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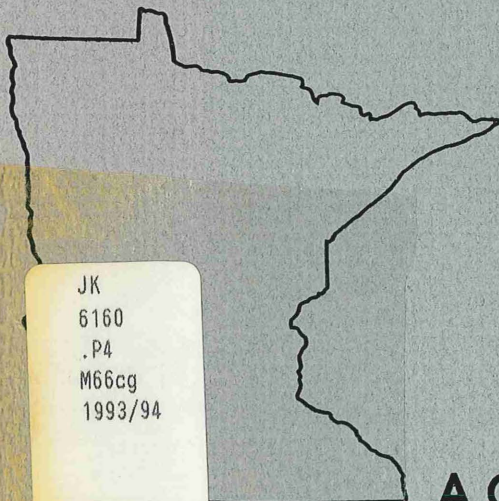
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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 1994



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Minnesota State Retirement System  
A Component Unit of the State of Minnesota



# COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE MINNESOTA STATE RETIREMENT SYSTEM

July 1, 1993 – June 30, 1994

1

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

Prepared by:  
Finance and Systems Division  
Minnesota State Retirement System  
Fiscal Year Ended June 30, 1994



This report is dedicated to the memory of Thomas L. Arbogast,  
Accounting Officer from March 19, 1984 to December 12, 1994.



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Minnesota State Retirement System

# INTRODUCTORY SECTION



# Board Chair's Report



## **To: All members, Benefit Recipients, and Employers:**

The 1994 Comprehensive Annual Financial Report of the Minnesota State Retirement System (MSRS) details the financial strength of your retirement system. As of June 30, 1994, the MSRS funds had a combined total of over \$4.7 billion in assets, a growth of \$472 million from the previous year.

Lately, there have been many negative articles written about poorly funded public pension plans. The Board is pleased to report that the major funds administered by MSRS are financially secure and are on target to fully fund current and future benefit obligations. As of June 30, 1994, the funding ratio for the General plan is 81%. The Correctional Plan and the State Patrol plans are 97% and 95% funded, respectively.

As a person retires from one of the plans listed above, enough money is set aside to fully fund monthly benefits for the person's expected lifetime. Prefunding of all future benefits provides an extra level of security for all participants.

The Minnesota Deferred Compensation Plan, which is administered by MSRS, has close to \$1 billion in assets. Several well known mutual funds were recently added. New contracts allow for greater investment flexibility.

The Board continues to implement changes to improve your retirement plan. Many manual benefit calculations have been replaced by automated calculations that reduce the waiting period for monthly benefits and minimize the likelihood of errors. We are in the process of storing paper documents on an optical disc, which will allow immediate access to all your records and provide an important backup to documents which could be destroyed by fire or other disasters.

Many other changes are planned to provide you with the services you need as cost effectively as possible. On behalf of the Board, I would like to thank you for your support.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth Yozamp". The signature is written in dark ink and is positioned below the word "Sincerely,".

Kenneth Yozamp, Chair  
MSRS Board of Directors



# Letter of Transmittal



December 1, 1994

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, 1994. We currently administer 10 plans, covering 67,000 active employees, 17,300 retirees, and 10,600 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 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 reasonably ensure the reliability of all financial records and adequately safeguard assets.

Transactions of the State Employees Retirement Plan, State Patrol Plan, Correctional Plan, Judges Plan, Elective State Officers Plan, Legislators Plan, Military Affairs Plan, Transportation Pilots Plan and the Unclassified Plan are reported on the accrual basis of accounting. The Deferred Compensation Plan is reported on the modified 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 94 totaled \$507 million, an increase of 9.2% from the prior year. The investment earnings of the stocks and bonds provided the majority of the revenue. A total rate of return of 1.8% generated \$352 million of income and accounted for 69% of the revenue. Employer and employee contributions totaling \$152 million comprised most of the remaining revenue.

The employee contribution rate for the Unclassified Plan was increased from 4.0% to 4.07% effective June 1, 1994.

## **Expenses**

Expenses in 1994 totaled \$159 million, an increase of 13.0% over the previous fiscal year. Monthly benefits to retirees, survivors and disabled persons, and lump sum refunds of employee contributions plus interest paid to terminated members totaled \$153 million. Administrative expenses, exclusive of investment expenses, totaled \$2.3 million which represents only 1.5% of total expenses.



Total revenues of \$507 million exceeded expenses by \$348 million during 1994.

### Investments

Assets of the MSRS Funds are invested by the State Board of Investment (SBI) which is comprised of the Governor, Attorney General, Secretary of State, State Auditor and State Treasurer. Members of the SBI are subject to the prudent person rule, fiduciary standards detailed in Minnesota Statutes Section 356A and investment guidelines in Section 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.

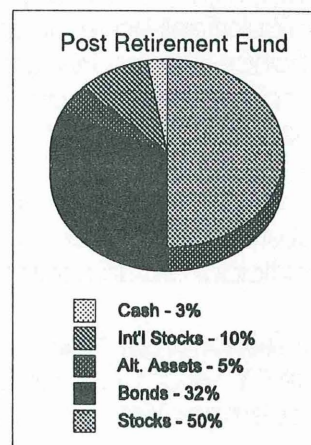
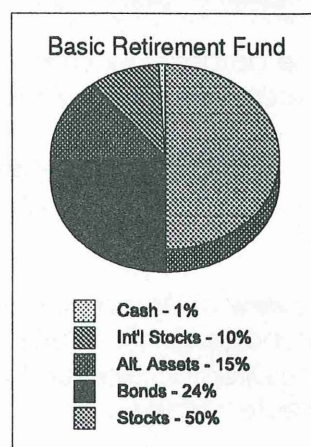
The goal of the Basic Retirement Fund is to finance future retirement benefits. Minnesota Statutes, Section 356, sets the actuarial assumed rate of return at 8.5 percent. Over a five year period, the Basic Retirement Fund is expected to outperform the median fund of public and private funds with a similar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

In 1994, the rate of return in the Basic Fund was 2.1 percent.

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. The goal of the Post Retirement Fund is to provide income to pay monthly benefits plus generate additional earnings to provide for a cost-of-living increase based on inflation as measured by the Consumer Price Index. The cost-of-living component of the post retirement increase is capped at 3.5%.

If the rate of return from the Post Retirement Fund is more than needed to meet the expected 5% return and cost-of-living increase, the investment gains will be spread over a five year period to help fund future increases. If the return is not sufficient to meet these financial requirements, the losses will be distributed over the next five year period.

The Post Fund targeted asset allocation is shown on the right. The Post Fund had a rate of return of 1.6%. A 3.985% benefit increase will be paid to eligible retirees effective January 1, 1995.





## Funding

The overall objective of any retirement system is to fund current and future benefit payments. Adequate funding assures that future pension benefits are secure.

