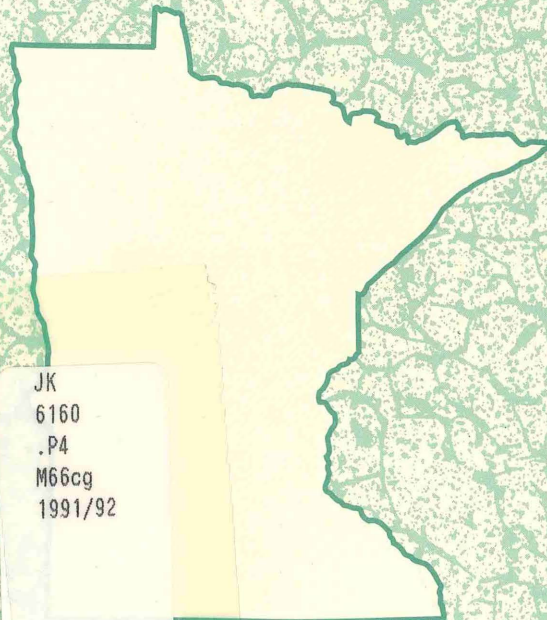


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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 1992



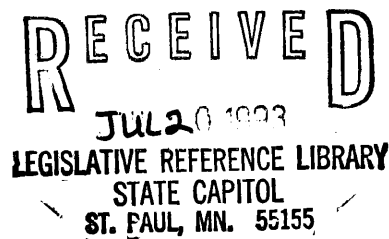
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Pursuant to MS 356.20

Minnesota State Retirement System

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE MINNESOTA STATE RETIREMENT SYSTEM

July 1, 1991 – June 30, 1992



David Bergstrom
Executive Director
Minnesota State Retirement System
175 West Lafayette Frontage Road, Suite 300
St. Paul, MN 55107-1425

Prepared by:
MSRS, Finance and Systems Division
Minnesota State Retirement System
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1992



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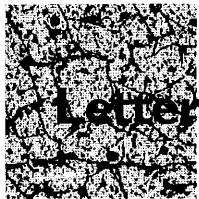
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INTRODUCTORY SECTION



Letter of Transmittal



December 1, 1992

Board of Directors
Minnesota State Retirement System
175 W. Lafayette Frontage Road, Suite 300
St. Paul, MN 55107-1425

Dear Directors:

We are pleased to present this Comprehensive Annual Financial Report of the Minnesota State Retirement System (MSRS) for the fiscal year ended June 30, 1992. We currently administer 11 plans, covering 54,000 active employees, 16,000 retirees, and 3,000 members no longer contributing but eligible for future monthly benefits.

The information contained in this report is the responsibility of the management of the Minnesota State Retirement System. We feel the data in this report is accurate and provides a complete disclosure of the financial status of the various funds administered by MSRS.

This report is comprised of four sections as follows:

- | | |
|-------------------------|------------------------|
| 1) Introductory Section | 3) Actuarial Section |
| 2) Financial Section | 4) Statistical Section |

Accounting Systems and Reports

This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standard Board. These financial statements also comply with reporting requirements established under Minnesota Statutes, Section 356.20.

Internal accounting controls have been developed to reasonably ensure the reliability of all financial records and adequately safeguard assets.

Transactions of the General Employees Retirement Plan, State Patrol Plan, Correctional Plan, Judges Plan, Elective State Officers Plan, Legislators Plan, Military Affairs Plan, Transportation Pilots Plan, Unclassified Plan, and the Deferred Compensation Plan are reported on the accrual basis of accounting.

Revenues

The revenues needed to finance retirement benefits are accumulated through the collection of employer and member contributions, and through income on investments. Income for FY 92 totaled \$488 million, representing an increase of 38% over revenues generated in FY 91.

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The outstanding performance of the stocks and bonds fueled the majority of the revenue increase. A total rate of return of over 14% generated \$351 million of income and accounted for 72% of the revenue growth. Employer and Employee contributions totaling \$137 million comprised the remaining revenue.

The statutory contribution rate to the General Employees Retirement Plan was lowered effective May 1, 1992. The employee contribution rate was lowered from 4.12 to 3.99 percent, while the employer contribution rate was trimmed from 4.29 to 4.12 percent.

Expenses

The primary expense of a retirement system is the payment of monthly benefits to retirees, survivors and disabled persons, and lump sum refunds of employee contributions and interest paid to terminated members. Administrative expenses, exclusive of investment expense, are approved by the Board of Directors and represent only 1.9% of total expenses. In 1992, expenses totaled \$129 million, an increase of 8.4% over the previous fiscal year.

Total revenues of \$488 million exceeded expenses by \$360 million during 1992.

Investments

Assets of the MSRS Funds are invested by the State Board of Investment (SBI) which is comprised of five constitutional officers; the Governor, Attorney General, Secretary of State, State Auditor and State Treasurer. Members of the SBI are subject to the prudent person rule and standards detailed in Minnesota Statutes, Chapter 11A.

A 17-member Investment Advisory Council (IAC) provides advice to the SBI on investment policy. Investment consultants are also hired to monitor and evaluate the investment performance of the various firms investing funds.

Pension assets of the Minnesota State Retirement System are pooled with the assets of the other statewide retirement funds. The SBI divides assets into two components. Assets of retired employees are invested in the Minnesota Post Retirement Investment Fund. All other assets, mainly assets of members actively contributing to MSRS, are invested in the "Basic Retirement Fund."

The goal of the Basic Retirement Fund is to finance future retirement benefits. Minnesota Statutes, Section 356, – sets the actuarial assumed rate of return at 8.5 percent. Over a five year period, the Basic Retirement Funds are expected to outperform the median fund of public and private funds with a similar asset allocation and to outperform a composite of market indices that corresponds to the asset allocation of the funds. Over a ten year period, the Basic Funds are expected provide rates of return 3-5 percentage points over the rate of inflation. The following asset allocation has been established to meet these objectives.

The rate of return of the Basic Fund was 14.5 percent in 1992.

At the time of retirement, assets sufficient to pay monthly benefits for a retiree's lifetime are transferred from the Basic Retirement Fund to the Post Retirement Fund with the expectation that these funds will earn at least 5 percent from interest, dividends, and net gain/loss from the sale of securities (realized earnings). The goal of the Post Retirement Fund is to provide income to pay benefits plus generate additional realized earnings of 3% or more to provide annual increases to eligible retirees. The asset mix of the Post Fund at the end of fiscal year 1992 is as follows:

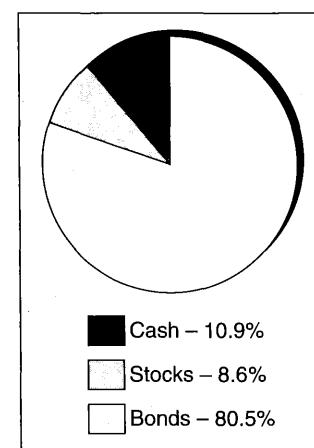
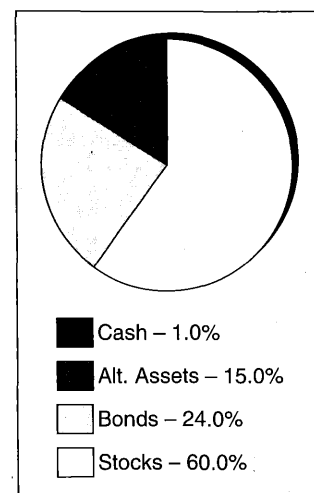
This asset mix generated 9.553% realized earnings in fiscal year 1992 and will permit a 4.553% benefit increase to retirees effective January 1, 1993.

Funding

The overall objective of any retirement system is to fund current and future benefit payments. An adequate funding level gives participants assurance that their future pension benefits are secure.

The funding ratios of each of the retirement funds administered by MSRS can be found on pages 48 to 49. As of June 30, 1992, the assets, liabilities, and funding ratio of each fund was as follows:

Liabilities	Assets	(in thousands)	
		Funding	Ratio
State Employees Retirement Fund	3,122,536	2,613,472	83.70%
State Patrol Retirement Fund	233,656	222,314	95.15%
Correctional Employees Retirement Fund	123,515	121,051	98.01%
Judges Retirement Fund	85,198	37,768	44.33%
Legislators Retirement Fund	33,224	15,160	45.63%
Elective State Officers Retirement Fund	2,380	334	14.03%



The actuarial funding method used by MSRS is the entry age normal with level contributions as a percent of payroll. Actuarial requirements are governed by Minnesota Statutes, Section 356.215.

All prefunded defined benefit plans administered by MSRS are targeted to reach full funding by the year 2020. The progress toward reaching this full funding goal can be found on page 27.

Review of Operations and Activities of 1992

Management of MSRS is vested in an 11-member Board of Directors. In April 1992, a Board of Directors election was held. Francis Marshall was re-elected and Mary Benner was elected by the employees of the General Employees Retirement Plan to serve four-year terms. Kenneth Yozamp was re-elected to a four-year term as the Correctional Plan representative, and John Johnson was reappointed to a four-year term as the Metropolitan Transit Commission (MTC) employees representative. Robert Whitaker was re-elected as the retiree representative for two years.

The System moved its offices in September 1991 to the Minnesota State Bank Building, 175 West Lafayette Frontage Road, St. Paul, MN 55107-1425. The move allowed implementation of expanded computer capabilities. Each employee was set up with a personal computer to more efficiently access data to facilitate completion of duties. In addition, phone lines were added to improve responsiveness to our membership.

A single, networked, word processing system was implemented to eliminate many separate systems. This change allowed us to develop computer generated letters which will help us respond with individualized information in a more timely manner. The integrated system will allow future capabilities to correspond with active employees and benefit recipients.

As always, many smaller projects were completed to increase financial controls and improve administrative capabilities. As we move into the future, we will continue to enhance our products and our services.

Professional Services

The FY 92 actuarial valuation of the MSRS Fund was completed by Milliman & Robertson, Inc in October 1992. This valuation was reviewed and additional actuarial services were provided by Deloitte and Touche.

The State's Legislative Auditor conducted an independent audit of the MSRS financial statements. The comments of the Auditor can be found on page 16. Legal counsel is provided by the State's Attorney General. Investments are handled by the State Board of Investment.

The Deferred Compensation Program offers investment opportunities with two insurance companies, Minnesota Mutual/Northwestern National Life and Great West. In addition, Ochs Services and National Benefits are contracted to provide administrative services for the Deferred Compensation Program.

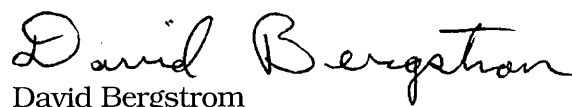
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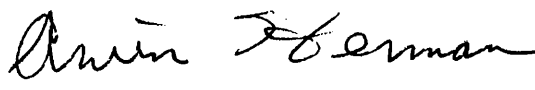
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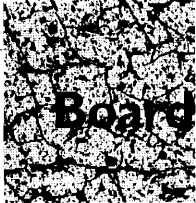
This report is intended to provide complete and reliable information as a basis for making management decisions and determining compliance with legal and fiduciary requirements. A summary will be published in the next issue of the MSRS MESSENGER and retiree NEWSLETTER.

We would like to express thanks to the staff, Board of Directors, and other associates who worked diligently to ensure the successful operation of MSRS in 1992.

Respectfully submitted,


David Bergstrom
Executive Director


Arvin Herman
Assistant Director



Board Chair's Report

December 1, 1992



TO: All Members, Benefit Recipients, and Employers:

The 1992 Comprehensive Annual Financial Report of the Minnesota State Retirement System (MSRS) presents a detailed view of the financial and actuarial status of your retirement system. As of June 30, 1992, the MSRS funds had a combined total of \$3.8 billion in assets, a growth of \$481 million or a 14.6 percent increase over the previous year. This overall growth was largely attributable to an excellent return on investments.

The Board is dedicated to preserving the financial integrity of the System, which is important to all plan participants and the State of Minnesota. During difficult economic times, the assets of the State's pension system can appear to be an attractive way to reduce budget deficits. This past year, the employee and employer contributions to the General Employees Retirement Plan were reduced as part of the State's deficit reduction package. However, the contribution will increase slightly on January 1, 1993, to keep us on track to reach full funding by the target date of 2020. Based on projections, it appears that serious budget shortfalls in Minnesota will continue for at least the next several years. The Board will closely monitor any proposals that may adversely impact our funding.

The Board is also committed to offer a high level of service to provide the information you need to make important retirement decisions. A toll-free number has been added to make calling more convenient, and efforts are under way to improve communications with hearing or visually impaired participants. Each of you is encouraged to call our office if you have questions about your specific account or the System in general.

In closing, the Board and I extend our thanks for your support and interest during the past year. With your involvement, MSRS continues to be a leader in state employee retirement systems.

