20. Bonus Payment

For each year during which investment income of the fund exceeds 5 1/2% of the asset value at the end of the year, a lump sum payment to each retired member and survivor who has received an annuity for at least three years. Amount determined by prorating 1/2% of the asset value by total years of service of eligible annuitants.

Teachers' Retirement Fund Association
St. Paul, Minnesota

COORDINATED DIVISION

SUMMARY OF PLAN
(As Amended Effective July 1, 1978)

1. Name

Teachers' Retirement Fund Association St. Paul, Minnesota.

2. Type of Plan

Self-insured, managed by a Board of Trustees consisting of the Chairman of the Board of Independent School District Number 625 and nine others elected by and from members of the Teachers' Association.

3. Employers Included

Board of Education - City of St. Paul.

4. Employees Included

All employees regularly appointed to the St. Paul Public Schools in a position covered by a certificate issued by the Minnesota State Department of Education who either elected coverage under Section 218 of the Social Security Act, or were automatically so covered.

5. Service Considered for Benefits

All periods of service for which salary deductions were made or for which payments in lieu of salary deductions were deposited including military, governmental, outside, and previous St. Paul service, and service during sabbatical leave. After June 30, 1974, St. Paul Service for part-time teachers is granted on a proportional basis of actual duty days to the agreed number of annual duty days. Years of service credited prior to May 31, 1976, shall not be recomputed.

6. Earnings Considered

Annual total salary. Average salary based on the five successive years of St. Paul Service which produces the highest average. For any member employed on a part-time basis during any of the five years, the average is computed on the basis of the amount earned in the time required to complete one full year of service.

7. Employer Contributions

Based on Contribution Requirements set by State Teachers' Retirement Association excluding Social Security taxes.

8. Employee Contributions

Four and one half percent of annual total salary including salary otherwise payable to a member on sabbatical leave.

If an employee elects to purchase eligible outside service, he may do so pursuant to Article IV, Section 2, Paragraph 2(d) of the Articles of Incorporation and By-Laws as amended effective June 1, 1978.

9. Normal Retirement Benefit

Age 65 and completion of 10 years of service or after attainment of age 62 and completion of 30 years of service.

Pension equal to 1% of average salary for each of the first 10 years of accredited service, plus 1 1/2% of average salary for each year of accredited service in excess of 10 years; such accredited service limited to a maximum of 40 years.

10. Early Retirement Benefit

After completion of 30 years of service or attainment of age 55 and completion of 10 years of service. Annuity determined as for Normal Retirement considering service and earnings to actual retirement. For member with less than 30 years of service, annuities are reduced by 1/2% per month for each month under age 65 and by 1/4% per month for each month under age 60. For member with 30 years of service, annuities are reduced by 1/2% per month for each month under age 62 and by 1/4% per month for each month under age 60.

11. Disability Benefit

In the event of total and permanent disability after completion of 10 years of service or attainment of age 50 and completion of five years of service, with average salary of at least \$75 per month.

The benefit is computed as for Normal Retirement considering average salary and accredited service at time of disability. Disability recipients automatically assume retirement status to age 65 with the right to choose a life annuity equal to their disability benefit or to choose an optional annuity plan with provisions for payment to beneficiaries.

12. Deferred Vested Benefit

In the event of termination after completion of 10 years of service. Annuity determined as for Normal Retirement payable at

minimum retirement age, augmented by interest compounded annually at the rate of 5% until January 1, 1981 and thereafter at the rate of 3%.

13. Death Benefit

Active

After completion of 30 years of service or attainment of age 55 and completion of 20 years of service a member may elect a joint and survivor annuity payable to the beneficiary in the event of death prior to retirement.

Retired

Upon retirement a member may elect an optional annuity to provide a reduced pension payable for life and survivor benefit to a contingent annuitant.

14. Cash Refund of Dues

Upon termination or death of an active member prior to eligibility for any other pension, the full amount of his dues will be returned to him or to his beneficiary.

15. Proportionate Annuity

At age 65 or under a mandatory retirement statute. Annuity determined as for Normal Retirement based on service prior to termination.

16. Combined Service

Service totaling 10 or more years in any Minnesota funds with the same provision shall be entitled to an annuity from each fund based on their respective service in each fund.

17. Optional Annuity Plans

In lieu of lifetime monthly annuity, a member may elect to convert his pension into an actuarially equivalent optional pension in the form of a 100% joint and survivor benefit, 50% joint and survivor benefit, 15 years' certain and life benefit or a guaranteed refund benefit.

18. Bonus Payment

For each year during which investment income of the fund exceeds 5 1/2% of the asset value at the end of the year, a lump sum payment to each retired member and survivor who has received an annuity for at least three years. Amount determined by prorating 1/2% of the asset value by total years of service of eligible annuitants.