The funding ratio of each of the retirement funds administered by MSRS can be found on pages 61 and 62. As of June 30, 1994, the assets, liabilities, and funding ratio of each fund was as follows:

	(in thousands)		
	<b>Liabilities</b>	<b>Assets</b>	<b>Funding Ratio</b>
State Employees Retirement Fund	\$3,876,584	\$3,158,068	81.47%
State Patrol Retirement Fund	275,377	262,570	95.35%
Correctional Employees Retirement Fund	152,702	148,163	97.03%
Judges Retirement Fund	98,313	50,428	51.29%
Legislators Retirement Fund	45,448	18,738	41.23%
Elective State Officers Retirement Fund	2,848	361	12.68%

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 advance-funded 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 pages 32 and 33.

## Review of Operations and Activities of 1994

Management of MSRS is vested in an 11-member Board of Directors. At their September meeting, the Directors elected Kenneth Yozamp to serve another term as Board Chair. John Johnson was elected Vice-Chair.

Many significant changes were made this past year to improve operations of the System. Final benefit calculations have been automated, reducing the time to process payments and lessening the chance of error. Paper records are being stored on optical disk to allow easy access to information. A copy of the optical records will be stored at another location to dramatically improve our disaster recovery capabilities.

Important changes were made to the Deferred Compensation Plan. Administrative fees were substantially reduced. Well known mutual funds were made available through the program and participants can now move money between the various vendors.

## Professional Services

The F.Y. 94 actuarial valuations of the MSRS funds were completed by Milliman & Robertson, Inc. in December 1994. Valuations were reviewed by William M. Mercer, Inc.

The State of Minnesota Deferred Compensation Plan (DCP) offers investment opportunities with two insurance companies, Minnesota Mutual, and Great West Life. Ochs Services and National Benefits are contracted to provide administrative services for the deferred compensation program. Gabriel, Roeder, Smith & Company completed a review of the DCP.

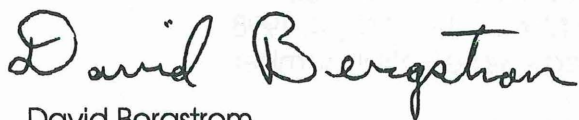
The State's Legislative Auditor conducted an independent audit of the MSRS financial statements. The comments of the Auditor can be found on page 18. Legal counsel is provided by the State's Attorney General.

### Acknowledgments

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 NEWSLETTER.

We would like to express thanks to the Board of Directors, staff and other associates who worked diligently to ensure the successful operation of MSRS in 1994.

Respectfully submitted,



David Bergstrom  
Executive Director



Arvin Herman  
Assistant Director



# Administrative Organization – June 30, 1994

## Minnesota State Retirement System Board Of Directors

Kenneth Yozamp, Chair  
Department of Corrections  
Minnesota Correctional Facility  
Box B  
St. Cloud, MN 56302  
Telephone: (612) 240-3000  
Term: May 5, 1992–May 6, 1996  
Elected – Correctional Plan Member

John Johnson  
Metropolitan Transit Commission  
312 Central Avenue, Suite 438  
Minneapolis, MN 55414  
Telephone: (612) 379-2914  
Term: May 4, 1992–May 6, 1996  
Elected – MTC Designate

Michael A. McGrath  
State Treasurer  
303 Administration Bldg  
St. Paul, MN 55155  
Telephone: (612) 296-7091  
Term: August 18, 1993–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

Mary Benner  
Dept. of Labor and Industry  
3rd Floor, CSG  
443 Lafayette Road  
St. Paul, MN 55155  
Telephone: (612) 282-6637  
Term: May 4, 1992–May 6, 1996  
Elected – State Employee

Mel Tan  
1609 Selsmer Avenue  
Cloquet, MN 55720  
Telephone: (218) 897-7689  
Term: May 18, 1993–January 6, 1997  
Appointed – Public Member

Richard K. Hull  
Minnesota State Patrol, Dist. 2800  
1991 Industrial Park Road South  
PO Box 644  
Brainerd, MN 56401  
Telephone: (218) 828-2230  
Term: May 2, 1994–May 4, 1998  
Elected – State Patrol Member

Donald M. Buckner  
1152 Stryker Avenue  
West St. Paul, MN 55118  
Telephone: (612) 457-3853  
Term: May 2, 1994–May 6, 1996  
Elected – Retired State Employee

Gregory N. Hight  
Brainerd Regional Human Services Center  
1777 highway 18 E.  
Brainerd, MN 556401  
Telephone: (218) 828-2378  
Term: September 18, 1993–May 6, 1996  
Appointed – State Employee

John D. Richter  
Department of Revenue  
3400 First Street North, #203  
St. Cloud, MN 56303  
Telephone: (612) 654-5515  
Term: May 2, 1994–May 4, 1998  
Elected – State Employee

Gail J. Tessman  
Department of Transportation  
308 Transportation Bldg  
St. Paul, MN 55155  
Telephone: (612) 297-3564  
Term: May 2, 1994–May 4, 1994  
Elected – State Employee