Sincerely,

F. C. Marshall, Chair
MSRS Board of Directors

Administrative Organization – June 30, 1992

Minnesota State Retirement System Board Of Directors

Francis C. Marshall, Chair
Department of Transportation
Room 419 Transportation Bldg.
St. Paul, MN 55155
Telephone: (612) 296-3420
Term: May 4, 1992 – May 6, 1996
Elected – State Employee

Kenneth Yozamp, Vice-Chair
Department of Corrections
Minnesota Correctional Facility
Box B
St. Cloud, MN 56302
Telephone: (612) 255-5000
Term: May 5, 1992 – May 6, 1996
Elected – Correctional Plan Member

Dana Badgerow
Department of Administration
2nd Floor, Administration Bldg.
50 Sherburne Avenue
St. Paul, MN 55155
Telephone: (612) 296-3862
Term: April 7, 1991 – January 2, 1995
Appointed – State Official

Otto T. Bang
American Agency, Inc.
5851 Cedar Lake Road
St. Louis Park, MN 55416
Telephone: (612) 593-8703
Term: April 7, 1991 – January 2, 1995
Appointed – Public Member

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Mary Benner
Dept. of Trade & Econ. Development
900 American Center Bldg.
150 E. Kellogg Blvd.
St. Paul, MN 55101
Telephone: (612) 296-8897
Term: May 4, 1992 – May 6, 1996
Elected – State Employee

Mel Hansen
4505 – 28th Avenue South
Minneapolis, MN 55406
Telephone: (612) 722-2182
Term: January 2, 1989 – January 4, 1993
Appointed – Public Member

Richard K. Hull
Minnesota State Patrol, Dist. 2400
3489 Hadley Avenue North
Oakdale, MN 55128
Telephone: (612) 779-5900
Term: March 5, 1990 – May 2, 1994
Elected – State Patrol Member

John Johnson
Metropolitan Transit Commission
312 Central Avenue, Suite 438
Minneapolis, MN 55414
Telephone: (612) 779-1254
Term: May 4, 1992 – May 6, 1996
Appointed – MTC Designate

Luther Thompson
Department of Public Service
American Center Building
150 E. Kellogg Blvd.
St. Paul, MN 55101
Telephone: (612) 296-1065
Term: March 5, 1990 – May 2, 1994
Elected – State Employee

Robert A. Whitaker
1303 Watson Avenue
St. Paul, MN 55116
Telephone: (612) 298-3315
Term: March 5, 1990 – March 2, 1992
Elected – Retired State Employee

Allen D. Willie
University of Minnesota
1919 University of Minnesota
St. Paul, MN 55104
Telephone: (612) 625-5898
Term: March 5, 1990 – May 2, 1994
Elected – State Employee

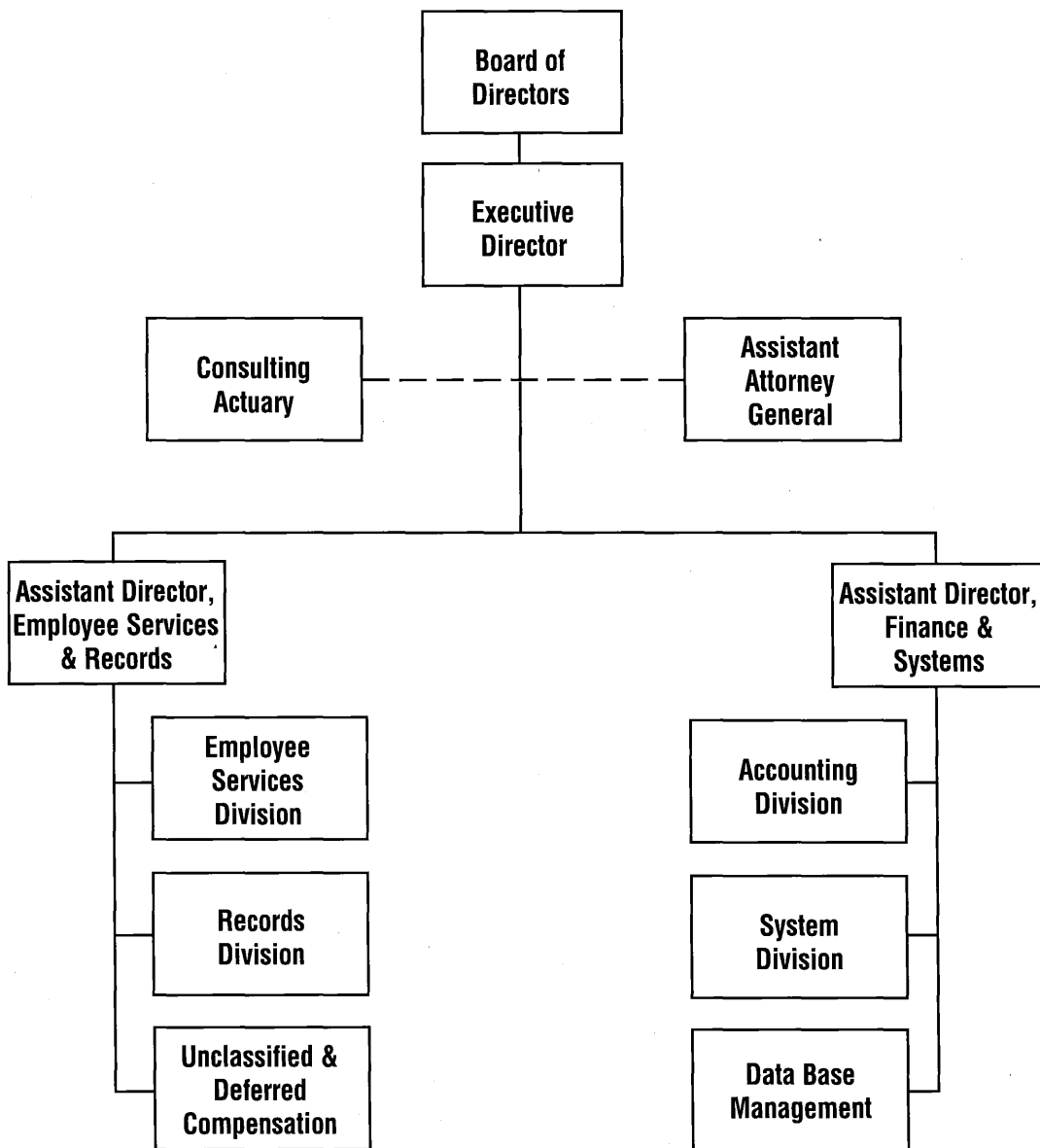
Administrative Staff

Executive Director: David Bergstrom
Assistant Directors:
Douglas Mewhorter, Employee Services & Records
Arvin L. Herman, Finance & Systems

Professional Consultants

Legislative Actuary: Milliman & Robertson, Inc.
Consulting Actuary: Deloitte & Touche
Legal Counsel: Special Assistant Attorney General,
Jon Murphy
Medical Advisor: Minnesota Department of Health

Minnesota State Retirement System Organization Chart – June 30, 1992





Summary Of Retirement Plans

Purpose

The Minnesota State Retirement System was established by the State Legislature in 1929 to provide retirement benefits to state employees. The System currently administers seven defined benefit plans and two defined contribution plans for most state employees and selected other public employees.

Administration

The administration of the System is governed by an eleven member Board of Directors. The Board includes four elected General Plan members, one elected State Patrol plan member, one elected Correctional Plan member, one elected retired member, one designated Metropolitan Transit Commission employee and three members appointed by the Governor.

The management of the System is vested with the Executive Director who administers the plans in accordance with Minnesota Law and the policies of the Board. The following is a description of plans included in this report.

Defined Benefit Plans

General Employees Plan

- (a) Coverage and Contributions – Most state employees, and selected metropolitan agency employees. Contributions are 3.99% employee and 4.12% employer.
- (b) Benefit Formula
 - 1% of high five year salary for first 10 years plus 1.5% for each year over 10 with subsidized early retirement adjustment.
 - or, 1.5% for all years of service with actuarial equivalent early retirement reduction.
- (c) Retirement age and years of service
 - Age 65 with one year service – no reduction.
 - Age 62 with 30 years service – no reduction.
 - Rule of 90 – no reduction.
 - Age 55 with 3 years service – reduced from age 65.
 - At any age with 30 years service – reduced from age 62.
 - Total and permanent disability with 3 years service.
- (d) Surviving Spouse Benefit
 - If employee was at least age 50 with 3 years of service at death, generally, the spouse is eligible for a 100% joint and survivor annuity starting when the employee would have attained age 55, or a refund.
- (e) Refunds
 - Contributions with 6% interest.
- (f) Annuity and Disability Options
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.
 - 15 year period certain and life thereafter.

Military Affairs and Transportation Pilots Plans

Provisions different from General Plan.

- (a) Coverage and Contributions
 - Employees required to retire from federal military status at age 60 or 62 and pilots. Contributions are 5.59% employees and 5.72% employers.

- (b) Retirement Age and Years of Service
 - Age 60, 62 for pilots, with at least 3 years of service – no reduction.
- (c) Disability
 - Unable to perform job disability with 5 years service.
 - Formula as General Plan with no reduction.
 - Pilots are entitled to 75% of salary for maximum of 5 years.

State Patrol Retirement Plan

- (a) Coverage and Contributions
 - State of Minnesota state troopers, conservation officers and crime bureau officers. Contributions are 8.5% employee and 14.88% employer.
- (b) Benefit Formula
 - 2.5% of high five successive years salary for each year of service.
- (c) Retirement Age and Years of Service
 - Age 55 with 3 years of service – no reduction.
 - Age 50 with 3 years service – reduced from age 55.
 - Disability same as Correctional Officers Plan.
- (d) Survivor Benefits
 - Death of member in service – spouse gets 20% of final average salary. With 10 or more years of service, changes to a 100% joint and survivor annuity amount as of the date the employee would have attained age 55.
 - Children get 10% of final average salary per child plus \$20 per month prorated equally to such children until age 18 or 23 if a student, or until married. Total benefit limited to 40% of final average salary.
 - Refund with 6% interest if no survivor benefit payable.
- (e) Refunds
 - Contributions with 6% interest.
- (f) Annuity and Disability Option
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.

Correctional Employees Plan

Provisions different from General Plan

- (a) Coverage and Contributions
 - State employees who have direct contact with inmates at Minnesota Correctional Facilities. Contributions are 4.9% employee and 6.27% employer.
- (b) Benefit Formula
 - 2.5% of high five year average salary for each year of service to a maximum of 75%, payable for 84 months or until age 65, then reverts to General Plan formula.
- (c) Retirement Age and Years of Service
 - Age 55 with 3 years service
 - Age 50 with 3 years service, reduced from age 55.
 - Unable to perform job disability with 3 years service.
 - If disability is job related, benefit is equal to 50% of high five average salary plus 2.5% for each year in excess of 20.

Judges Retirement Plan

(a) Coverage and Contributions

- All Minnesota District, Appellate and Supreme Court Judges. Judges not covered by Social Security pay 8.15%. Judges covered by Social Security pay 6.27%. Employer contributions are 22%.

(b) Benefit Formula

- 2.5% of high five years average salary within the last 10 years of service for each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980.

(c) Retirement Age and Years of Service

- Age 70 with 1 year service – no reduction.
- Age 65 with 5 years service – no reduction.
- Age 62 with 5 years service – reduced from age 65.

(d) Disability

- Unable to perform the duties.
- Continuation of full salary for one year, then as computed under the formula with no reduction, subject to minimum of 25% of high five year salary.

(e) Survivor Benefits

- Spouse eligible for 60% of normal annuity subject to a minimum of 25% of final average salary.

(f) Refunds

- Contributions with 5% interest.

(g) Annuity and Disability Options

- 100% joint and survivor, with or without bounce back.
- 50% joint and survivor, with or without bounce back.
- 10 year certain and life thereafter.
- 15 year certain and life thereafter.

General Fund Plans*Legislators Retirement Plan*

(a) Coverage and Contributions

- All Legislators. Contributions are 9% employee and as needed from general fund appropriation for employer.

(b) Benefit Formula

- 2.5% of high five year average salary.

(c) Retirement Age and Years of Service

- Age 62 with 6 years of service – No reduction.
- Age 60 with 6 years of service – Reduced from age 62.

(d) Survivor benefits

- Spouse gets 50% of benefit.
- First child gets 25%, the next two children get 12.5% for a maximum of 100% of member benefit.

(e) Refunds

- Contributions with 6% interest.

Elective Officers Plan

(a) Coverage and Contributions

- Elected Constitutional Officers. Contributions are 9% employee and as needed from general fund appropriation for employer.

- (b) Benefit Formula
 - 2.5% of high five year average salary.
- (c) Retirement Age and Years of Service
 - Age 62 with 8 years of service – No reduction.
 - Age 60 with 8 years of service – Reduced from age 62.
- (d) Survivor benefits
 - Spouse gets 50% of benefit.
 - First child gets 25%, the next two children get 12.5% for a maximum of 100% of member benefit.
- (e) Refunds
 - Contributions with 6% interest.

Defined Contribution Plan

Unclassified Employees Plan

- (a) Coverage and Contributions
 - Certain specified employees of the State of Minnesota in unclassified positions. Contributions are 4% employee and 6% employer.
- (b) Benefits
 - Withdrawal of account balance or annuity benefit based on age and 5% interest assumption.
- (c) Retirement Age and Years of Service
 - Age 55 with any length of service.
- (d) Refunds
 - Value of account.
- (e) Annuity and Disability Option
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.
 - 50% year period certain.

Agency Fund Plan

Deferred Compensation Plan – IRS Code 457

- (a) Coverage and Contributions
 - Optional for all State employees and employees of political subdivisions. Contributions are tax deferred with a \$10 per pay period minimum and a maximum of 25% of gross taxable compensation or \$7,500 maximum.
- (b) Investment Selection
 - Minnesota Supplemental Investment Fund
 - Income Share Account.
 - Growth Share Account.
 - Money Market Account.
 - Common Stock Index Account.
 - Fixed Interest Account.
 - Bond Market Account
 - Minnesota Mutual Life Insurance Company
 - Fixed annuity contract.
 - Variable annuity contract with stock, bond, money market, managed, mortgage securities and index accounts.

- Great West Life Assurance Company
 - Daily Interest Guarantee Fund.
 - Guaranteed Certificate Fund – 30, 60 and 84 month.
 - Growth Fund.
 - Bond Fund.
 - Money Market.

(c) Withdrawal Events

- Termination of service or death.
- Unforeseenable emergency.

(d) Withdrawal Options

- Minnesota Supplemental Investment Fund
 - Lump sum.
 - Lump sum purchase of a fixed or variable annuity contract from insurance company.
 - Monthly installment over a period specified.
- Insurance Companies
 - The life of the participant.
 - The life of the participant or a period certain, whichever is greater.
 - The joint lifetime of the participant and a named beneficiary.
 - Term certain payment.

These summary plan descriptions are not intended to be all inclusive, they are provided for general information purposes only.

Minnesota State Retirement System

FINANCIAL SECTION



Independent Auditor's Report

Members of the Board and
Executive Director
Minnesota State Retirement System

We have audited the accompanying financial statements of the Minnesota State Retirement System and the combining and individual fund financial statements of the system as of and for the year ended June 30, 1992, as presented in the financial section of this report. These financial statements are the responsibility of the system's management. Our responsibility is to express an opinion on these financial statements based on our audit.


We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

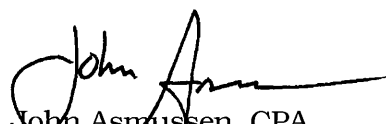
As explained in Note 2, investments are valued at cost or amortized cost as required by generally accepted accounting principles. Minnesota statutes require valuation of all securities at cost plus one-third of unrealized capital gains or losses. Since the statutory provision deviates from generally accepted, accounting principles, the basic statements are not in compliance with the statute. Note 9 contains the disclosures which must be considered together with the basic financial statements to achieve statutory reporting requirements.