ACTUARIAL ASSUMPTIONS

Teachers' Retirement Fund Association
St. Paul, Minnesota

STATEMENT OF ACTUARIAL ASSUMPTIONS

Based on the experience analysis through December 31, 1975, the following assumptions have been used in determining the actuarial liabilities of the Fund:

Interest:	5% per annum, compounded annually.
Mortality:	Group Annuity Table for 1951 projected through 1965. See following tables.
Retirement Age:	Age 65.
Disability:	See following tables.
Separation:	See following tables.
Salary Scale:	3-1/2% per annum, compounded annually. See following tables.

A detailed statement of the mortality rates, disability rates, turnover rates and salary progression is set forth on the following pages.

Teachers' Retirement Fund Association
St. Paul, Minnesota

MORTALITY RATES

(Per 1,000 Employees)

Male Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.517	45	3.002
21	.537	46	3.409
22	.558	47	3.856
23	.581	48	4.344
24	.607	49	4.869
25	.636	50	5.429
26	.667	51	6.027
27	.703	52	6.656
28	.742	53	7.321
29	.784	54	8.019
30	.831	55	8.751
31	.884	56	9.514
32	.941	57	10.312
33	1.005	58	11.154
34	1.074	59	12.057
35	1.152	60	13.043
36	1.237	61	14.143
37	1.331	62	15.390
38	1.435	63	16.828
39	1.550	64	18.504
40	1.677	65	20.475
41	1.838		
42	2.054		
43	2.322		
44	2.639		

Teachers' Retirement Fund Association
St. Paul, Minnesota

MORTALITY RATES

(Per 1,000 Employees)

Female Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.311	45	1.672
21	.330	46	1.819
22	.349	47	1.980
23	.369	48	2.158
24	.392	49	2.355
25	.415	50	2.574
26	.439	51	2.783
27	.466	52	3.016
28	.496	53	3.277
29	.527	54	3.570
30	.561	55	3.898
31	.597	56	4.278
32	.637	57	4.727
33	.681	58	5.253
34	.728	59	5.867
35	.780	60	6.572
36	.836	61	7.369
37	.898	62	8.258
38	.966	63	9.232
39	1.040	64	10.284
40	1.122	65	11.402
41	1.213		
42	1.311		
43	1.420		
44	1.540		

Teachers' Retirement Fund Association
St. Paul, Minnesota

DISABILITY RATES

(Per 1,000 Employees)

All Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.70	45	1.62
21	.71	46	1.76
22	.72	47	1.91
23	.73	48	2.07
24	.74	49	2.23
25	.75	50	2.40
26	.76	51	2.60
27	.78	52	2.86
28	.80	53	3.18
29	.82	54	3.56
30	.84	55	4.00
31	.86	56	4.59
32	.88	57	5.34
33	.90	58	6.10
34	.93	59	7.20
35	.96	60	8.43
36	.99	61	9.75
37	1.03	62	11.30
38	1.07	63	13.05
39	1.11	64	14.90
40	1.15		
41	1.20		
42	1.27		
43	1.36		
44	1.48		

Teachers' Retirement Fund Association
St. Paul, Minnesota

SEPARATION RATES

(Per 1,000 Employees)

Male Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	191	40	25
21	177	41	23
22	163	42	21
23	149	43	19
24	135	44	17
25	122	45	16
26	112	46	16
27	102	47	15
28	92	48	14
29	83	49	13
30	74	50	12
31	67	51	12
32	61	52	11
33	55	53	11
34	49	54	10
35	43	55	9
36	39	56	7
37	35	57	5
38	31	58	3
39	28	59	1

Teachers' Retirement Fund Association
St. Paul, Minnesota

SEPARATION RATES

(Per 1,000 Employees)

Female Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	275	40	80
21	271	41	72
22	267	42	64
23	263	43	56
24	259	44	49
25	255	45	42
26	247	46	37
27	239	47	32
28	231	48	27
29	222	49	23
30	213	50	19
31	199	51	16
32	185	52	14
33	171	53	12
34	157	54	10
35	142	55	8
36	129	56	6
37	116	57	4
38	104	58	2
39	92	59	1

Teachers' Retirement Fund Association
St. Paul, Minnesota

EARNINGS PROGRESSION

All Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.2127	45	.5026
21	.2201	46	.5202
22	.2278	47	.5384
23	.2358	48	.5572
24	.2440	49	.5767
25	.2526	50	.5969
26	.2614	51	.6178
27	.2706	52	.6394
28	.2800	53	.6618
29	.2898	54	.6849
30	.3000	55	.7089
31	.3105	56	.7337
32	.3213	57	.7594
33	.3326	58	.7860
34	.3442	59	.8135
35	.3563	60	.8420
36	.3687	61	.8714
37	.3817	62	.9019
38	.3950	63	.9335
39	.4088	64	.9662
40	.4231	65	1.0000
41	.4380		
42	.4533		
43	.4692		
44	.4856		