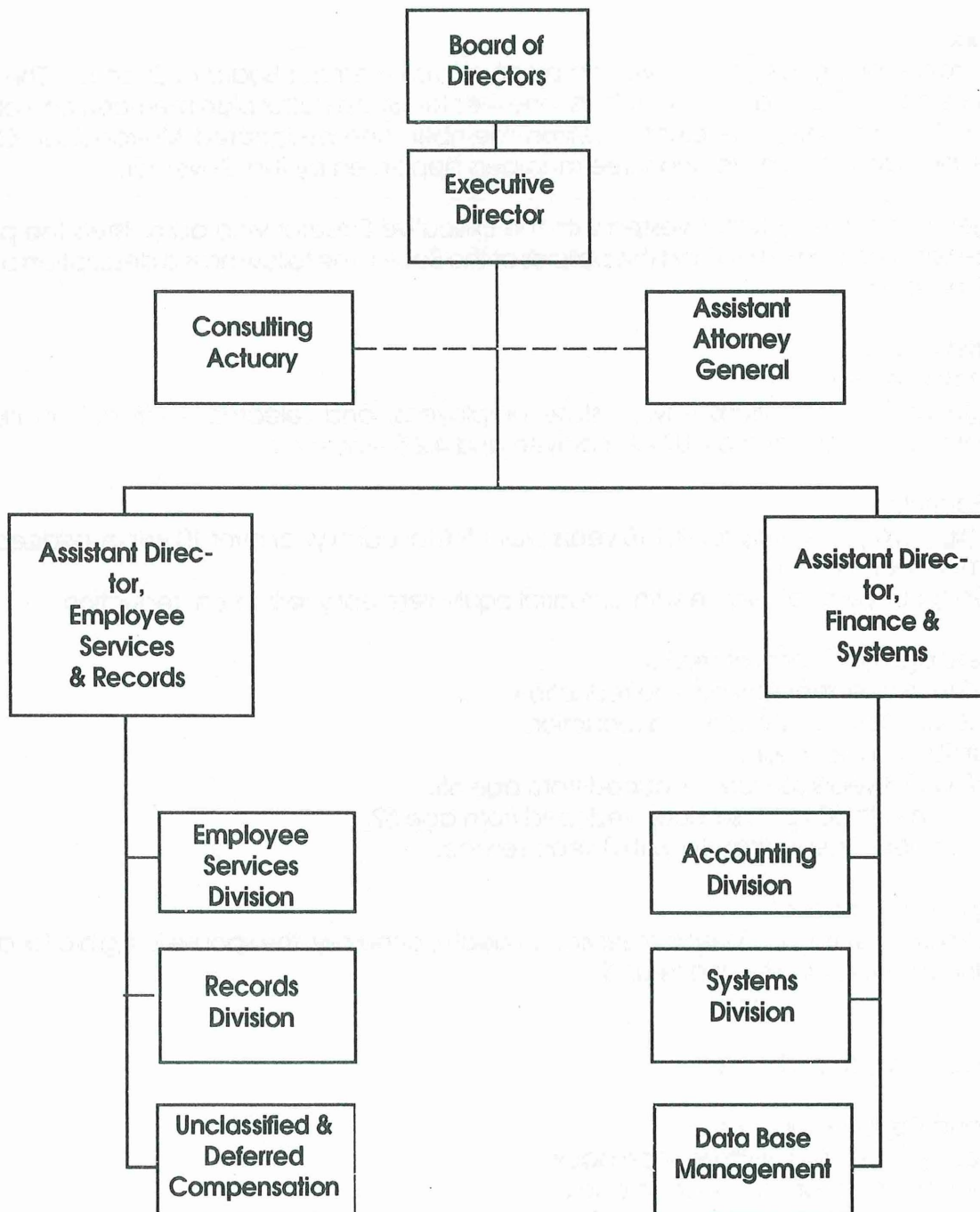
### Administrative Staff

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: William M. Mercer, Inc.  
Legal Counsel: Assistant Attorney General,  
Jon Murphy  
Medical Advisor: Minnesota Dept. of Health

# Minnesota State Retirement System Organization Chart – June 30, 1994





# 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 Council Transit Operations representative 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 4.07% employee and 4.2% 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 has at least 3 years of service at death, generally, the spouse is eligible for a 100% joint and survivor annuity or a refund.

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(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 for transportation pilots. Contributions are 5.67% employee and 5.8% employer.

- (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.
  - Unable to perform job disability with 3 years service, immediate coverage if disabled on the the job.
  - 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. The minimum non duty disability is 37%.
- (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 65.
  - 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.
  - Disability same as State Patrol Retirement Plan.



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

## (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.

## (f) Annuity Options

- 100% joint and survivor with bounce back, discounted by value of free 50% spouse benefit if applicable.
- 100% and 50% joint and survivor options for non-spouse.

*Elective State 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 4.07% 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.
- 15 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.

## (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
  - Guaranteed Certificate Fund – 36, 60 and 84 month.
  - Growth Fund.
  - Bond Fund.
  - Money Market.

(c) Withdrawal Events

- Termination of service or death.
- Unforeseeable 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.

# 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, 1994, 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, 1994, 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, 1994, 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 23, 1994



# Combined Balance Sheet

Minnesota State Retirement System

June 30, 1994  
(In Thousands)

## ASSETS:

Cash	\$ 821
Accounts receivable:	
Member contributions	6,038
Employer contributions	3,226
Other	113
Accrued Interest	194
Due from other plans	739
Due from other funds	49
Prepaid Expenses	65
Investment Pools:	
Short-term Pools (at cost)	85,313
Equity Pools (at cost)	1,454,007
Fixed Income Pools (at cost)	627,571
MPRI Fund Pool (at cost)	1,481,884
MSI Fund Pool (at market)	353,638
Deposits with Insurance Companies	715,844
Nondedicated Member Deposits	5,979
Fixed Assets	224

**Total Assets** **\$ 4,735,705**

## LIABILITIES:

Accounts Payable	\$ 1,493
Deferred Revenue	10
Due to MPRI fund	32,207
Due to other plans	739
Member Deferred Compensation	968,097

**TOTAL LIABILITIES** **\$ 1,002,546**

## FUND BALANCE:

MPRI Fund reserve	\$ 1,481,884
Member reserve	670,510
NonMPRI fund reserve	28,199
State reserve	2,377,955
Total Required Reserves	\$ 3,733,161
Unfunded accrued liability (at cost)	(825,389)

**TOTAL FUND BALANCE** **\$ 3,733,159**

**TOTAL LIABILITIES AND FUND BALANCE** **\$ 4,735,705**

See notes to Financial Statements.



# Combined Statement of Revenues, Expenses and Changes in Fund Balance

Minnesota State Retirement System

Year Ended June 30, 1994  
(In Thousands)

## OPERATING REVENUES:

Member contributions	\$ 73,253
Employer contributions	78,276
General Fund revenues	3,239
Investment income	214,379
MPRI Fund income	137,831
Administrative costs collected	107
Other income	23

## TOTAL OPERATING REVENUES

\$ 507,108

## OPERATING EXPENSES:

Annuity benefits	\$ 139,721
Refunds	10,338
Interest on refunds	1,651
Interest to MPRI Fund	1,380
Administrative expenses	2,306
Administrative expense rebated	48
Investment fees	3,237
Other Expenses	4

## TOTAL OPERATING EXPENSES

\$ 158,685

## NET FUND BALANCE ADDITIONS

\$ 348,423

## FUND BALANCE AT JUNE 30, 1993

\$ 3,384,736

## FUND BALANCE AT JUNE 30, 1994

\$ 3,733,159

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 six defined benefit funds, one defined contribution fund and one agency fund. At June 30, 1994 the number of employers contributing to the various funds was:

State of Minnesota	1
University of Minnesota	1
Counties	21
Cities	76
School Districts	114
Other Employers	87
	<hr/>
	300

As a reporting entity, MSRS is primarily defined in various Minnesota Statutes. Certain elements of oversight responsibility were also considered. They were: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

MSRS is a component unit of the State of Minnesota and is included with other fiduciary funds in their Comprehensive Annual Financial Report. Also, MSRS has no oversight responsibilities for other activities or entities. This report includes financial information for only MSRS.

## 2. Summary of Significant Accounting Policies

### (a) Basis of accounting

The basic financial statements were prepared using the accrual basis, or modified accrual basis if appropriate, 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, 1994 was \$4.11 billion. At June 30, 1993, the market value of all investments was \$3.99 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 – Uninsured or unregistered investments for which the securities are held by the counterparty'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) 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.



(e) *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.

(f) *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.

(g) *Nondedicated Member Deposits*

Member contributions of the Legislators and Elective State Officers Funds are deposited into 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.

(h) *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 5% for the State Employees Retirement Fund, 6.5% for other funds, and interest assumption of 8.5% were used by the actuary.

**3. Capital Equipment**

Capital Equipment balances at June 30, 1994 were:

Cost of Equipment and Fixtures	\$388,089
Less: Accumulated Depreciation	(164,153)
Undepreciated Cost	\$223,936



#### 4. Cash And Investments

##### (a) Cash

MSRS cash is deposited into state treasury accounts. At June 30, 1994 and throughout the fiscal year, 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. Investments primarily include obligations and stocks of the United States and Canadian governments, their agencies and their registered corporations and short-term obligations of specific high quality. Various alternative investments including international securities are limited by statute to 35% of the fund pool.