In our opinion, the financial statements referred to above present fairly, in all material, respects, the financial position of the Minnesota State Retirement System at June 30, 1992, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of the individual funds of the Minnesota State Retirement System at June 30, 1992, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles. In addition, except for the valuation of securities, as discussed in the preceding paragraph, the aforementioned financial statements are in compliance with the reporting requirements of Minn. Stat. Section 356.20.

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Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole and on the combining and individual fund financial statements. The supplemental schedule of administrative expenses, which is the responsibility of the system's management is presented for purposes of additional analysis and is not a required part of the financial statements of the Minnesota State Retirement System. The information has been subjected to the auditing procedures applied in the audit of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the respective individual funds taken as a whole.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

November 20, 1992



Combined Balance Sheet

June 30, 1992
(In Thousands)

	Defined Benefit Funds	Defined Contribution Fund Unclassified Retirement Fund	Agency Fund Deferred Compensation Fund	Memorandum Only	
				1992 Totals	1991 Totals
ASSETS:					
Cash	\$ 168	\$ 50	\$ 9	\$ 227	\$ 215
Short term investments (at cost)	31,729	671	1,604	34,004	50,665
Accounts receivable:					
Member contributions	2,539	91	2,069	4,699	3,761
Employer contributions	2,318	137	0	2,455	2,122
Other	9	2	68	79	69
Accrued Interest	63	0	0	63	8
Due from MPRI fund	1	0	0	1	1,182
Due from other plans	402	49	0	451	316
Due from other funds	42	0	0	42	38
Fixed Investments (at cost)	535,850	0	0	535,850	417,652
Equity Investments (at cost)	1,233,556	0	0	1,233,556	1,099,837
Deposits with Insurance Companies	0	0	509,607	509,607	410,421
Fixed Assets	210	0	0	210	93
Nondedicated Member Deposits	5,308	0	0	5,308	4,767
Restricted Assets	1,160,237	91,664	195,466	1,447,367	1,299,657
Total Assets	\$2,972,432	\$ 92,664	\$ 708,823	\$3,773,919	\$3,290,803
LIABILITIES:					
Accounts Payable					
Accrued expenses	\$ 886	\$ 0	\$ 13	\$ 899	\$ 392
Deferred Revenue	10	0	0	10	15
Due to MPRI fund	2,101	0	0	2,101	2,319
Due to other plans	366	47	39	452	315
Member Deferred Compensation	0	0	708,771	708,771	587,253
Total Liabilities	\$ 3,363	\$ 47	\$ 708,823	\$ 712,233	\$ 590,294
FUND BALANCE:					
MPRI Fund reserve	\$1,160,237	\$ 0	\$ 0	\$1,160,237	\$1,043,795
Member reserve	479,811	92,617	0	572,428	522,013
NonMPRI Fund reserve	28,579	0	0	28,579	26,750
State reserve	1,931,881	0	0	1,931,881	1,819,593
Total Required Reserves	\$3,600,508	\$ 92,617	\$ 0	\$3,693,125	\$3,412,151
Unfunded accrued liability (at cost)	(631,439)	0	0	(631,439)	(711,642)
Total Fund Balance	\$2,969,069	\$ 92,617	\$ 0	\$3,061,686	\$2,700,509
Total Liabilities and Fund Balance	\$2,972,432	\$ 92,664	\$ 708,823	\$3,773,919	\$3,290,803

See notes to Financial Statements.

Combined Statement of Revenues, Expenses and Changes in Fund Balance

Year Ended June 30, 1992
(In Thousands)

		Defined Contribution Fund	Memorandum Only	
	Defined Benefit Funds	Unclassified Retirement Fund	1992 Totals	1991 Totals
OPERATING REVENUES:				
Member contributions	\$ 65,217	\$ 0	\$ 65,217	\$ 63,249
Employer contributions	71,814	0	71,814	65,542
General Fund revenues	711	0	711	7,829
Investment income	202,566	61	202,627	101,554
MPRI Fund income	96,599	0	96,599	92,647
Gain/Loss on Investments	41,683	9,324	51,007	22,209
Realized and unrealized gains	0	0	0	0
Other income	20	0	20	24
Total Operating Revenues	\$ 478,610	\$ 9,385	\$ 487,995	\$ 353,054
OPERATING EXPENSES:				
Annuity benefits	\$ 114,596	\$ 0	\$ 114,596	\$ 103,854
Refunds	6,820	0	6,820	6,740
Interest on refunds	1,473	0	1,473	1,467
Interest to MPRI Fund	1,179	0	1,179	1,528
Administrative expenses	1,904	210	2,114	2,031
Investment fees	2,343	0	2,343	2,060
Total Operating Expenses	\$ 128,315	\$ 210	\$ 128,525	\$ 117,680
OTHER CHANGES IN RESERVES:				
Member contributions	0	2,956	2,956	2,810
Employer contributions	0	4,203	4,203	4,057
Member withdrawals	0	(5,207)	(5,207)	(2,993)
Transfers to General Fund	(245)	0	(245)	0
Plan transfers	1,605	(1,605)	0	0
Total Other Changes in Reserves	\$ 1,360	\$ 347	\$ 1,707	\$ 3,874
Net Fund Balance Additions	351,655	9,522	361,177	239,248
Fund Balance at June 30, 1991	\$2,617,414	\$ 83,095	\$2,700,509	\$2,461,261
Fund Balance at June 30, 1992	\$2,969,069	\$ 92,617	\$3,061,686	\$2,700,509

See notes to Financial Statements.

Notes to the Financial Statements

1. Description of the System

The Minnesota State Retirement System is the administrator of a multiple-employer, cost-sharing public employee retirement system. It consists of five defined benefit funds, one defined contribution fund and one agency fund. The System is a part of the State of Minnesota's reporting entity and is included with their fiduciary funds. At June 30, 1992, the number of employers contributing to the various funds was:

State of Minnesota	1
University of Minnesota	1
Counties	27
Cities	64
School Districts	112
Other Employers	70
	275

2. Summary of Significant Accounting Policies

(a) Basis of accounting

The basic financial statements were prepared using the accrual basis of accounting in accordance with the National Council of Governmental Accounting, Statement 1, "Governmental Accounting and Financial Reporting Principles".

(b) Investments

Short-term and equity investments are reported at cost. Fixed income securities are reported at amortized cost. Market value at June 30, 1992 was \$2.21 billion. At June 30, 1991, the market value of all investments was \$1.95 billion. Space restrictions make it impractical to print the entire investment portfolio in this report. However, a portfolio list is available upon request.

(c) Risk Categories

Investments are classified according to their level of risk into the following categories:

- 1 – Investments which are insured or registered, or for which the securities are held by the state or its agent in the state's name.
- 2 – Investments which are uninsured or unregistered, and for which the securities are held by a broker or dealer's trust department or agent in the state's name.
- 3 – Same as Category 2 but the securities are not held in the state's name.

(d) Restricted Assets

Restricted assets are the MSRS funds' participation in various investment trust funds administered by the State Board of Investment. For the defined benefit funds, these amounts are invested in the MPRI Fund. For the defined contribution and agency funds, these amounts are invested in the Minnesota Supplemental Investment Fund (MSIF).

(e) Fixed Assets

Fixed assets consist entirely of office equipment and fixtures which were capitalized at historical cost at the time of acquisition. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3-20 years.

(f) *Fund Balance*(1) Employee Reserve

The Employee Reserve is credited with the cumulative employee contributions. Upon retirement these contributions are combined with the necessary state reserve funds and transferred to the MPRI Fund to provide an annuity. Employees who terminate their employment prior to retirement may elect to receive a refund of their contributions plus interest or a deferred annuity.

(2) State Reserve

The State Reserve is credited with all investment earnings and employer contributions. Also included in this reserve is the unfunded accrued liability which is the actuarially determined amount necessary to place the retirement fund on a fully funded basis.

(3) MPRI Fund Reserve

The MPRI Fund Reserve equals the corresponding assets invested in the MPRI Fund, the proceeds from which are used to pay the monthly pension benefits of eligible retirees. This account is adjusted annually to fully fund the actuarial value of benefits remaining.

(4) Non MPRI Fund Reserve

The Non MPRI Fund reserve is the unfunded actuarial value of future benefits to be paid to retirees and beneficiaries who are not eligible to participate in the MPRI Fund.

(g) *Deposits with Insurance Companies*

Deposits with Insurance Companies is the Deferred Compensation Fund combined participant account balances and annuity contracts held by authorized insurance companies.

(h) *Nondedicated Member Deposits*

Member contributions of the Legislative and Elected State Officers Plans are deposited to the general operating revenues of the state. In the event of plan termination, the State Department of Finance and the Legislative Auditor have determined that the State General Fund is legally obligated to repay member contributions. Because of the unlikelihood of this contingency, these amounts have not been appropriated in the State General Fund.

(i) *Actuarial Valuations*

Actuarial valuations and experience studies are performed annually. The entry age normal method, a projected benefit cost method, is used to value the funds with contributions being made as a level percentage of covered employee salaries. A salary scale of 6.5% and interest assumption of 8.5% are prescribed by statute.

3. Capital Equipment

Cost of Equipment and Fixtures	\$325,666
Less: Accumulated Depreciation	(115,221)
Depreciated Cost	\$210,445

4. Cash And Investments(a) *Cash*

MSRS cash is deposited into state treasury accounts. At June 30, 1992 and throughout the fiscal year then ended, these accounts were secured by pledged collateral and deposit insurance to the extent required by Minnesota Statutes.

(b) Investment Policies

Pursuant to Minnesota Statutes, the assets of the MSRS funds are pooled with those of other funds and invested by the State Board of Investment. These investments are restricted to obligations and stocks of the United States and Canadian governments, their agencies and their registered corporations; short-term obligations of specific high quality; and various alternative investments prescribed in statute are limited to 35% of the fund pool.

(c) Investment Risk

All MSRS investments were classified as Risk Category 1.

(d) Investment Values

Market values and costs of investments were as follows (In Thousands):

	Total	State Employees Fund	State Patrol Fund	Correctional Employees Fund	Judges Fund
At Market:					
Short-Term	\$ 31,729	\$ 25,719	\$ 2,740	\$ 1,453	\$ 1,817
Debt Security	550,437	487,503	35,882	25,312	1,740
Pooled Equity	1,342,058	1,188,614	87,486	61,715	4,243
Total	\$1,924,224	\$1,701,836	\$ 126,108	\$ 88,480	\$ 7,800
At Cost:					
Short-Term	\$ 31,729	\$ 25,719	\$ 2,740	\$ 1,453	\$ 1,817
Debt Security	535,850	474,482	34,993	24,625	1,750
Pooled Equity	1,233,556	1,091,978	80,725	56,614	4,239
Total	\$1,801,135	\$1,592,179	\$ 118,458	\$ 82,692	\$ 7,806

5. Minnesota Post Retirement Investment Fund (MPRI Fund)

- (a) MPRI Fund is a joint investment fund for retired members. When members retire, the money required to pay the annuity for the expected life is transferred to the MPRI Fund. Participation in the MPRI Fund is shown as the required reserves as determined by the actuary.
- (b) MPRI Fund income represents the 5% earnings on the required reserves for fiscal year 1992 plus the 1991 income used to pay the January 1992 benefit increase. Income in excess of 5% was distributed according to Minnesota Statutes, Section 11A.18, Subdivision 9.

6. Deferred Compensation Fund

All member contributions to the Deferred Compensation Fund remain the property and responsibility of the participating employers. MSRS is responsible for exercising due care in the administration of the fund.

7. Leases

The office facilities are leased by an agreement through September 30, 1996. Annual rental by fiscal year is as follows:

Fiscal Year 1992	\$133,189
1993	149,377
1994	155,814
1995	162,644
1996	169,278

8. Required Supplemental Information

Ten-year historical trend information designed to provide information about progress in accumulating sufficient assets to pay benefits when due is presented on the pages which follow these notes. For those funds for which certain information was not available, that information which was available has been presented.

9. Actuarial Valuations

Minnesota Statutes require annual actuarial valuations using the entry age normal cost method with an 8.5% interest rate assumption and a 6.5% salary increase assumption. Minnesota Statutes also provide that actuarial valuations include one third of unrealized market value gains or losses. The lower of cost or market is required on the balance sheet. The following shows the unfunded liability with each method.

	Unfunded Liability (In Thousands)	
	Cost Basis	Actuarial Basis
State Employees Retirement Fund	545,616	509,064
State Patrol Retirement Fund	13,892	11,342
Correctional Employees Retirement Fund	4,393	2,464
Judges Retirement Fund	47,478	47,430
Legislative Retirement Fund	18,064	18,064
Elective State Officers Retirement Fund	2,046	2,046

10. Pension Benefit Obligation

The pension benefit obligation is a standardized measure of the actuarial present value of credited projected benefits. It is intended to help statement users to assess the funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The assumptions are the same as those of the statutory method, however the method of computation is different. This valuation is as of June 30, 1992.

	(In Thousands)					
	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislative Retirement Plan	Elective State Officers Retirement Plan
Retirees and beneficiaries receiving benefits and terminated employees not receiving benefits	\$1,041,955	\$ 110,937	\$ 43,501	\$ 44,362	\$ 19,785	\$ 1,457
Current Employees:						
Accumulated employee contribution including allocated investment income	406,921	24,127	15,305	5,586	3,605	227
Employee financed-vested	1,277,495	87,957	45,063	30,009	7,439	516
Employer financed-nonvested	15,907	1,457	1,735	2,426	1,443	68
Total Pension Benefit Obligation	\$2,742,278	\$ 224,478	\$ 105,604	\$ 82,383	\$ 32,272	\$ 2,268
Net assets available for benefits (Cost Basis)	2,576,920	219,764	119,122	37,770	15,160	334
Unfunded (Assets in Excess of) Pension Benefit Obligation	\$ 165,358	\$ 4,714	\$ (13,518)	\$ 44,613	\$ 17,112	\$ 1,934

11. Comparison of Contributions

The contribution rates for each of the defined benefit funds are not actuarially determined but rather are set by statute. These rates are intended to be sufficient to fully fund the actuarial liabilities by the year 2020. Annual reviews are made by the actuary to determine their sufficiency. Comparisons of the actual to the actuarially required contributions are as follows:

	(In Thousands)					
	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislative Retirement Plan	State Officers Retirement Plan
Employee Contributions	\$ 58,478	\$ 2,795	\$ 2,332	\$ 988	\$ 590	\$ 34
as a % of payroll	3.99%	8.50%	4.90%	6.27%	9.00%	9.00%
Employer Contributions	\$ 59,244	\$ 4,893	\$ 2,955	\$ 4,722	\$ 0	\$ 0
as a % of payroll	4.12%	14.88%	6.27%	22.0%	N/A	N/A
Total Contributions Made	\$ 117,722	\$ 7,688	\$ 5,287	\$ 5,710	\$ 590	\$ 34
as a % of payroll	8.11%	23.38%	11.17%	28.27%	9.00%	9.00%
Required Contributions (per actuary)	\$ 108,556	\$ 7,368	\$ 5,033	\$ 5,267	\$ 1,739	\$ 125
as a % of payroll	7.86%	22.58%	10.82%	24.73%	27.67%	33.28%
Funding Surplus (Deficit)	\$ 9,166	\$ 320	\$ 254	\$ 443	\$ (1,149)	\$ (91)

12. Descriptions of Individual Defined Benefit Funds**(a) State Employees Retirement Fund**

The State Employees Retirement Fund includes the General Employees Plan, a multiple-employer, cost-sharing plan, and the Military Affairs and Transportation Pilots Plan, a single-employer plan. Only certain employees of the Departments of Military Affairs and Transportation are eligible to be members of the Military Affairs and Transportation Pilots Plan, but all state employees who are not members of another plan are members of the General Employees Plan.