##### (c) Credit Risk

MSRS does not own any investments that are considered securities for purposes of assessing credit risk. All investments are in State Board of Investment administered pools, open-end mutual funds, or guaranteed investment contracts; none of which are considered securities for credit risk purposes.

##### (d) Investment Values

Market values and costs of investment pools at June 30, 1994 were as follows (In Thousands):

	Market Values			
	Short-Term Pools	Equity Pools	Fixed Income Pools	Totals
State Employees Retirement Fund	\$ 72,677	\$1,333,784	\$ 532,881	\$ 1,939,342
State Patrol Retirement Fund	4,622	101,329	40,486	146,437
Correctional Retirement Fund	3,962	72,428	28,938	105,328
Judges Retirement Fund	834	6,475	2,588	9,897
Unclassified Fund	878	0	0	878
Deferred Compensation Fund	2,342	0	0	2,342
	\$ 85,315	\$ 1,514,016	\$ 604,893	\$ 2,204,224

	Cost (Book Value)			
	Short-Term Pools	Equity Pools	Fixed Income Pools	Totals
State Employees Retirement Fund	\$72,677	\$ 1,280,817	\$ 552,843	\$ 1,906,337
State Patrol Retirement Fund	4,622	97,189	41,992	143,803
Correctional Retirement Fund	3,962	69,332	29,961	103,255
Judges Retirement Fund	834	6,669	2,775	10,278
Unclassified Fund	878	0	0	878
Deferred Compensation Fund	2,342	0	0	2,342
	\$ 85,315	\$ 1,454,007	\$ 627,571	\$ 2,166,893

#### 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 1994 plus the 1993 income used to pay the January 1994 benefit increase. Income in excess of 5% was distributed according to Minnesota Statutes, Section 11A.18, Subdivision 9.

The proportionate market value and cost attributable to the participation of each fund in the MPRI Fund are as follows (In Thousands):

	<b>Market Value</b>	<b>Cost (Book Value)</b>
State Employees Retirement Fund	\$ 1,323,524	\$ 1,265,096
State Patrol Retirement Fund	125,879	118,567
Correctional Retirement Fund	47,194	44,186
Judges Retirement Fund	43,158	40,854
Legislators Retirement Fund	14,035	13,181
	<b>\$ 1,553,790</b>	<b>\$ 1,481,884</b>

### Minnesota Supplemental Investment Fund (MSI Fund)

The MSI Fund is an investment vehicle for various state and local pension plans. To accomplish the diverse investment goals of these plans, the MSI Fund is structured like a family of mutual funds. Plan participants are permitted to allocate their individual accounts to the investment options approved for participation by their plan administrators. Members of the Unclassified Employees Retirement Fund and Deferred Compensation Plan may invest in all options offered in the MSI Fund.

The market value and cost of each fund's participation in the various MSI Fund investment options is as follows (In Thousands):

<b>Investment Options</b>	<b>Market Value</b>		<b>Totals</b>
	<b>Unclassified Fund</b>	<b>Deferred Compensation Fund</b>	
Income Account	\$ 58,058	\$ 72,054	\$ 130,112
Growth Account	16,355	36,878	53,233
Money Market Account	12,003	37,763	49,766
Bond Market Account	4,101	11,254	15,355
Common Stock Index Account	8,562	31,675	40,237
Fixed Interest Account	7,151	57,784	64,935
<b>Totals</b>	<b>\$ 106,230</b>	<b>\$ 247,408</b>	<b>\$ 353,638</b>

<b>Investment Options</b>	<b>Cost</b>		<b>Totals</b>
	<b>Unclassified Fund</b>	<b>Deferred Compensation Fund</b>	
Income Account	\$ 31,928	\$ 44,433	\$ 76,361
Growth Account	8,383	22,871	31,254
Money Market Account	6,863	22,910	29,773
Bond Market Account	2,491	7,574	10,065
Common Stock Index Account	4,932	23,403	28,335
Fixed Interest Account	3,992	34,807	38,799
<b>Totals</b>	<b>\$ 58,589</b>	<b>\$ 155,998</b>	<b>\$ 214,587</b>



**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 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 Asset Valuations**

Minnesota Statutes provide that actuarial valuations include one third of unrealized market value gains or losses. The lower of cost or market value is required on the balance sheet. The following shows the unfunded liability with each method (In Thousands).

	Unfunded Liability	
	Cost Basis	Actuarial Basis
State Employees Retirement Fund	\$729,518	\$718,513
State Patrol Retirement Fund	13,685	12,807
Correctional Employees Retirement Fund	5,230	4,539
Judges Retirement Fund	47,759	47,885
Legislators Retirement Fund	26,710	26,710
Elective State Officers Retirement Fund	2,487	2,487

**10. Changes in Actuarial Assumptions - State Employees Retirement Fund**

(a) Mortality Table - In prior years, the actuary used the 1971 Group Annuity Mortality Table to project future costs of benefits. Because it better reflects the experience of the plan, the 1983 Group Annuity Mortality Table was used to value the State Employees Retirement Fund in the current fiscal year. This change resulted in an increase of \$138,004,00 in the unfunded liability and a transfer of reserves from active members to retirees of \$28,542,000.

(b) Salary Assumption - In prior years, the actuary assumed a salary growth rate of 6.5% for all funds. For the State Employees Retirement Fund, this assumption was changed for the current year. The actuary now uses a graded scale of individual salary increases and a 5% assumption for general payroll growth resulting from inflation etc., to replace the flat 6.5% salary growth rate. These changes resulted in a decrease of \$199,534,000 in the unfunded liability.

**11. 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 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, 1994.



	(In Thousands)					
	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislators Retirement Plan	Elective State Officers Retirement Plan
Retirees and beneficiaries receiving benefits and terminated employees not receiving benefits	\$1,373,458	\$125,240	\$ 53,109	\$54,329	\$30,705	\$1,618
Current Employees: Accumulated employee contributions including allocated investment income	779,128	49,191	28,794	14,953	4,527	438
Employee financed-vested	1,090,182	67,618	43,041	16,559	6,515	529
Employer financed-nonvested	133,499	22,258	6,522	9,043	1,609	133
<b>Pension Benefit Obligation</b>	<b>\$3,376,267</b>	<b>\$264,307</b>	<b>\$ 131,466</b>	<b>\$94,884</b>	<b>\$43,356</b>	<b>\$2,718</b>
Net assets available for benefits (Cost Basis)	3,147,066	261,692	147,472	50,554	18,738	361
<b>Unfunded (Assets in Excess of) Pension Benefit Obligation</b>	<b>\$ 229,201</b>	<b>\$ 2,615</b>	<b>\$(16,006)</b>	<b>\$44,330</b>	<b>\$24,618</b>	<b>\$2,357</b>
<b>Funded Ratio</b>	<b>93.21%</b>	<b>99.01%</b>	<b>112.18%</b>	<b>53.28%</b>	<b>43.22%</b>	<b>13.28%</b>

## 12. 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	Elective State Officers Retirement Plan
Employee Contributions as a % of payroll	\$ 62,555 4.07%	\$3,004 8.50%	\$2,679 4.90%	\$1,416 6.27%	\$ 593 9.00%	\$ 37 9.00%
Employer Contributions as a % of payroll	\$ 60,742 4.20%	\$5,160 14.88%	\$3,355 6.27%	\$4,912 22.00%	N/A N/A	N/A N/A
Total Contributions Made as a % of payroll	\$123,297 8.27%	\$8,167 23.38%	\$6,034 11.17%	\$6,328 28.27%	\$ 593 9.00%	\$37 9.00%
Required Contributions (per actuary) as a % of payroll	\$127,999 8.93%	\$7,546 21.94%	\$5,820 10.97 %	\$5,848 26.29%	\$ 1,960 31.12 %	\$ 144 38.64%
Funding Surplus (Deficit)	\$ (4,702)	\$ 618	\$ 214	\$ 480	\$(1,367)	\$(107)



**13. 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 covered by the General Employees Plan.

Membership statistics at June 30, 1994 were as follows:

<b>Members receiving benefits:</b>	
Retirees	14,724
Beneficiaries	1,207
<b>Terminated members:</b>	
Vested, not receiving benefits	4,818
Non-vested	4,744
<b>Active members:</b>	
Vested	38,295
Nonvested	11,070
<b>Total</b>	<b>74,858</b>
<b>Annualized Payroll (06/30/94)</b>	<b>\$1,789,033,000</b>

Minnesota Statutes, Section 352.04 required that eligible employees contribute 4.07% of their total compensation, with a matching employer contribution of 4.20%.

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, 1989 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, 1994 were as follows:

<b>Members receiving benefits:</b>	
Retirees	409
Beneficiaries	120
<b>Terminated members:</b>	
Vested, not receiving benefits	21
Nonvested	3
<b>Active members:</b>	
Vested	740
Nonvested	48
<b>Total</b>	<b>1,341</b>
<b>Annualized Payroll (06/30/94)</b>	<b>\$41,462,000</b>

Minnesota Statutes, Section 352B.02 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, 1994 were as follows:

<b>Members receiving benefits:</b>	
Retirees	414
Beneficiaries	17
<b>Terminated members:</b>	
Vested, not receiving benefits	248
Nonvested	44
<b>Active members:</b>	
Vested	1,249
Nonvested	512
<b>Total</b>	<b>2,484</b>
<b>Annualized Payroll (06/30/94)</b>	<b>\$70,562,000</b>



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, 1994 were as follows:

<b>Members receiving benefits:</b>	
Retirees	135
Beneficiaries	72
<b>Terminated members:</b>	
Vested, not receiving benefits	6
Non vested	0
<b>Active Members:</b>	
Vested	196
Non vested	69
<b>Total</b>	<b>478</b>
<b>Annualized Payroll (06/30/94)</b>	<b>\$22,302,000</b>

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 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 five years of service and a reduced benefit, or mandatory retirement at age 70 with one year of service. The benefit is 2.5% for each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980. The formula is applied to the high five year average salary.



**(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, 1994 were as follows:

	<b>Legislators Retirement Plan</b>	<b>Elective State Officers Plan</b>
<b>Members receiving benefits:</b>		
Retirees	149	5
Beneficiaries	56	6
<b>Terminated members:</b>		
Vested, not receiving benefits	133	4
Nonvested	6	0
<b>Active members:</b>		
Vested	109	3
Nonvested	92	3
<b>Total</b>	<b>545</b>	<b>21</b>
<b>Annualized Payroll (06/30/94)</b>	<b>\$6,916,000</b>	<b>\$462,000</b>

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.

**14. 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, 1994 were as follows:

Active members	1,559
Inactive members	1,027
Total	2,586
Annualized Payroll (06/30/94)	\$67,599,000



Minnesota Statutes, Section 352D.01.12 authorize creation of this plan and specify contribution rates of 4.07% 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.

**15. 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. The Legislators and Elective State Officers plans automatically provide a 50% benefit continuance to a surviving spouse. Legislators can also elect additional survivor coverage.

**16. Contingent Liability**

The Unclassified Employees Retirement Plan, a defined contribution plan, permits employees who were previously members of a Minnesota defined benefit plan or who have accrued ten or more years of service to elect a General Employees Retirement Plan option upon retirement. The actuarially estimated value of this unfunded liability is \$5,200,000.



# 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
<b>STATE EMPLOYEES RETIREMENT FUND:</b>						
1985*	\$1,153,383	\$1,285,197	90.1	\$126,814	\$1,010,726	12.5
1986*	1,370,049	1,439,134	95.2	69,085	998,258	6.9
1987*	1,585,971	1,650,993	96.1	65,022	1,058,471	6.1
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
1993	2,846,117	3,057,914	93.1	211,797	1,412,267	15.0
1994	3,147,066	3,376,267	93.2	229,201	1,789,033	12.8
*Note: Includes the Correctional Employees Retirement Fund.						
<b>STATE PATROL RETIREMENT FUND:</b>						
1985	\$100,486	\$128,874	78.0	\$28,388	\$24,268	117.0
1986	118,175	142,626	82.9	24,451	24,163	101.2
1987	136,397	153,107	89.1	16,710	25,132	66.5
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
1993	240,075	247,633	96.9	7,558	35,326	21.4
1994	261,692	264,307	99.0	2,615	41,462	6.3
<b>CORRECTIONAL EMPLOYEES RETIREMENT FUND:</b>						
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)
1993	132,825	115,888	114.6	(16,937)	50,991	(33.2)
1994	147,472	131,466	112.2	(16,006)	70,562	(22.7)

\*Note: Prior years were included in the State Employees Retirement Fund until July 1, 1987.



# Required Supplemental Information Analysis of Funding Progress

(In Thousands)  
Unaudited

Fiscal Year	Net Assets Available for Benefits (Costs)	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll (Historical)	Unfunded Benefit Percentage of Covered Payroll
<b>JUDGES RETIREMENT FUND:</b>						
1985	\$13,784	\$40,074	29.3	\$33,290	\$15,016	221.7
1986	15,983	51,178	31.2	35,195	14,913	236.0
1987	18,781	53,677	35.0	34,896	15,644	223.1
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
1993	44,106	87,432	50.5	43,326	21,928	197.6
1994	50,554	94,884	53.3	44,330	22,302	198.8
<b>LEGISLATORS RETIREMENT FUND:</b>						
1985	\$8,398	\$18,066	46.5	\$9,068	\$4,416	218.9
1986	9,535	20,532	46.4	10,997	4,366	251.9
1987	11,158	21,950	50.8	10,792	4,786	225.5
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
1993	17,168	34,994	49.1	17,826	6,801	262.1
1994	18,738	43,356	43.2	24,618	6,916	356.0
<b>ELECTIVE STATE OFFICERS RETIREMENT FUND:</b>						
1985	\$197	\$1,595	12.4	\$1,398	\$359	389.4
1986	230	1,555	14.8	1,325	344	385.2
1987	246	1,619	15.2	1,373	355	386.8
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
1993	322	2,548	12.6	2,226	373	596.8
1994	361	2,718	13.3	2,357	462	510.2