Membership statistics at June 30, 1992 were as follows:

Members receiving benefits:

Retirees	13,578
Beneficiaries	1,023

Terminated members:

Vested, not receiving benefits	2,769
Non-vested	4,256

Active members:

Vested	38,274
Nonvested	10,940

Total**70,840****Annualized Payroll (06/30/92)****\$1,658,792,000**

Minnesota Statutes, Section 352.04 required that eligible employees contribute 4.15% of their total compensation; with a matching employer contribution of 4.29%. Effective May 6, 1992 these rates were reduced to 3.99% and 4.12%, respectively.

Retirement benefits may be computed by two methods: the step formula and the level formula. Step formula benefits are 1% of the high five year average salary for each of the first ten years plus 1.5% for each year thereafter. It also includes full benefits under the "Rule of 90". In contrast, the level formula does not include the "Rule of 90", benefits are 1.5% of the high five year average salary for all years of service and full benefits are available at the "normal retirement age".

At the time of retirement, members first employed prior to July 1, 1989 will have their benefit computed under the method providing the higher amount. Those employed July 1 or later are only eligible for the level formula method.

(b) *State Patrol Retirement Fund*

The State Patrol Retirement Fund includes only the State Patrol Retirement Plan, a single-employer plan. Membership is limited to only those state employees who are state troopers, conservation officers, or crime bureau officers.

Membership statistics at June 30, 1992 were as follows:

Members receiving benefits:	
Retirees	388
Beneficiaries	109
Terminated members:	
Vested, not receiving benefits	19
Nonvested	3
Active members:	
Vested	694
Nonvested	101
Total	1,314
Annualized Payroll (06/30/92)	\$37,113,000

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 8.50% of their total compensation; the matching employer contribution is 14.88%. Members become eligible for normal retirement benefits upon reaching the age of 55 with a minimum of three years of service. The benefit is 2.5% of the high five year average salary for each year of service.

(c) *Correctional Employees Retirement Fund*

The Correctional Employees Retirement Fund includes only the Correctional Plan, a single-employer plan. Membership is limited to only those state employees who have direct responsibility for inmates at Minnesota correctional facilities.

Membership statistics at June 30, 1992 were as follows:

Members receiving benefits:	
Retirees	380
Beneficiaries	14
Terminated members:	
Vested, not receiving benefits	181
Nonvested	44
Active members:	
Vested	1,085
Nonvested	488
Total	2,192
Annualized Payroll (06/30/92)	\$56,044,000

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 4.90% of their total compensation; the matching employer contribution is 6.27%.

Members become eligible for normal retirement benefits upon reaching the age of 55 with a minimum of three years of service. The benefit is 2.5% of the high five year average salary for each year of service payable for 84 months or until age 65. At age 65 or after 84 months but not before age 62, benefits revert to those of the General Employees Plan.

(d) *Judges Retirement Fund*

The Judges Retirement Fund includes only the Judges Retirement Plan, a single-employer plan. Active membership is limited to Minnesota district, appellate and Supreme Court judges. Retirees also include municipal and county court judges.

Membership statistics at June 30, 1992 were as follows:

Members receiving benefits:	
Retirees	120
Beneficiaries	66
Terminated members:	
Vested, not receiving benefits	4
Nonvested	0
Active members:	
Vested	193
Nonvested	78
Total	461
Annualized Payroll (06/30/92)	\$22,181,000

Minnesota Statutes, Section 490.123 requires that eligible employees covered by Social Security contribute 6.27% of the total compensation, employees not covered by Social Security contribute 8.15%. The matching employer contribution is 22.00% for all employees.

Members become eligible for retirement benefits upon reaching the age of 65 with five years of service, 62 with 5 years of service and a reduced benefit, or mandatory retirement at age 70 and one year of service. The benefit is 2.5% of the high five year average salary within the last 10 years of each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980.

(e) *General Fund Plans*

The General Fund Plans include the Legislators Retirement Plan and the Elective State Officers Plan, both of which are single-employer plans. Members of the Minnesota House of Representatives and Senate are included in the Legislators Retirement Plan; the Elective State Officers Plan includes only the elected constitutional officers.

Membership statistics at June 30, 1992 were as follows:

	Legislators Retirement Plan	Elective State Officers Plan
Members receiving benefits:		
Retirees	132	4
Beneficiaries	46	4
Terminated members:		
Vested, not receiving benefits	120	6
Nonvested	2	0
Active members:		
Vested	112	3
Nonvested	88	3
Total	500	20
Annualized Payroll (06/30/92)	\$6,753,000	\$451,000

Minnesota Statutes, Sections 3A.03 and 352C.09 require that legislators contribute 9.00% of their salary including certain per diem payments and elected officers contribute 9.00% of their salary. Both plans are funded by annual appropriations from the State's General Fund.

Legislators become eligible for full retirement benefits upon reaching the age of 62 with 6 years of service or for a reduced benefit at age 60 with the same service. The benefit is 2.5% per year of service times the high five year average covered compensation, but not to exceed their final annual compensation. The Elective State Officers Plan has the same benefit eligibility requirements except a minimum of eight years of service is required.

13. Defined Contribution Plan

The Unclassified Fund includes only the Unclassified Employees Retirement Plan, a multiple-employer defined contribution plan. Membership is limited to certain specified employees of the State of Minnesota and various other statutorily designated entities. Membership statistics at June 30, 1992 were as follows:

Active members	1,812
Inactive members	570
Annualized Payroll (06/30/92)	\$86,303,000

Minnesota Statutes, Section 352D.01, 12 authorize creation of this plan and specify contribution rates of 4% for the employee and 6% for the employer. Member benefits vest only to the extent of the value of their accounts; i.e., cumulative employee contributions and employer contributions plus investment income less administrative expenses. Retirement and disability benefits are available through conversion, at the member's option, to the General Employee Plan, provided they have at least ten years of service.

14. Optional Retirement Annuities

In the defined benefit funds, two joint and survivor annuity options are available. Either 50% or 100% joint and survivor options may be elected. Annuities take the form of joint and survivor options with reversion to the single-life amount if the beneficiary predeceases. A fifteen year certain and life thereafter option is available, and for the Judges Plan a ten year certain option is provided. Legislators and Elective State Officer plans have no options but automatically provide a 50% continuance to a surviving spouse.

Required Supplemental Information

Analysis of Funding Progress

(In Thousands)
Unaudited

Fiscal Year	Net Assets Available for Benefits (Cost)	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll (Historical)	Unfunded Benefit Percentage of Covered Payroll
STATE EMPLOYEES RETIREMENT FUND:						
1988	1,609,381	1,775,445	90.6	166,064	1,091,511	15.2
1989	1,824,416	2,109,272	86.5	284,856	1,163,800	24.5
1990	2,067,688	2,328,167	88.8	260,479	1,254,991	20.8
1991	2,267,368	2,520,042	90.0	252,674	1,390,183	18.2
1992	2,576,920	2,742,278	94.0	165,358	1,381,115	12.0
STATE PATROL RETIREMENT FUND:						
1988	146,068	167,349	87.3	21,281	26,085	81.6
1989	164,033	184,250	89.0	20,217	27,765	72.8
1990	182,966	198,359	92.2	15,393	30,150	51.1
1991	197,502	214,626	92.0	17,124	32,323	53.0
1992	219,764	224,478	97.9	4,714	32,630	14.4
CORRECTIONAL EMPLOYEES RETIREMENT FUND:						
1988	72,446	69,142	104.8	(3,304)	33,155	(10.0)
1989	83,206	79,143	105.1	(4,063)	35,475	(11.5)
1990	95,015	87,554	108.5	(7,461)	38,999	(19.1)
1991	103,982	95,097	109.3	(8,885)	43,247	(20.5)
1992	119,122	105,604	112.8	(13,518)	46,512	(29.1)
JUDGES RETIREMENT FUND:						
1988	20,774	59,389	35.0	38,615	16,102	239.8
1989	23,325	64,106	36.4	40,781	18,006	226.5
1990	28,205	68,487	41.2	40,282	19,134	210.5
1991	33,559	74,444	45.1	40,885	20,660	197.9
1992	37,770	82,383	45.8	44,613	21,297	209.5
LEGISLATIVE RETIREMENT FUND:						
1988	11,857	23,758	49.9	11,901	4,386	271.3
1989	12,317	26,998	45.6	14,681	4,668	314.5
1990	12,748	29,654	43.0	16,906	5,859	288.5
1991	14,694	29,641	49.6	14,947	6,707	222.9
1992	15,160	32,272	47.0	17,112	6,286	272.2
ELECTED STATE OFFICERS RETIREMENT FUND:						
1988	281	1,757	16.0	1,476	365	404.4
1989	314	1,938	16.2	1,624	387	419.6
1990	351	2,108	16.7	1,757	404	434.9
1991	308	2,160	14.3	1,852	425	435.8
1992	334	2,268	14.7	1,934	375	515.7

Required Supplemental Information

Revenues by Sources

(In Thousands)

STATE EMPLOYEES RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total
1983*	\$37,306	\$29,137	\$ 91,100	\$1,952	\$159,495
1984*	33,343	50,640	83,322	1,355	168,660
1985*	35,220	37,625	108,531	1,331	182,707
1986*	38,356	40,565	161,728	1,299	241,948
1987*	40,625	42,911	192,178	1,245	276,959
1988	41,632	42,951	136,396	1,201	222,180
1989	43,957	45,401	205,180	1,099	295,637
1990	55,671	57,200	220,092	29	332,992
1991	56,895	57,986	182,747	4	297,632
1992	58,478	59,244	297,879	8	415,609

*NOTE: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total
1983	\$ 1,961	\$ 3,909	\$ 7,585	\$ 70	\$ 13,525
1984	1,877	4,638	6,776	59	13,350
1985	1,964	4,362	9,145	63	15,534
1986	2,062	4,598	13,686	62	20,408
1987	2,164	4,778	16,462	63	23,467
1988	2,244	4,971	12,976	62	20,253
1989	2,367	5,256	17,746	59	25,428
1990	2,568	5,706	18,870	3	27,147
1991	2,751	4,825	16,013	0	23,589
1992	2,795	4,893	24,569	0	32,257

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total
1988	\$ 1,753	\$ 3,089	\$ 5,721	\$ 0	\$ 10,563
1989	1,748	3,084	9,254	0	14,086
1990	1,925	3,412	10,133	0	15,470
1991	2,128	2,731	8,035	0	12,894
1992	2,332	2,955	14,121	0	19,408

*NOTE: The Correctional Employees Retirement Fund was included in the State Employees Retirement Fund until July 1, 1987.

Required Supplemental Information

Revenues by Sources

(In Thousands)

JUDGES RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total
1983	\$ 527	\$ 2,624	\$ 976	\$ 0	\$ 4,127
1984	466	1,671	951	86	3,174
1985	501	2,226	1,219	84	4,030
1986	562	2,173	1,661	81	4,477
1987	563	2,405	2,699	62	5,729
1988	565	2,650	1,980	57	5,252
1989	733	2,875	2,443	44	6,095
1990	779	5,500	2,494	39	8,812
1991	799	5,900	2,927	20	9,646
1992	988	4,722	3,407	11	9,128

LEGISLATIVE RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total
1983	\$ 377	\$ 0	\$ 243	\$1,681	\$ 2,301
1984	331	0	305	794	1,430
1985	357	0	620	604	1,581
1986	387	0	749	981	2,117
1987	430	0	979	1,847	3,256
1988	397	0	976	925	2,298
1989	431	0	980	860	2,271
1990	546	0	764	451	1,761
1991	637	0	882	1,889	3,408
1992	590	0	872	601	2,003

ELECTIVE STATE OFFICERS RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total
1983	\$ 26	\$ 0	\$ 0	\$ 135	\$ 161
1984	27	0	0	101	128
1985	29	0	0	95	124
1986	31	0	0	101	132
1987	32	0	0	132	164
1988	34	0	0	132	166
1989	35	0	0	141	176
1990	36	0	0	112	148
1991	38	0	0	40	78
1992	34	0	0	111	145

*NOTE: The Correctional Employees Retirement Fund was included in the State Employees Retirement Fund until July 1, 1987.