# Required Supplemental Information

## Revenues by Sources

(In Thousands)  
Unaudited

### STATE EMPLOYEES RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	% Employer Contributions
1985*	\$35,220	\$37,625	\$108,531	\$1,331	\$182,707	\$1,010,726	3.72%
1986*	38,356	40,565	161,728	1,299	241,948	998,258	4.06
1987*	40,625	42,911	192,178	1,245	276,959	1,058,471	4.05
1988	41,632	42,951	136,396	1,201	222,180	1,091,511	3.94
1989	43,957	45,401	205,180	1,099	295,637	1,163,800	3.90
1990	55,671	57,200	220,092	29	332,992	1,254,991	4.56
1991	56,895	57,986	182,747	4	297,632	1,390,183	4.17
1992	58,478	59,244	297,879	8	415,609	1,381,115	4.29
1993	59,130	58,980	269,405	3	387,518	1,412,267	4.18
1994	62,555	60,742	305,850	13	429,160	1,789,033	3.40

\*NOTE: Includes the Correctional Employees Retirement Fund.

### STATE PATROL RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	% Employer Contributions
1985	\$1,964	\$ 4,362	\$9,145	\$63	\$15,534	\$24,268	17.97%
1986	2,062	4,598	13,686	62	20,408	24,163	19.03
1987	2,164	4,778	16,462	63	23,467	25,132	19.01
1988	2,244	4,971	12,976	62	20,253	26,085	19.06
1989	2,367	5,256	17,746	59	25,428	27,765	18.93
1990	2,568	5,706	18,870	3	27,147	30,150	18.93
1991	2,751	4,825	16,013	0	23,589	32,323	14.93
1992	2,795	4,893	24,569	0	32,257	32,630	15.00
1993	3,040	5,288	22,595	0	30,923	35,326	14.97
1994	3,004	5,160	25,102	0	33,266	41,462	12.45

### CORRECTIONAL EMPLOYEES RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	% Employer Contributions
1988	\$1,753	\$ 3,089	\$ 5,721	\$ 0	\$10,563	\$33,155	9.32%
1989	1,748	3,084	9,254	0	14,086	36,475	8.69
1990	1,925	3,412	10,133	0	15,470	38,999	8.75
1991	2,128	2,731	8,035	0	12,894	43,247	6.31
1992	2,332	2,955	14,121	0	19,408	46,512	6.35
1993	2,554	3,217	12,680	0	18,451	50,991	6.31
1994	2,679	3,355	13,767	0	19,801	70,562	4.75

\*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)  
Unaudited

### JUDGES RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	% Employer Contributions
1985	\$501	\$2,226	\$1,219	\$84	\$4,030	\$15,016	14.82%
1986	562	2,173	1,661	81	4,477	14,913	14.57
1987	563	2,405	2,699	62	5,729	15,644	15.37
1988	565	2,650	1,980	57	5,252	16,102	16.46
1989	733	2,875	2,443	44	6,095	18,006	15.97
1990	779	5,500	2,494	39	8,812	19,134	28.74
1991	799	5,900	2,927	20	9,646	20,660	28.56
1992	988	4,722	3,407	11	9,128	21,297	22.17
1993	1,409	4,844	3,853	1,444	11,550	21,928	22.09
1994	1,416	4,912	4,527	1,467	12,322	22,302	22.02

### LEGISLATORS RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	% Employer Contributions
1985	\$357	\$0	\$620	\$604	\$1,581	\$4,416	N/A
1986	387	0	749	981	2,117	4,366	N/A
1987	430	0	979	1,847	3,256	4,786	N/A
1988	397	0	976	925	2,298	4,386	N/A
1989	431	0	980	860	2,271	4,668	N/A
1990	546	0	764	451	1,761	5,859	N/A
1991	637	0	882	1,889	3,408	6,707	N/A
1992	590	0	872	601	2,003	6,286	N/A
1993	659	0	974	2,283	3,916	6,801	N/A
1994	593	0	1,278	1,618	3,489	6,916	N/A

### ELECTIVE STATE OFFICERS RETIREMENT FUND:

Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	% Employer Contributions
1985	\$29	\$0	\$0	\$95	\$124	\$359	N/A
1986	31	0	0	101	132	344	N/A
1987	32	0	0	132	164	355	N/A
1988	34	0	0	132	166	365	N/A
1989	35	0	0	141	176	387	N/A
1990	36	0	0	112	148	404	N/A
1991	38	0	0	40	78	425	N/A
1992	34	0	0	111	145	375	N/A
1993	45	0	0	88	133	373	N/A
1994	37	0	0	164	201	462	N/A



# Required Supplemental Information Expenses by Type

(In Thousands)  
Unaudited

## STATE EMPLOYEES RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
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
1993	104,361	1,786	8,116	3,339	117,602
1994	116,072	1,978	7,644	4,048	129,742

\*NOTE: Includes the Correctional Employees Retirement Fund.

## STATE PATROL RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
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
1993	10,253	61	37	262	10,613
1994	11,271	66	11	300	11,648

## 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	3,773	129	255	156	4,313
1993	4,150	87	296	177	4,710
1994	4,557	100	285	221	5,163

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



# Required Supplemental Information Expenses by Type

Minnesota State Retirement System

(In Thousands)  
Unaudited

## JUDGES RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
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	38	6	15	3,169
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
1993	5,144	37	0	33	5,214
1994	5,773	27	34	40	5,874

## LEGISLATORS RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
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
1993	1,697	24	178	9	1,908
1994	1,887	24	0	8	1,911

## ELECTIVE STATE OFFICERS RETIREMENT FUND:

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other	Total
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
1993	143	2	0	0	145
1994	161	1	0	0	162



# Combining Balance Sheet

Minnesota State Retirement System

June 30, 1994  
(In Thousands)

	Defined Benefit Funds	Defined Contribution Fund Unclassified Retirement Fund	Agency Fund Deferred Compensation Fund	Totals
<b>ASSETS:</b>				
Cash	\$ 772	\$ 18	\$ 31	\$ 821
Accounts receivable:				
Member contributions	2,978	118	2,942	6,038
Employer contributions	3,052	174	0	3,226
Other	22	6	85	113
Accrued Interest	194	0	0	194
Due from other plans	738	1	0	739
Due from other funds	49	0	0	49
Prepaid Expenses	60	1	4	65
Investments pools:				
Short-term pools (at cost)	82,093	878	2,342	85,313
Equity pools (at cost)	1,454,007	0	0	1,454,007
Fixed income pools (at cost)	627,571	0	0	627,571
MPRI Fund pool (at cost)	1,481,884	0	0	1,481,884
MSI Fund pool (at market)	0	106,230	247,408	353,638
Deposits with Insurance Companies	0	0	715,844	715,844
Nondedicated Member Deposits	5,979	0	0	5,979
Fixed Assets	224	0	0	224
<b>Total Assets</b>	<b>\$3,659,623</b>	<b>\$107,426</b>	<b>\$968,656</b>	<b>\$4,735,705</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 1,329	\$ 45	\$ 119	\$ 1,493
Deferred Revenue	10	0	0	10
Due to MPRI fund	32,207	0	0	32,207
Due to other plans	194	105	440	739
Member Deferred Compensation	0	0	968,097	968,097
<b>Total Liabilities</b>	<b>\$ 33,740</b>	<b>\$ 150</b>	<b>\$968,656</b>	<b>\$1,002,546</b>
<b>FUND BALANCE:</b>				
MPRI Fund reserve	\$ 1,481,884	\$ 0	\$ 0	\$ 1,481,884
Member reserve	563,234	107,276	0	670,510
NonMPRI Fund reserve	25,325	0	0	25,325
State reserve	2,377,955	0	0	2,377,955
<b>Total Required Reserves</b>	<b>\$ 4,451,272</b>	<b>\$ 107,276</b>	<b>\$ 0</b>	<b>\$ 4,451,272</b>
Unfunded accrued liability (at cost)	(825,389)	0	0	(825,389)
<b>Total Fund Balance</b>	<b>\$ 3,625,883</b>	<b>\$ 107,276</b>	<b>\$ 0</b>	<b>\$ 3,733,159</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,659,623</b>	<b>\$ 107,426</b>	<b>\$ 968,656</b>	<b>\$ 4,735,705</b>

See notes to Financial Statements.



# Combining Statement of Revenues, Expenses and Changes in Reserves

Minnesota State Retirement System

Year Ended June 30, 1994  
(In Thousands)

	Defined Benefit Funds	Defined Contribution Fund	Unclassified Retirement Fund	Totals
<b>OPERATING REVENUES:</b>				
Member contributions	\$ 70,284	\$ 2,969	\$	\$ 73,253
Employer contributions	74,169	4,107		78,276
General Fund revenues	3,239	0		3,239
Investment income	212,693	1,686		214,379
MPRI Fund income	137,831	0		137,831
Administrative costs collected	0	107		107
Other income	23	0		23
<b>Total Operating Revenues</b>	<b>\$ 498,239</b>	<b>\$ 8,869</b>		<b>\$ 507,108</b>
<b>OPERATING EXPENSES:</b>				
Annuity benefits	\$ 139,721	\$ 0	\$	\$ 139,721
Refunds	6,323	4,015		10,338
Interest on refunds	1,651	0		1,651
Interest to MPRI Fund	1,380	0		1,380
Administrative expenses	2,196	110		2,306
Administrative expenses rebated	0	48		48
Investment fees	3,237	0		3,237
Other Expenses	0	4		4
<b>Total Operating Expenses</b>	<b>\$ 154,508</b>	<b>\$ 4,177</b>		<b>\$ 158,685</b>
<b>OTHER CHANGES IN RESERVES:</b>				
Plan transfers	\$ 1,540	\$ (1,540)	\$	\$ 0
<b>Total Other Changes in Reserves</b>	<b>\$ 1,540</b>	<b>\$ (1,540)</b>		<b>\$ 0</b>
<b>Net Fund Balance Additions</b>	<b>\$ 345,271</b>	<b>\$ 3,152</b>		<b>\$ 348,423</b>
<b>Fund Balance at June 30, 1993</b>	<b>\$ 3,280,612</b>	<b>\$ 104,124</b>		<b>\$ 3,384,736</b>
<b>Fund Balance at June 30, 1994</b>	<b>\$ 6,625,883</b>	<b>\$ 107,276</b>		<b>\$ 3,733,159</b>

See notes to Financial Statements



# Combining Balance Sheet Defined Benefit Funds

Minnesota State Retirement System

Year Ended June 30, 1994 (In Thousands)							
ASSETS:	State Employees	State Patrol	Correctional Employees	Judges	Legislators	Elective State Officers	Totals
Cash	\$ 670	\$ 110	\$ 11	\$ (19)	\$ 0	\$ 0	\$ 772
Accounts receivable:							
Member contributions	2,661	153	140	22	0	2	2,978
Employer contributions	2,564	250	163	75	0	0	3,052
Other	20	1	0	1	0	0	22
Accrued interest	171	13	9	1	0	0	194
Due from other plans	738	0	0	0	0	0	738
Due from other funds	0	0	0	0	48	1	49
Prepaid Expenses	57	1	1	1	0	0	60
Investment Pools:							
Short-term pools (at cost)	72,677	4,621	3,962	833	0	0	82,093
Equity pools (at cost)	1,280,817	97,189	69,332	6,669	0	0	1,454,007
Fixed income pools (at cost)	552,843	41,992	29,961	2,775	0	0	627,571
MPRI Fund pool (at cost)	1,265,096	118,567	44,186	40,854	13,181	0	1,481,884
Nondedicated Member Deposits	0	0	0	0	5,620	359	5,979
Fixed Assets	224	0	0	0	0	0	224
<b>Total Assets</b>	<b>\$3,178,538</b>	<b>\$ 262,897</b>	<b>\$ 147,765</b>	<b>\$ 51,212</b>	<b>\$ 18,849</b>	<b>\$ 362</b>	<b>\$3,659,623</b>
LIABILITIES:							
Accounts Payable	\$ 1,216	\$ 60	\$ 47	\$ 5	\$ 1	\$ 0	\$ 1,329
Deferred Revenue	0	0	0	10	0	0	10
Due to MPRI fund	30,255	1,088	159	618	87	0	32,207
Due to other plans	1	57	87	25	23	1	194
<b>Total Liabilities</b>	<b>\$ 31,472</b>	<b>\$ 1,205</b>	<b>\$ 293</b>	<b>\$ 658</b>	<b>\$ 111</b>	<b>\$ 1</b>	<b>\$ 33,740</b>
FUND BALANCE:							
MPRI Fund reserve	\$1,265,096	\$ 118,567	\$ 44,186	\$ 40,854	\$ 13,181	\$ 0	\$1,481,884
Member reserve	500,436	28,908	20,451	7,460	5,620	359	563,234
NonMPRI Fund reserve	4,786	6,101	0	11,094	2,427	1,212	28,199
State reserve	2,106,266	123,961	88,065	37,650	20,736	1,277	2,377,955
<b>Total Required Reserves</b>	<b>\$ 3,876,584</b>	<b>\$ 275,377</b>	<b>\$ 152,702</b>	<b>\$ 98,313</b>	<b>\$ 45,448</b>	<b>\$ 2,848</b>	<b>\$ 4,451,272</b>
Unfunded accrued liability (at cost)	(729,518)	(13,685)	(5,230)	(47,759)	(26,710)	(2,487)	(825,389)
<b>Net Fund Balance</b>	<b>\$ 3,147,066</b>	<b>\$ 261,692</b>	<b>\$ 147,472</b>	<b>\$ 50,554</b>	<b>\$ 18,738</b>	<b>\$ 361</b>	<b>\$ 3,625,883</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,175,538</b>	<b>\$ 262,897</b>	<b>\$ 147,765</b>	<b>\$ 51,212</b>	<b>\$ 18,849</b>	<b>\$ 362</b>	<b>\$ 3,659,623</b>

See notes to Financial Statements.