Required Supplemental Information

Expenses by Type

(In Thousands)

STATE EMPLOYEES RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
1983*	\$33,420	\$ 933	\$ 6,048	\$ 227	\$ 40,628
1984*	37,137	1,406	14,800	11,563	64,906
1985*	42,957	1,372	7,500	1,266	53,095
1986*	49,432	1,357	7,724	1,374	59,887
1987*	57,057	1,449	7,996	1,475	67,977
1988*	63,697	1,550	7,490	1,958	74,695
1989	69,603	1,166	7,898	1,969	80,636
1990	76,040	1,542	8,203	3,230	89,015
1991	85,977	1,531	7,912	3,199	98,619
1992	95,010	1,590	7,886	3,132	107,618

*NOTE: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
1983	\$ 2,826	\$ 41	\$ 49	\$ 17	\$ 2,933
1984	3,431	47	279	802	4,559
1985	3,970	54	6	80	4,110
1986	4,646	59	52	88	4,845
1987	5,431	74	99	93	5,697
1988	6,263	58	9	178	6,508
1989	7,186	66	78	137	7,467
1990	7,847	76	27	264	8,214
1991	8,720	79	18	236	9,053
1992	9,603	84	104	205	9,996

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
1988	\$ 2,678	\$ 82	\$ 196	\$ 50	\$ 3,006
1989	2,964	87	270	91	3,412
1990	3,187	116	248	141	3,692
1991	3,493	113	200	125	3,931
1992	3,772	255	156	129	4,313

Required Supplemental Information

Expenses by Type

(In Thousands)

JUDGES RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
1983	\$ 1,769	\$ 26	\$ 23	\$ 1	\$ 1,819
1984	1,979	28	108	262	2,377
1985	2,158	29	1	6	2,194
1986	2,391	32	0	6	2,429
1987	2,726	34	0	7	2,767
1988	3,110	0	0	0	3,110
1989	3,451	47	24	21	3,543
1990	3,846	55	1	30	3,932
1991	4,183	62	30	17	4,292
1992	4,593	59	0	20	4,672

LEGISLATIVE RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
1983	601	21	96	0	718
1984	696	27	53	0	776
1985	784	31	119	0	934
1986	885	29	3	63	980
1987	1,038	34	130	0	1,202
1988	1,149	31	19	2	1,201
1989	1,211	36	14	1	1,263
1990	1,263	37	30	1	1,331
1991	1,362	42	47	11	1,462
1992	1,500	40	48	9	1,597

ELECTIVE STATE OFFICERS RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
1983	89	1	44	0	134
1984	95	3	3	0	101
1985	102	4	17	0	123
1986	99	2	0	2	103
1987	97	2	17	0	116
1988	97	2	0	0	99
1989	105	1	0	0	106
1990	111	1	0	0	112
1991	119	2	0	0	121
1992	117	2	0	0	119

Combining Balance Sheet Defined Benefit Funds

June 30, 1992
(In Thousands)

	State Employees	State Patrol	Correctional Employees	Judges	Legislators	Elected State Officers	Memorandum Only Totals
ASSETS:							
Cash	\$ 154	\$ 4	\$ 5	\$ 5	\$ 0	\$ 0	\$ 168
Short term investments (at cost)	25,719	2,740	1,453	1,817	0	0	31,729
Accounts receivable:							
Member contributions	2,325	103	99	11	0	1	2,539
Employer contributions	1,984	180	118	36	0	0	2,318
Other	8	0	1	0	0	0	9
Accrued Interest	56	4	3	0	0	0	63
Due from MPRI fund	1	0	0	0	0	0	1
Due from other plans	399	0	3	0	0	0	402
Due from other funds	0	0	0	0	40	2	42
Fixed Investments (at cost)	474,482	34,993	24,625	1,750	0	0	535,850
Equity Investments (at cost)	1,091,978	80,725	56,614	4,239	0	0	1,233,556
Fixed Assets	210	0	0	0	0	0	210
Nondedicated Member Deposits	0	0	0	0	4,975	333	5,308
Restricted Assets	981,047	101,509	36,728	30,648	10,305	0	1,160,237
Total Assets	\$2,578,363	\$220,258	\$119,649	\$38,506	\$15,320	\$ 336	\$2,972,432
LIABILITIES:							
Accounts Payable	\$ 814	\$ 42	\$ 28	\$ 2	\$ 0	\$ 0	\$ 886
Accrued expenses	0	0	0	10	0	0	10
Deferred Revenue	578	368	370	665	120	0	2,101
Due to MPRI fund	52	84	129	59	40	2	366
Due to other plans							
Total Liabilities	\$ 1,444	\$ 494	\$ 527	\$ 736	\$ 160	\$ 2	\$ 3,363
FUND BALANCE:							
MPRI Fund reserve	\$ 981,047	\$101,509	\$ 36,728	\$30,648	\$10,305	\$ 0	\$1,160,237
Member reserve	427,320	24,742	16,729	5,711	4,975	334	479,811
NonMPRI Fund reserve	6,144	7,081	0	12,121	2,251	982	28,579
State reserve	1,708,024	100,324	70,058	36,718	15,693	1,064	1,931,881
Total Required Reserves	\$3,122,535	\$233,656	\$123,515	\$85,198	\$33,224	\$2,380	\$3,600,508
Unfunded accrued liability (at cost)	(545,616)	(13,892)	(4,393)	(47,428)	(18,064)	(2,046)	(631,439)
Net Fund Balance	\$2,576,919	\$219,764	\$119,122	\$37,770	\$15,160	\$ 334	\$2,969,069
Total Liabilities and Fund Balance	\$2,578,363	\$220,258	\$119,649	\$38,506	\$15,320	\$ 336	\$2,972,432

See notes to Financial Statements.

Combining Statement of Revenues, Expenses and Changes in Fund Balance – Defined Benefit Funds

Year Ended June 30, 1992
(In Thousands)

	State Employees	State Patrol	Correctional Employees	Judges	Legislators	Elected State Officers	Memorandum Only Totals
OPERATING REVENUES:							
Member contributions	\$ 58,478	\$ 2,795	\$ 2,332	\$ 988	\$ 590	\$ 34	\$ 65,217
Employer contributions	59,244	4,893	2,955	4,722	0	0	71,814
General Fund revenues	0	0	0	0	601	110	711
Investment income	179,453	13,197	9,206	710	0	0	202,566
MPRI Fund income	81,437	8,675	3,107	2,508	872	0	96,599
Gain/Loss on Investments	36,989	2,697	1,808	189	0	0	41,683
Other income	8	0	0	11	0	1	20
Total Operating Revenues	\$ 415,609	\$ 32,257	\$ 19,408	\$ 9,128	\$ 2,063	\$ 145	\$ 478,610
OPERATING EXPENSES:							
Annuity benefits	\$ 95,010	\$ 9,603	\$ 3,773	\$ 4,593	\$ 1,500	\$ 117	\$ 114,596
Refunds	6,492	74	220	0	34	0	6,820
Interest on refunds	1,394	30	35	0	14	0	1,473
Interest to MPRI Fund	1,058	51	49	12	9	0	1,179
Administrative expenses	1,590	84	129	59	40	2	1,904
Investment fees	2,074	154	107	8	0	0	2,343
Total Operating Expenses	\$ 107,618	\$ 9,996	\$ 4,313	\$ 4,672	\$ 1,597	\$ 119	\$ 128,315
OTHER CHANGES IN RESERVES:							
Transfers to General Fund	\$ 0	\$ 0	\$ 0	\$ (245)	\$ 0	\$ 0	\$ (245)
Plan transfers	1,560	0	45	0	0	0	1,605
Total Other Changes	\$ 1,560	\$ 0	\$ 45	\$ (245)	\$ 0	\$ 0	\$ 1,360
Net Reserve Additions	\$ 309,551	\$ 22,261	\$ 15,140	\$ 4,211	\$ 466	\$ 26	\$ 351,655
Fund Balance at June 30, 1991	\$2,267,368	\$197,503	\$103,982	\$33,559	\$14,694	\$ 308	\$2,617,414
Fund Balance at June 30, 1992	\$2,576,919	\$219,764	\$119,122	\$37,770	\$15,160	\$ 334	\$2,969,069

See notes to Financial Statements.

State Employees Retirement Fund

Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1992
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
OPERATING REVENUES:					
Member Contributions	\$ 58,478	\$ 57,646	\$ 0	\$ 0	\$ 832
Employer Contributions	59,244	0	0	0	59,244
General Fund revenues	0	0	0	0	0
Investment Income	179,453	0	0	0	179,453
MPRI Fund Income	81,437	0	0	81,437	0
Gain (Loss) on Investments	36,989	0	0	0	36,989
Other income	8	0	0	0	8
Total Operating Revenues	\$ 415,609	\$ 57,646	\$ 0	\$ 81,437	\$ 276,526
OPERATING EXPENSES:					
Annuity Benefits	\$ 95,012	\$ 0	\$ 1,205	\$ 93,807	\$ 0
Refunds	6,492	6,492	0	0	0
Interest on Refunds	1,394	0	0	0	1,394
Interest to MPRI Fund	1,058	0	0	0	1,058
Administrative Expenses	1,590	0	0	0	1,590
Investment Fees	2,074	0	0	0	2,074
Total Operating Expenses	\$ 107,620	\$ 6,492	\$ 1,205	\$ 93,807	\$ 6,116
OTHER CHANGES IN RESERVES:					
Actuarial Transfers	\$ 0	\$ 0	\$ 676	\$ 578	\$ (1,254)
Inactive Employee Transfers	0	(106)	0	0	106
New Annuity Transfers	0	(14,905)	0	115,420	(100,515)
Plan Transfers	1,560	108	0	0	1,452
Total Other Changes	\$ 1,560	\$(14,903)	\$ 676	\$ 115,998	\$ (100,211)
Net Reserve Additions	\$ 309,549	\$ 36,251	\$ (529)	\$ 103,628	\$ 170,199
Balance June 30, 1991	\$ 2,267,370	\$ 391,069	\$ 6,673	\$ 877,419	\$ 992,209
Balance June 30, 1992	\$ 2,576,919	\$ 427,320	\$ 6,144	\$ 981,047	\$ 1,162,408

See notes to Financial Statements

State Patrol Retirement Fund

Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1992
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
OPERATING REVENUES:					
Member Contributions	\$ 2,795	\$ 2,795	\$ 0	\$ 0	\$ 0
Employer Contributions	4,893	0	0	0	4,893
General Fund Appropriations	0	0	0	0	0
Investment Income	13,197	0	0	0	13,197
MPRI Fund Income	8,675	0	0	8,675	0
Gain (Loss) on Investments	2,696	0	0	0	2,696
Other Income	0	0	0	0	0
Total Operating Revenues	\$ 32,256	\$ 2,795	\$ 0	\$ 8,675	\$20,786
OPERATING EXPENSES:					
Annuity Benefits	\$ 9,603	\$ 0	\$ 591	\$ 9,012	\$ 0
Refunds	74	74	0	0	0
Interest on Refunds	30	0	0	0	30
Interest to MPRIF Fund	51	0	0	0	51
Administrative Expenses	83	0	0	0	83
Investment Fees	154	0	0	0	154
Total Operating Expenses	\$ 9,995	\$ 74	\$ 591	\$ 9,012	\$ 318
OTHER CHANGES IN RESERVES:					
Actuarial Adjustments	\$ 0	\$ 0	\$ 150	\$ 368	\$ (518)
Inactive Employee Transfers	0	5	0	0	(5)
New Annuity Transfers	0	(964)	528	6,840	(6,404)
Plan Transfers	0	0	0	0	0
Total Other Changes	\$ 0	\$ (959)	\$ 678	\$ 7,208	\$(6,927)
Net Reserve Additions	\$ 22,261	\$ 1,762	\$ 87	\$ 6,871	\$13,541
Balance June 30, 1991	\$197,503	\$22,980	\$6,994	\$ 94,638	\$72,891
Balance June 30, 1992	\$219,764	\$24,742	\$7,081	\$101,509	\$86,432

See notes to Financial Statements.

Correctional Employees Retirement Fund

Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1992
(In Thousands)

	Total	Member Reserve	MPRIF Reserve	State Reserve
OPERATING REVENUES:				
Member Contributions	\$ 2,332	\$ 2,320	\$ 0	\$ 12
Employer Contributions	2,955	0	0	2,955
General Fund appropriations	0	0	0	0
Investment Income	9,206	0	0	9,206
MPRI Fund Income	3,107	0	3,107	0
Gain (Loss) on Investments	1,808	0	0	1,808
Other income	0	0	0	0
Total Operating Revenues	\$ 19,408	\$ 2,320	\$ 3,107	\$13,981
OPERATING EXPENSES:				
Annuity Benefits	\$ 3,773	\$ 0	\$ 3,773	\$ 0
Refunds	220	220	0	0
Interest on Refunds	35	0	0	35
Interest to MPRI Fund	49	0	0	49
Administrative Expenses	129	0	0	129
Investment Fees	106	0	0	106
Total Operating Expenses	\$ 4,312	\$ 220	\$ 3,773	\$ 319
OTHER CHANGES IN RESERVES:				
Actuarial Transfers	\$ 0	\$ 0	\$ 370	\$ (370)
Inactive Employee Transfers	0	(11)	0	11
New Annuity Transfers	0	(352)	3,256	(2,904)
Plan Transfers	45	17	0	28
Total Other Changes	\$ 45	\$ (346)	\$ 3,626	\$ (3,235)
Net Reserve Additions	\$ 15,141	\$ 1,754	\$ 2,960	\$10,427
Balance June 30, 1991	\$103,981	\$14,975	\$33,768	\$55,238
Balance June 30, 1992	\$119,122	\$16,729	\$36,728	\$65,665

See notes to Financial Statements

Judges Retirement Fund

Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1992
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
OPERATING REVENUES:					
Member Contributions	\$ 988	\$ 988	\$ 0	\$ 0	\$ 0
General Fund Appropriations	4,722	0	0	0	4,722
Investment Income	710	0	0	0	710
MPRI Fund Income	2,508	0	0	2,508	0
Gain (Loss) on Investments	189	0	0	0	189
Other Income	11	0	0	0	11
Total Operating Revenues	\$ 9,128	\$ 988	\$ 0	\$ 2,508	\$ 5,632
OPERATING EXPENSES:					
Annuity Benefits	\$ 4,592	\$ 0	\$ 1,353	\$ 3,239	\$ 0
Refunds	0	0	0	0	0
Interest on Refunds	0	0	0	0	0
Interest to MPRI Fund	12	0	0	0	12
Administrative Expenses	59	0	0	0	59
Investment fees	8	0	0	0	8
Total Operating Expenses	\$ 4,671	\$ 0	\$ 1,353	\$ 3,239	\$ 79
OTHER CHANGES IN RESERVES:					
Actuarial Adjustments	\$ 0	\$ 0	\$ 3,116	\$ 665	\$ (3,781)
General Fund Transfers	(246)	0	0	0	(246)
Survivor Contribution Transfers	0	(4)	0	0	4
New Annuity Transfers	0	(398)	357	2,610	(2,569)
Total Other Changes	\$ (246)	\$ (402)	\$ 3,473	\$ 3,275	\$ (6,592)
Net Reserve Additions	\$ 4,211	\$ 586	\$ 2,120	\$ 2,544	\$ (1,039)
Balance June 30, 1991	\$33,559	\$5,125	\$10,001	\$28,104	\$ (9,671)
Balance June 30, 1992	\$37,770	\$5,711	\$12,121	\$30,648	\$(10,710)

See notes to Financial Statements.

Legislative Retirement Fund

Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1992
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
OPERATING REVENUES:					
Member Contributions	\$ 589	\$ 584	\$ 0	\$ 0	\$ 5
General Fund revenues	601	0	0	0	601
MPRI Fund Income	872	0	0	872	0
Other Income	0	0	0	0	0
Total Revenues	\$ 2,062	\$ 584	\$ 0	\$ 872	\$ 606
OPERATING EXPENSES:					
Annuity Benefits	\$ 1,275	\$ 0	\$ 0	\$ 1,275	\$ 0
Survivor Benefits	225	0	225	0	0
Refunds	27	27	0	0	0
Refunds Upon Death	6	6	0	0	0
Interest on Refunds	14	0	0	0	14
Interest to MPRI Fund	9	0	0	0	9
Administrative Expenses	40	0	0	0	40
Total Expenses	\$ 1,596	\$ 33	\$ 225	\$ 1,275	\$ 63
OTHER CHANGES IN RESERVES:					
Actuarial Transfers	\$ 0	\$ 0	\$ 346	\$ 120	\$ (466)
Inactive Employee Transfers	0	(4)	0	0	4
New Annuity Transfers	0	(33)	0	719	(686)
Transfers to General Fund	0	0	0	0	0
Total Other Changes	\$ 0	\$ (37)	\$ 346	\$ 839	\$(1,148)
Net Reserve Additions	\$ 466	\$ 514	\$ 121	\$ 436	\$ (605)
Balance June 30, 1991	\$14,694	\$4,461	\$2,130	\$ 9,869	\$(1,766)
Balance June 30, 1992	\$15,160	\$4,975	\$2,251	\$10,305	\$(2,371)

See notes to Financial Statements.

Elective State Officers Retirement Fund **Statement of Revenues, Expenses and Changes in Reserves**

Year Ended June 30, 1992
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	State Reserve
OPERATING REVENUES:				
Member Contributions	\$ 34	\$ 34	\$ 0	\$ 0
General Fund revenues	110	0	0	110
Other revenue	1	0	0	1
Total Revenues	\$145	\$34	\$0	111
OPERATING EXPENSES:				
Annuity Benefits	\$ 73	\$ 0	\$ 73	\$ 0
Survivor Benefits	44	0	44	0
Refunds	0	0	0	0
Interest on Refunds	0	0	0	0
Administrative Expenses	2	0	0	2
Total Expenses	\$119	\$0	\$117	2
OTHER CHANGES IN RESERVES:				
Actuarial Adjustments	\$ 0	\$ 0	\$119	\$(119)
Transfers to General Fund	0	(6)	28	(22)
Total Other Changes	\$ 0	\$ (6)	\$147	\$(141)
Net Reserve Additions	\$ 26	\$ 28	\$ 30	\$ (32)
Balance June 30, 1991	\$308	\$306	\$952	\$(950)
Balance June 30, 1992	\$334	\$334	\$982	\$(982)

Deferred Compensation Fund

Statement of Changes in Assets and Liabilities

Year Ended June 30, 1992
(In Thousands)

	Balance July 1, 1991	Increases	Decreases	Balance June 30, 1992
ASSETS:				
Cash	\$ 52	\$ 50,792	\$ 50,835	\$ 9
Short term investments (at cost)	1,368	16,405	16,169	1,604
Accounts Receivable:				
Member contributions	1,525	2,069	1,525	2,069
Accrued Investment Income	1	0	1	0
Other	60	68	60	68
Deposits with Insurance Companies	410,421	137,734	38,548	509,607
Restricted assets	173,845	114,125	92,504	195,466
Total Assets	\$587,272	\$321,193	\$199,642	\$708,823
LIABILITIES:				
Accounts Payable – Accrued Expenses	\$ 11	\$ 13	\$ 11	\$ 13
Due to Other Funds	8	39	8	39
Member Reserves	587,253	160,903	39,386	708,771
Total Liabilities	\$587,272	\$160,955	\$ 39,405	\$708,823

See notes to Financial Statements.

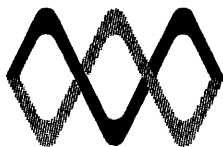
Schedule of Administrative Expenses

Year Ended June 30, 1992
(In Thousands)

	1992 Totals	1991 Totals
Staff salaries	\$1,269	\$1,251
Social Security	94	93
Retirement	53	56
Insurance	118	112
Unemployment and Workers Compensation	1	1
Total	\$1,535	\$1,513
PROFESSIONAL SERVICES:		
Actuarial	\$94	\$111
Data processing	158	256
Disability examinations	16	17
Legal counsel	7	6
Other professional services	148	129
Total	\$ 423	\$ 519
COMMUNICATION:		
Printing	\$ 42	\$ 14
Telephone	13	8
Postage	118	90
Travel	4	4
Subscriptions and memberships	3	5
Total	\$ 180	\$ 121
RENTALS:		
Office space	\$ 133	\$ 101
MISCELLANEOUS:		
Utilities	\$ 4	\$ 15
Supplies	45	29
Repairs and maintenance agreements	14	20
Department head and board member expense	13	7
Statewide indirect cost	36	79
Depreciation	42	30
Other purchased services	21	6
Other	7	0
Total	\$ 182	\$ 186
Total Operating Expenses	\$2,453	\$2,440
EXPENSES DISTRIBUTED BY FUND:		
State Employees	\$1,589	\$1,531
State Patrol	84	79
Correctional	129	114
Judges Retirement	59	62
Unclassified Employees	210	202
Deferred Compensation	340	408
Legislators	40	42
Elected Officials	2	2
Total Distribution	\$2,453	\$2,440

Minnesota State Retirement System

**ACTUARIAL
SECTION**



MILLIMAN & ROBERTSON, INC.

Actuaries and Consultants

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Wendell Milliman, F.S.A. (1976)
Stuart A. Robertson, F.S.A.
Chairman Emeritus

December 10, 1992

Board of Directors
Minnesota State Retirement System
175 W. Lafayette Frontage Road
St. Paul, Minnesota 55107-1425

Members of the Board:

We have completed our annual actuarial valuation of the Minnesota State Retirement System to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the State Employees Retirement Fund (SERF), the State Patrol Retirement Fund (SPRF), the Correctional Employees Retirement Fund (CERF), the Legislators Retirement Fund (LRF), the Elective State Officers Retirement Fund (ESORF) and the Judges Retirement Fund (JRF) as of July 1, 1992.

The fundamental financing objectives of the funds are to establish contribution rates which, when expressed as a percentage of active member payroll, will remain approximately level from generation to generation and meet the required deadline for full funding.

The results of the valuation indicate that the SPRF and JRF are either ahead of or on schedule to meet the required dates for full funding. The valuation of the LRF and ESORF resulted in a deficiency in the current funding level. The deficiency of 21.49% and 27.23% respectively of payroll was the result of the actuarial contribution requirements of 30.49% and 36.23% respectively exceeding the statutory employee contribution of 9.00%. It should be noted that with respect to the LRF and ESORF, the employer is required to fund the portion of the benefit liabilities which are not funded by the member's accumulated contribution at the time of benefit commencement.

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The results for CERF and SERF show a very modest level of deficiency. The employee and employer contribution levels to SERF were reduced in 1992 based on the results of the July 1, 1991 actuarial valuation. The reduction was to be adjusted, if necessary, if the July 1, 1992 actuarial valuation demonstrated a plan deficiency. It is our understanding that the Legislative Commission on Pensions and Retirement has adopted a resolution which will reverse part of the earlier reduction and bring SERF back into exact actuarial balance.

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The actuarial valuation was based upon applicable statutory provisions and the Standards for Actuarial Work in effect on July 1, 1992. In the aggregate, the basic financial and membership data provided to us by the association office appears reasonable in comparison to last year, and we have relied upon the data as submitted in performing the actuarial valuation. It is our understanding that the data has subsequently been audited with no significant changes made.

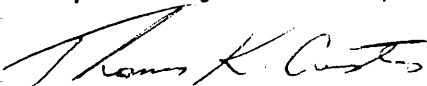
The six valuations were performed by using the actuarial cost methods and actuarial assumptions that are described in a separate table of this report. The actuarial cost method and the assumptions related to asset valuation, investment return, earnings progression and active member payroll growth are specified by state statute. All other assumptions are based on actual experience with changes recommended by the actuary, adopted by the MSRS Board and approved by the Legislative Commission on Pensions and Retirement.

The following table shows the date for full funding for each of the five plans and the funding percentage for the 1992 valuation. The funding percentage expresses current assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

Fund	Funding Date	Funded Percentage
SERF	2020	84%
SPRF	2020	95
CERF	2020	98
LRF	2020	46
ESORF	2020	14
JRF	2020	45

We certify that to the best of our knowledge and belief, this actuarial valuation was performed in accordance with the requirements of Section 356.215, Minnesota Statutes, and the requirements of the Standards for Actuarial Work.

Respectfully submitted,



Thomas K. Custis, F.S.A.
Consulting Actuary

TKC/bh



Cost Method and Assumptions

Actuarial Cost Method	Entry Age Normal with costs allocated as level percentage of payroll.
Assumptions	
1. Retirement	State Employees Plan, Graded rates from age 58 with 25% of those eligible for Rule of 90 retiring each year; Correctional Plan, age 58; State Patrol, age 58 if hired after June 30, 1961, age 63 if hired before July 1, 1961; Judges Plan, age 68; Elective Officers and Legislators, age 62.
2. Mortality	1971 Group Annuity Mortality Table with a 8 year set back for females. The Combined Annuity Table for disabilitants.
3. Separation	Graded rates based on actual experiences.
4. Expense	Prior year expenses expressed as a percentage of prior year payroll.
5. Interest	8.5% pre-retirement – 5% post-retirement
6. Salary increases	6.5% per year
7. Contribution Refund	Employees withdrawing are assumed to take the larger of a refund or a deferred benefit.
8. Social Security	Correctional Plan, based on the present law and 6.5% salary scale. Only state service earning used. Judges Plan, \$1,027 per month primary amount, 7.65% contribution rate with \$53,400 covered salary.
9. Asset Valuation	Cost plus 1/3 unrealized gains or losses.



Required Reserves

July 1, 1992
(In Thousands)

	State Employees Fund	Correctional Fund	State Patrol Fund	Judges Fund	Elective State Officers Plan	Legislative Plan
ACTIVE MEMBERS:						
Retirement Annuities	\$1,751,096	\$ 63,062	\$102,275	\$35,271	\$ 705	\$12,145
Disability Benefits	57,724	1,613	7,940	1,631	0	0
Survivors Benefits	67,216	2,207	6,675	3,382	14	320
Deferred Retirements	254,697	13,382	6,578	0	237	1,160
Refunds	(48,618)	(251)	(750)	553	(33)	(186)
Total	\$2,082,115	\$ 80,013	\$122,718	\$40,837	\$ 923	\$13,439
Deferred Retirements	53,420	6,656	2,241	363	475	7,211
Former Members Not Vested	2,573	118	107	0	0	18
Annuitants in MPRIF	981,047	36,728	101,509	30,648	0	10,305
Annuitants Not in MPRIF	6,144	0	7,081	12,121	982	2,251
Total Required Reserves	\$3,125,299	\$123,515	\$233,656	\$83,969	\$2,380	\$33,224



Actual Compared to Recommended Rates

	Actual Contribution Rates			Recommended Rate
	Employee	Employer	Total	
State Employees Fund	3.99%	4.12%	8.11%	8.27%
Correctional Fund	4.90	6.27	11.17	11.41
State Patrol Fund	8.50	14.88	23.38	22.27
Judges Fund	6.38 (1)	22.00	28.38	26.59
Elected Officers Plan	9.00	0.00 (2)	9.00	36.23
Legislative Plan	9.00	0.00 (2)	9.00	30.49

(1) Represents average rate of receipts.

(2) Employer contributions are appropriated directly from State General Fund as needed.

Solvency Test – Funding Ratio

(In Thousands)

STATE EMPLOYEES RETIREMENT FUND:

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
	Aggregate Accrued Liabilities							
6-30-83	\$192,707	\$313,795	\$ 660,622	\$ 902,506	100	100	59.9	77.3
6-30-84	205,711	356,599	749,240	966,003	100	100	57.9	75.9
6-30-85	225,879	424,798	868,262	1,158,383	100	100	58.5	76.3
6-30-86	248,006	497,345	993,546	1,370,049	100	100	62.9	78.8
6-30-87	271,658	586,695	1,107,870	1,585,971	100	100	65.7	80.7
6-30-88*	286,714	649,064	1,179,698	1,644,145	100	100	60.0	77.7
6-30-89	316,302	714,269	1,426,115	1,871,542	100	100	58.9	76.2
6-30-90	355,216	773,505	1,579,247	2,108,210	100	100	62.0	77.8
6-30-91	391,070	884,089	1,608,444	2,304,312	100	100	64.0	79.9
6-30-92	427,320	987,191	1,710,788	2,613,472	100	100	70.0	83.6

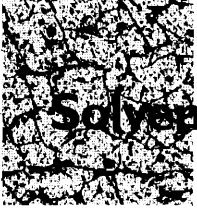
CORRECTIONAL PLAN:

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
6-30-88*	\$10,965	\$25,435	\$45,054	\$ 74,065	100	100	83.6	90.9
6-30-89	12,053	28,492	52,139	85,441	100	100	86.1	92.2
6-30-90	13,452	31,241	57,524	96,945	100	100	90.8	94.8
6-30-91	14,975	33,768	63,428	105,926	100	100	90.2	94.4
6-30-92	16,729	36,728	70,058	121,051	100	100	96.5	98.0

*The Correctional Plan was included with the State Employees Retirement Plan until July 1, 1987.

STATE PATROL RETIREMENT FUND:

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
6-30-83	\$12,172	\$31,992	\$88,010	\$ 78,775	100	100	39.3	59.6
6-30-84	12,762	41,150	65,770	86,785	100	100	50.0	72.5
6-30-85	14,213	50,657	69,569	100,486	100	100	51.2	74.7
6-30-86	15,361	61,006	72,157	118,175	100	100	57.9	79.6
6-30-87	16,856	68,457	75,315	136,397	100	100	67.8	84.9
6-30-88	17,863	80,185	77,014	148,355	100	100	65.3	84.7
6-30-89	19,583	87,385	87,466	167,271	100	100	68.9	86.0
6-30-90	21,276	93,794	92,273	185,699	100	100	76.5	89.6
6-30-91	22,980	101,632	99,421	200,068	100	100	75.9	89.3
6-30-92	24,742	108,590	100,324	222,314	100	100	88.7	95.1



Solvency Test – Funding Ratio

(In Thousands)

JUDGES RETIREMENT FUND:

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
6-30-83	\$2,858	\$16,973	\$20,725	\$11,049	100	48.3	0	27.2
6-30-84	3,063	18,181	21,134	11,792	100	52.0	0	27.8
6-30-85	3,310	20,218	23,315	13,784	100	51.8	0	29.4
6-30-86	3,670	21,786	25,645	15,983	100	56.5	0	31.3
6-30-87	3,829	26,595	23,610	18,781	100	56.2	0	34.8
6-30-88	4,018	29,949	25,741	20,670	100	55.9	0	34.8
6-30-89	4,477	32,564	27,813	23,352	100	70.3	0	36.0
6-30-90	4,683	36,120	28,593	28,116	100	64.9	0	40.5
6-30-91	5,125	38,105	33,368	33,559	100	74.6	0	43.8
6-30-92	5,711	42,769	35,489	37,768	100	84.9	0	45.0

ELECTIVE OFFICERS PLAN:

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
6-30-85	\$197	\$917	\$ 631	\$197	100	0	0	11.3
6-30-86	228	741	737	230	100	0	0	13.5
6-30-87	245	718	837	246	100	0	0	13.7
6-30-88	278	720	931	281	100	0	0	14.6
6-30-89	313	710	1,078	315	100	0	0	15.0
6-30-90	349	709	1,213	351	100	0	0	15.5
6-30-91	306	952	991	308	100	0	0	13.7
6-30-92	334	982	1,064	334	100	0	0	14.0

LEGISLATIVE PLAN:

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
6-30-85	\$2,417	\$ 8,384	\$ 7,344	\$ 8,398	100	71.3	0	46.3
6-30-86	2,742	9,593	9,256	9,535	100	70.8	0	44.2
6-30-87	2,937	11,354	8,792	11,158	100	72.4	0	48.3
6-30-88	3,296	12,009	9,577	11,857	100	71.3	0	47.7
6-30-89	3,622	12,410	12,789	12,317	100	70.0	0	42.7
6-30-90	4,117	12,661	14,544	12,748	100	68.2	0	40.7
6-30-91	4,462	11,999	13,942	14,694	100	85.2	0	48.3
6-30-92	4,975	12,556	15,693	15,160	100	81.1	0	45.6

Unfunded Accrued Liability (UAL)

(In Thousands)

STATE EMPLOYEES RETIREMENT FUND:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-83	\$1,167,124	\$ 902,506	\$ 264,618	\$ 893,430	29.6
6-30-84	1,311,550	996,003	315,547	949,951	33.2
6-30-85	1,518,939	1,158,383	360,556	1,079,715	33.4
6-30-86	1,738,897	1,370,049	368,848	1,169,240	31.5
6-30-87	1,966,223	1,585,971	380,252	1,243,198	30.6
6-30-88	2,115,476	1,644,145	471,331	1,316,671	35.8
6-30-89	2,456,686	1,871,542	585,144	1,418,160	41.3
6-30-90	2,707,968	2,108,210	599,758	1,513,522	39.6
6-30-91	2,883,603	2,304,312	579,291	1,612,238	35.9
6-30-92	3,125,299	2,613,472	511,827	1,658,792	30.9

CORRECTIONAL PLAN:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-88*	\$ 81,454	\$ 74,065	\$ 7,389	\$ 38,807	19.0
6-30-89	92,684	85,441	7,243	41,976	17.3
6-30-90	102,217	96,945	5,272	47,075	11.2
6-30-91	112,171	105,926	6,245	50,821	12.3
6-30-92	123,515	121,051	2,404	56,044	4.4

*The Correctional Plan was included with the State Employees Retirement Plan until July 1, 1987.

STATE PATROL RETIREMENT FUND:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-83	\$ 132,175	\$ 78,775	\$ 53,400	\$ 23,067	231.5
6-30-84	119,682	86,785	32,898	23,016	142.9
6-30-85	134,440	100,486	33,953	25,876	131.2
6-30-86	148,524	118,175	30,349	27,474	110.5
6-30-87	160,628	136,397	24,231	28,583	84.8
6-30-88	175,062	148,355	26,707	29,267	91.3
6-30-89	194,434	167,271	27,163	32,591	83.3
6-30-90	207,343	185,699	21,644	34,423	62.9
6-30-91	224,033	200,068	23,965	37,777	63.4
6-30-92	233,656	222,314	11,342	37,113	30.6

Unfunded Accrued Liability (UAL)

(In Thousands)

JUDGES RETIREMENT FUND:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-83	\$ 40,556	\$ 11,049	\$ 29,507	\$ 12,685	232.6
6-30-84	42,378	11,792	30,586	14,083	217.2
6-30-85	46,843	13,784	33,058	15,146	218.3
6-30-86	51,102	15,983	35,119	16,616	211.4
6-30-87	54,034	18,781	35,253	15,999	220.3
6-30-88	59,708	20,760	38,948	17,109	227.6
6-30-89	64,854	23,352	41,502	18,759	221.2
6-30-90	69,396	28,116	41,280	20,662	199.8
6-30-91	76,598	33,559	43,039	21,570	199.5
6-30-92	83,969	37,768	46,201	22,181	208.3

ELECTIVE OFFICERS PLAN:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-85	\$ 1,745	\$ 197	\$ 1,548	\$ 366	423.0
6-30-86	1,706	230	1,476	392	376.5
6-30-87	1,800	246	1,554	373	416.6
6-30-88	1,929	281	1,648	386	426.9
6-30-89	2,101	315	1,786	406	439.9
6-30-90	2,271	351	1,920	428	448.6
6-30-91	2,249	308	1,941	440	441.1
6-30-92	2,380	334	2,046	451	453.7

LEGISLATIVE PLAN:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-85	\$ 18,145	\$ 8,398	\$ 9,747	\$ 4,507	216.3
6-30-86	21,591	9,535	12,056	4,880	247.0
6-30-87	23,083	11,158	11,925	4,765	250.3
6-30-88	24,882	11,857	13,025	4,932	264.1
6-30-89	28,821	12,317	16,504	5,179	318.7
6-30-90	31,322	12,748	18,574	5,465	339.9
6-30-91	30,403	14,694	15,709	6,589	238.4
6-30-92	33,224	15,160	18,064	6,753	267.5

Minnesota State Retirement System

STATISTICAL SECTION

Investment Results Compared to Selected Performance Standards

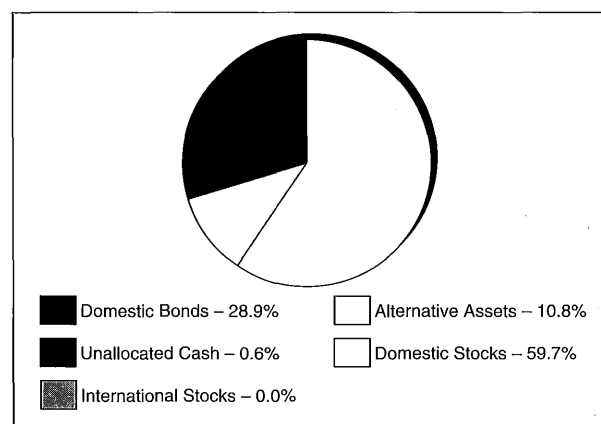
	Fiscal Year					Annualized	
	1988	1989	1990	1991	1992	3 Year	5 Year
Rate of Return - Time Weighted							
Total Fund	-0.3%	15.5%	10.8%	6.7%	14.5%	10.6%	9.3%
Composite Index*	1.2	16.2	9.8	8.5	12.1	9.8	9.0
Stocks, Bonds, Cash Only	-0.8	15.9	11.9	6.8	14.6	11.0	9.5
Median Fund**	1.1	14.3	10.0	8.6	13.4	11.0	10.0
Inflation	3.9	5.2	4.7	4.7	3.1	4.2	4.4

*60% Wilshire 5000/24% Salomon Broad Investment Grade Bond Index/10% Wilshire Real Estate Index/1% 91 Day T-Bills/2.5% Venture Capital Funds/2.5% Resource Funds since July 1989.

** Wilshire Assoc. Trust Universe Comparison Service (TUCS) median balanced portfolio. TUCS contains returns of more than 800 public and private funds.

Investment Allocation

	Actual Asset Mix	Policy Target
Domestic Stocks*	59.7%	50.0%
International Stocks	0.0	10.0
Domestic Bonds	28.9	24.0
Alternative Assets**	10.8	15.0
Unallocated Cash	0.6	1.0
Total	100.0%	100.0%



*The 10% allocation to international stocks will remain invested in domestic stocks until an implementation plan is approved.

** Alternative assets are invested in bonds until deployed.



Active Employees

Year Ending	Average Entry Age						Averages For All Members					
	For New Members			Entry Age			Attained Age			Service Credit		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
STATE EMPLOYEES RETIREMENT FUND:												
6/30/83	28.7	27.4	27.9	29.2	28.3	28.7	40.9	36.9	38.8	10.5	6.8	8.5
6/30/84	29.7	29.4	29.6	30.4	30.1	30.3	41.6	37.7	39.5	10.8	7.0	8.8
6/30/85	31.6	31.0	31.2	30.5	30.3	30.4	41.7	38.0	39.7	10.9	7.3	9.0
6/30/86	32.0	31.2	31.5	30.5	30.4	30.5	41.8	38.2	39.9	11.0	7.4	9.1
6/30/87	32.4	31.9	32.1	30.5	30.5	30.5	41.9	38.5	40.1	11.2	7.6	9.3
6/30/88	33.6	33.6	33.6	30.7	30.8	30.8	42.1	39.0	40.4	11.2	7.7	9.3
6/30/89	33.0	32.7	32.8	30.6	30.7	30.7	42.2	39.1	40.5	11.3	7.8	9.4
6/30/90	33.9	33.3	33.5	30.7	31.0	30.9	42.4	39.6	40.9	11.4	8.1	9.6
6/30/91	32.9	32.1	32.5	30.7	31.0	30.9	42.6	40.0	41.2	11.5	8.5	9.9
6/30/92	33.2	32.5	32.8	30.7	30.8	30.8	42.9	40.6	41.6	11.7	9.0	10.2
CORRECTIONAL OFFICERS RETIREMENT FUND:												
6/30/83	26.5	28.3	26.7	27.7	28.8	27.8	35.4	36.5	35.5	6.7	6.4	6.7
6/30/84	28.7	32.4	29.3	28.8	31.1	29.1	35.6	36.2	35.7	6.7	4.4	6.4
6/30/85	29.2	28.6	29.0	28.9	30.4	29.1	35.2	36.2	36.1	7.2	4.8	6.9
6/30/86	29.8	32.1	30.4	29.0	31.1	29.3	36.8	36.2	36.7	7.7	5.2	7.4
6/30/87	30.0	30.0	30.0	29.1	30.8	29.3	37.3	35.9	37.1	8.2	5.2	7.8
6/30/88	29.8	31.5	30.3	29.1	31.0	29.4	37.7	36.2	37.5	8.6	5.2	8.1
6/30/89	29.6	29.3	29.5	29.1	30.2	29.3	38.0	35.5	37.7	8.8	5.2	8.2
6/30/90	30.5	31.1	30.7	29.2	30.3	29.4	38.0	35.4	37.5	8.7	5.0	8.1
6/30/91	31.1	32.2	31.5	29.3	30.6	29.5	38.2	35.7	37.7	8.8	5.0	8.1
6/30/92	31.0	31.0	29.5	31.5	29.9	38.5	36.5	38.1	8.8	5.0	8.1	
STATE PATROL RETIREMENT FUND:												
6/30/83	26.4	23.0	26.2	26.1	24.3	26.0	40.7	31.2	40.4	13.8	6.0	13.6
6/30/84	28.0	31.7	28.3	27.1	26.0	27.0	41.0	32.9	40.7	14.0	6.9	13.8
6/30/85	27.8	23.3	27.4	27.0	25.3	26.9	40.8	32.4	40.5	13.9	7.1	13.7
6/30/86	26.5	22.8	26.4	26.9	25.1	26.8	40.5	33.0	40.3	13.7	7.9	13.5
6/30/87	26.0	36.7	26.4	26.8	25.5	26.7	40.7	34.1	40.5	14.0	8.6	13.8
6/30/88	32.5	34.2	32.7	26.8	25.5	26.7	40.9	35.1	40.6	14.2	9.6	14.0
6/30/89	28.2	24.3	27.9	26.8	24.8	26.8	41.0	34.0	40.7	14.2	9.1	14.0
6/30/90	29.9	30.7	29.9	27.0	25.5	26.9	40.9	34.4	40.6	14.0	8.9	13.8
6/30/91	30.6	31.0	30.6	27.1	26.5	27.1	40.9	35.0	40.7	13.9	8.4	13.6
6/30/92	32.7	34.9	33.4	27.1	26.6	27.1	41.3	35.9	41.1	14.3	9.2	14.0
JUDGES RETIREMENT FUND:												
6/30/83	41.7	37.8	41.0	41.2	40.4	41.2	53.6	44.4	53.0	11.9	4.1	11.5
6/30/84	43.6	44.0	43.7	41.7	41.8	41.7	54.0	45.5	53.3	12.1	3.7	11.4
6/30/85	38.0	25.4	34.2	41.5	41.5	41.5	53.8	45.7	53.1	12.2	4.2	11.5
6/30/86	48.1	38.7	47.2	41.7	41.4	41.7	54.3	46.4	53.5	12.4	5.0	11.8
6/30/87	45.6	48.6	46.4	41.7	42.8	41.8	54.0	48.1	53.4	12.2	5.2	11.5
6/30/88	44.9	43.2	44.6	41.8	43.0	42.0	53.9	48.0	53.2	11.9	5.0	11.1
6/30/89	44.7	—	44.7	42.0	43.0	42.2	54.1	49.0	53.6	11.9	6.0	11.3
6/30/90	43.8	43.0	43.6	41.9	43.0	42.0	53.4	49.1	52.8	11.3	6.0	10.7
6/30/91	46.7	41.2	45.6	42.1	42.8	42.2	53.5	49.2	52.9	11.2	6.4	10.6
6/30/92	47.6	54.2	48.9	43.4	42.3	42.5	53.8	50.4	53.3	11.4	7.0	10.7

Employees Eligible to an Immediate Annuity

June 30, 1992

STATE EMPLOYEES RETIREMENT FUND:

Full Benefit	Total 856
Reduced Benefit Due to Early Retirement	5,147
Proportional Benefit (Age Equal To Or Greater Than 65, Service Less Than 10Years)	85
Rule of 90	416
Vested Employees Not Eligible To Immediate Benefit	31,237
Employees Not Vested	11,466

Totals **49,207**

CORRECTIONAL OFFICERS RETIREMENT FUND:

Full Benefit	53
Vested Employees Not Eligible To Immediate Benefit	641
Employees Not Vested	879

Totals **1,573**

STATE PARTOL RETIREMENT FUND:

Full Benefit	43
Vested Employees Not Eligible To Immediate Benefit	648
Employees Not Vested	104

Totals **795**

JUDGES RETIREMENT FUND:

Full Benefit	27
Reduced Benefit	30
Vested Judges Not Eligible To Immediate Benefit	136
Judges Not Vested	77

Totals **270**

LEGISLATIVE PLAN:

Full Benefit	25
Reduced Benefit	6
Vested Members Not Eligible For An Immediate Benefit	81
Members Not Vested	88

Totals **200**

ELECTIVE OFFICERS PLAN:

Full Benefit	0
Vested Members Not Eligible For An Immediate Benefit	3
Members Not Vested	3

Totals **6**



Refund Statistics

Year Ending	Number of Refunds			Age		Years Forfeited		Number Forfeiting Vested Rights
	Male	Female	Total	Male	Female	Male	Female	
STATE EMPLOYEES RETIREMENT FUND:								
6/30/83	2,184	3,755	5,939	36.5	33.4	1.8	2.0	145
6/30/84	1,814	3,201	5,015	35.0	33.0	2.7	2.9	217
6/30/85	1,663	3,007	4,670	34.3	32.8	2.9	2.8	200
6/30/86	1,330	2,604	3,934	34.3	32.5	3.3	3.0	175
6/30/87	1,230	2,584	3,814	35.1	33.4	3.3	2.9	184
6/30/88	1,540	2,607	4,147	33.3	33.1	2.5	2.7	177
6/30/89	1,256	2,595	3,851	33.9	33.4	3.0	2.7	652
6/30/90	1,227	2,491	3,718	34.9	33.6	2.9	2.7	1,085
6/30/91	1,271	2,415	3,686	33.9	34.8	2.6	2.6	934
6/30/92	1,019	1,954	2,973	34.6	34.5	3.1	2.9	920
CORRECTIONAL OFFICERS RETIREMENT FUND:								
6/30/83	67	12	79	32.5	34.4	2.6	1.6	1
6/30/84	69	10	79	32.6	29.7	3.6	2.5	3
6/30/85	68	16	84	31.6	31.9	2.6	3.5	2
6/30/86	66	20	86	31.5	31.6	3.5	2.2	2
6/30/87	56	15	71	32.3	31.6	3.8	2.4	2
6/30/88	48	10	58	31.1	29.4	3.2	2.7	2
6/30/89	42	20	62	32.7	34.6	4.3	2.9	19
6/30/90	38	21	59	34.6	33.6	4.2	2.0	28
6/30/91	34	12	46	33.3	30.0	3.8	3.0	20
6/30/92	39	12	51	32.1	33.9	4.2	2.4	28
STATE PATROL RETIREMENT FUND:								
6/30/83	12	0	12	31.8	—	2.0	—	1
6/30/84	6	2	8	36.7	27.7	9.5	0.5	2
6/30/85	5	2	7	29.6	28.7	0.4	0.4	0
6/30/86	5	1	6	32.6	33.8	4.5	5.1	1
6/30/87	8	0	8	34.0	—	5.8	—	1
6/30/88	1	0	1	34.5	—	3.8	—	0
6/30/89	6	1	7	32.2	36.1	5.0	1.5	1
6/30/90	2	0	2	33.0	—	5.6	—	2
6/30/91	3	0	3	37.0	—	2.8	—	1
6/30/92	4	0	4	39.5	—	8.7	—	2
JUDGES RETIREMENT FUND:								
6/30/83	3	0	3	49.7	—	5.7	—	0
6/30/84	1	0	1	42.2	—	1.4	—	0
6/30/85	0	0	0	—	—	—	—	0
6/30/86	0	0	0	—	—	—	—	0
6/30/87	0	0	0	—	—	—	—	0
6/30/88	0	1	1	—	37.9	—	3.5	0
6/30/89	1	0	1	63.5	—	14.4	—	1
6/30/90	0	0	0	—	—	—	—	0
6/30/91	0	0	0	40.8	—	3.3	—	2
6/30/92	0	0	0	—	—	—	—	0

State Employees Retirement Fund

Schedule of Retired Members by Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement					Option Selected			
		1	2	3	4	5	Life	I	II	III
0- 199	3,371	2,916	172	265	0	18	2,562	738	46	25
200- 399	3,735	3,155	255	311	1	13	2,720	923	73	19
400- 599	2,628	2,226	194	201	0	7	1,819	754	45	10
600- 799	1,601	1,428	79	92	1	1	1,049	517	20	15
800- 999	1,142	1,052	24	65	1	0	643	475	13	11
1,000-1,199	755	709	8	37	0	1	398	344	6	7
1,200-1,399	551	521	8	21	1	0	252	293	3	3
1,400-1,599	385	364	2	18	1	0	181	195	4	5
1,600-1,799	228	218	1	8	1	0	99	122	1	5
1,800-1,999	114	112	0	2	0	0	50	63	1	0
Over 2,000	176	173	0	2	1	0	54	122	0	0
Totals	14,686	12,874	743	1,022	7	40	9,827	4,546	212	100

Types:

- 1 General Plan Annuitants
- 2 General Plan Disabilitants
- 3 General Plan Survivors
- 4 Military Affairs Plan
- 5 Unclassified Plan

Options:

- Life Straight Life Annuity
- I Joint & Survivor
- II Death While Eligible
- III Period Certain

State Patrol Retirement Fund

Schedule of Retired Members By Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement			Option Selected		
		1	2	3	Life	I	II
0 199	5	3	0	2	3	0	2
200 399	49	9	0	40	11	30	8
400 599	31	10	1	20	9	18	4
600 799	28	16	1	11	10	18	0
800 999	24	11	2	11	6	18	0
1,000 1,199	23	13	3	7	5	15	3
1,200 1,399	38	33	1	4	16	20	2
1,400 1,599	40	32	2	6	11	27	2
1,600 1,799	61	55	2	4	20	41	0
1,800 1,999	40	39	0	1	14	26	0
Over 2,000	160	153	3	4	104	54	2
Totals	499	374	15	110	209	267	23

Types:

- 1 Retired Members
- 2 Disabilitants
- 3 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
- II Death While Eligible

Judges Retirement Fund

Schedule of Retired Members by Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement			Life	Option Selected		
		1	2	3		I	II	III
0 199	6	6	0	0	6	0	0	0
200 399	2	0	0	2	2	0	0	0
400 599	8	3	0	5	7	1	0	0
600 799	8	2	0	6	6	1	1	0
800 999	6	3	0	3	5	1	0	0
1,000 1,199	8	3	0	5	6	2	0	0
1,200 1,399	9	5	0	4	6	2	1	0
1,400 1,599	28	4	0	24	18	4	6	0
1,600 1,799	11	3	3	5	4	3	4	0
1,800 1,999	15	12	0	3	7	4	4	0
Over 2,000	91	76	6	9	26	38	19	8
Totals	192	117	9	66	93	56	35	8

Types:

- 1 Retired Members
- 2 Disabilitants
- 3 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
- II Life + 50% Survivor
- III Period Certain

Correctional Retirement Fund

Schedule of Retired Members by Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement			Life	Option Selected		
		1	2	3		I	II	III
0 199	26	23	1	2	20	5	1	0
200 399	54	49	1	4	42	12	0	0
400 599	78	73	0	5	57	20	0	1
600 799	81	76	5	0	66	15	0	0
800 999	43	38	3	2	36	7	0	0
1,000 1,199	34	29	5	0	21	13	0	0
1,200 1,399	20	17	2	1	10	10	0	0
1,400 1,599	23	23	0	0	9	14	0	0
1,600 1,799	10	10	0	0	5	5	0	0
1,800 1,999	10	10	0	0	9	1	0	0
Over 2,000	15	15	0	0	5	10	0	0
Totals	394	363	17	14	280	112	1	1

Types:

- 1 Retired Members
- 2 Disabilitants
- 3 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
- III Period Certain

Legislators and Elected State Officers

Schedule of Retired Members by Type of Benefit

Amount of Monthly Benefit	Type of Retirement			
	Elected State Officers		Legislators	
	Members	Survivor	Members	Survivor
0 199	0	0	5	10
200 399	1	1	21	18
400 599	0	0	32	10
600 799	0	1	27	5
800 999	0	0	8	3
1,000 1,199	0	0	11	0
1,200 1,399	1	1	10	0
1,400 1,599	1	1	7	0
1,600 1,799	0	0	3	1
1,800 1,999	0	0	4	0
Over 2,000	1	0	5	0
Totals	4	4	133	47

Deferred Compensation Plan Statistics

These statistics include only participants in the Minnesota Supplemental Investment Fund and not the insurance company participants. On June 30, 1992, there were 8,365 active participants, 3,030 inactive participants and 835 in withdrawal status for a total of 12,230.

INVESTMENT PERFORMANCE:

	Share Value		Rate of Return	
	June 30, 1991	June 30, 1992	FY 1992	5 Year Average
Income Shares	\$36.99	\$41.82	13.1%	9.8%
Growth Shares	24.18	27.73	14.7%	7.6%
Common Stock Index	17.23	19.61	13.8%	8.9%
Bond Market	15.30	17.68	15.6%	10.7%

Average Interest Rate

	FY 1991	FY 1992	5 Year Average
Money Market	7.7%	5.1%	7.6%

November 3-Year Contract Interest Rates

	1989	1990	1991	1992
Fixed Interest	8.4%	8.765%	6.625%	5.28%

INVESTMENT DISTRIBUTION:

	Current Investments for June 1992			Total Investments as of June 30, 1992		
	% of Participants	% of Dollars	Average Invested	% of Participants	% of Dollars	Average Invested
Income Shares	37.2%	29.8%	\$159	41.4%	23.3%	\$ 9,029
Growth Shares	25.2	15.6	123	29.7	12.3	6,652
Money Market	17.8	13.5	150	38.9	26.2	10,811
Common Stock Index	26.4	20.1	151	24.6	7.7	4,993
Fixed Interest 1989	—	—	—	16.5	5.4	5,203
Fixed Interest 1990	—	—	—	22.5	10.1	7,240
Fixed Interest 1991	19.4	17.5	180	27.3	12.6	7,380
Bond Market	6.7	3.5	105	8.1	2.4	4,788

PARTICIPANT DISTRIBUTION:

	Monthly Investment							
	Under \$50	\$50-\$99	\$100-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	Over \$600
Age 24 and under	47	18	9	0	1	0	0	4
Age 25 thru 34	467	325	213	69	40	23	28	189
Age 35 thru 44	723	610	564	233	129	81	134	511
Age 45 thru 54	342	410	411	166	128	94	176	434
Age 55 thru 64	104	133	150	87	52	51	102	240
Age 65 and over	18	36	28	14	8	3	11	30

PARTICIPANT WITHDRAWALS:

	FY 1992 Number	Average Dollar
Lump sum withdrawals:		
Partial Withdrawal	146	\$ 6,135
Full Withdrawal	185	\$ 5,974
Transfer to Insurance Co.	171	\$37,891
Survivor's Refund	17	\$17,346
Ongoing Withdrawals – June 30, 1992		
Members	789	\$534 per month
Survivors	46	\$564 per month

Unclassified Employees Retirement Plan

On June 30, 1992, there were 1,614 active participants, and 800 inactive participants for a total of 2,414.

INVESTMENT PERFORMANCE:

	Share Value		Rate of Return	
	June 30, 1991	June 30, 1992	FY 1992	5 Year Average
Income Shares	\$36.99	\$41.82	13.1%	9.8%
Growth Shares	24.18	27.73	14.7%	7.6%
Common Stock Index	17.23	19.61	13.8%	8.9%
Bond Market	15.30	17.68	15.6%	10.7%

Average Interest Rate

	FY 1991	FY 1992	5 Year Average
Money Market	7.7%	5.1%	7.6%

November 3-Year Contract Interest Rates

	1989	1990	1991	1992
Fixed Interest	8.4%	8.765%	6.625%	5.28%

INVESTMENT DISTRIBUTION:

	Current Investments for June 1992			Total Investments as of June 30, 1992		
	% of Participants	% of Dollars	Average Invested	% of Participants	% of Dollars	Average Invested
Income Shares	69.3%	57.8%	\$311	81.6%	52.8%	\$24,008
Growth Shares	26.8	11.5	159	34.4	14.5	15,595
Money Market	19.1	10.0	195	29.4	14.4	19,430
Bond Market	11.1	5.2	175	13.9	3.4	9,125
Common Stock Index	15.4	10.9	265	16.1	6.0	13,914
Fixed Interest 1989	—	—	—	6.2	1.1	6,807
Fixed Interest 1990	—	—	—	9.0	1.4	5,740
Fixed Interest 1991	9.0	4.6	191	14.5	5.4	13,823

PARTICIPANT DISTRIBUTION:

	Monthly Investment							
	Under \$50	\$50-\$99	\$100-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	Over \$600
Age 24 and under	2	3	22	9	1	0	0	7
Age 25 thru 34	2	9	64	101	67	21	4	91
Age 35 thru 44	0	5	42	87	102	111	55	141
Age 45 thru 54	0	4	16	60	40	73	80	94
Age 55 thru 64	0	2	10	32	15	29	15	34
Age 65 and over	0	0	6	13	5	2	0	8

PARTICIPANT WITHDRAWALS:

	FY 1992 Number	Average Dollar
Lump sum withdrawals:		
From active status	185	\$27,253
Survivor's Refund	6	\$30,994
Annuitants – As of June 30, 1992	40	\$267 per month