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

Year Ended June 30, 1994  
(In Thousands)

	State Employees	State Patrol	Correctional Employees	Judges	Legislators	Elective State Officers	Totals
<b>OPERATING REVENUES:</b>							
Member contributions	\$ 62,555	\$ 3,004	\$ 2,679	\$ 1,416	\$ 593	\$ 37	\$ 70,284
Employer contributions	60,742	5,160	3,355	4,912	0	0	74,169
General Fund revenues	0	0	0	1,457	1,618	164	3,239
Investment income	189,140	13,374	9,469	710	0	0	212,693
MPRI Fund income	116,710	11,728	4,298	3,817	1,278	0	137,831
Other income	13	0	0	10	0	0	23
<b>Total Operating Revenues</b>	<b>\$ 429,160</b>	<b>\$ 33,266</b>	<b>\$ 19,801</b>	<b>\$ 12,322</b>	<b>\$ 3,489</b>	<b>\$ 201</b>	<b>\$ 498,239</b>
<b>OPERATING EXPENSES:</b>							
Annuity benefits	\$ 116,072	\$ 11,271	\$ 4,557	\$ 5,773	\$ 1,887	\$ 161	\$ 139,721
Refunds	6,047	10	238	28	0	0	6,323
Interest on refunds	1,597	1	47	6	0	0	1,651
Interest to MPRI Fund	1,191	86	68	27	8	0	1,380
Administrative expenses	1,978	66	100	27	24	1	2,196
Investment fees	2,857	214	153	13	0	0	3,237
<b>Total Operating Expenses</b>	<b>\$ 129,742</b>	<b>\$ 11,648</b>	<b>\$ 5,163</b>	<b>\$ 5,874</b>	<b>\$ 1,919</b>	<b>\$ 162</b>	<b>\$ 154,508</b>
<b>OTHER CHANGES IN RESERVES:</b>							
Plan transfers	\$ 1,531	\$ 0	\$ 9	\$ 0	\$ 0	\$ 0	\$ 1,540
<b>Total Other Changes</b>	<b>\$ 1,531</b>	<b>\$ 0</b>	<b>\$ 9</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,540</b>
<b>Net Reserve Additions</b>	<b>\$ 300,949</b>	<b>\$ 21,618</b>	<b>\$ 14,647</b>	<b>\$ 6,448</b>	<b>\$ 1,570</b>	<b>\$ 39</b>	<b>\$ 345,271</b>
<b>Fund Balance June 30, 1993</b>	<b>\$ 2,846,117</b>	<b>\$ 240,074</b>	<b>\$ 132,825</b>	<b>\$ 44,106</b>	<b>\$ 17,168</b>	<b>\$ 322</b>	<b>\$ 3,280,612</b>
<b>Fund Balance June 30, 1994</b>	<b>\$ 3,147,066</b>	<b>\$ 261,692</b>	<b>\$ 147,472</b>	<b>\$ 50,554</b>	<b>\$ 18,738</b>	<b>\$ 361</b>	<b>\$ 3,625,883</b>

See notes to Financial Statements.



# State Employees Retirement Fund

## Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1994 (In Thousands)					
	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
<b>OPERATING REVENUES:</b>					
Member Contributions	\$ 62,555	\$ 60,162	\$ 0	\$ 0	\$ 2,393
Employer Contributions	60,742	0	0	0	60,742
Investment Income	189,140	0	0	0	189,140
MPRI Fund Income	116,710	0	0	116,710	0
Other Income	13	0	0	0	13
<b>Total Operating Revenues</b>	<b>\$ 429,160</b>	<b>\$ 60,162</b>	<b>\$ 0</b>	<b>\$ 116,710</b>	<b>\$ 252,288</b>
<b>OPERATING EXPENSES:</b>					
Annuity Benefits	\$ 116,072	\$ 0	\$ 1,038	\$ 115,034	\$ 0
Refunds	6,047	6,047	0	0	0
Interest on Refunds	1,597	0	0	0	1,597
Interest to MPRI Fund	1,191	0	0	0	1,191
Administrative Expenses	1,978	0	0	0	1,978
Investment Fees	2,857	0	0	0	2,857
<b>Total Operating Expenses</b>	<b>\$ 129,742</b>	<b>\$ 6,047</b>	<b>\$ 1,038</b>	<b>\$ 115,034</b>	<b>\$ 7,623</b>
<b>OTHER CHANGES IN RESERVES:</b>					
Actuarial Transfers	\$ 0	\$ 0	\$ 295	\$ 30,256	\$ (30,551)
Inactive Employee Transfers	0	(135)	0	0	135
New Annuity Transfers	0	(20,288)	0	170,487	(150,199)
Plan Transfers	1,531	148	0	0	1,383
<b>Total Other Changes</b>	<b>\$ 1,531</b>	<b>\$ (20,275)</b>	<b>\$ 295</b>	<b>\$ 200,743</b>	<b>\$ (179,232)</b>
<b>Net Reserve Additions</b>	<b>\$ 300,949</b>	<b>\$ 33,840</b>	<b>\$ (743)</b>	<b>\$ 202,419</b>	<b>\$ 65,433</b>
<b>Balance June 30, 1993</b>	<b>\$ 2,846,117</b>	<b>\$ 466,596</b>	<b>\$ 5,529</b>	<b>\$1,062,677</b>	<b>\$ 1,311,315</b>
<b>Balance June 30, 1994</b>	<b>\$ 3,147,066</b>	<b>\$ 500,436</b>	<b>\$ 4,786</b>	<b>\$1,265,096</b>	<b>\$ 1,376,748</b>

See notes to Financial Statements



# State Patrol Retirement Fund

Minnesota State Retirement System

## Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1994  
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
<b>OPERATING REVENUES:</b>					
Member Contributions	\$ 3,004	\$ 2,983	\$ 0	\$ 0	\$ 21
Employer Contributions	5,160	0	0	0	5,160
Investment Income	13,374	0	0	0	13,374
MPRI Fund Income	11,728	0	0	11,728	0
Other Income	0	0	0	0	0
<b>Total Operating Revenues</b>	<b>\$ 33,266</b>	<b>\$ 2,983</b>	<b>\$ 0</b>	<b>\$ 11,728</b>	<b>\$ 18,555</b>
<b>OPERATING EXPENSES:</b>					
Annuity Benefits	\$ 11,271	\$ 0	\$ 592	\$ 10,679	\$ 0
Refunds	10	10	0	0	0
Interest on Refunds	1	0	0	0	1
Interest to MPRI Fund	86	0	0	0	86
Administrative Expenses	66	0	0	0	66
Investment Fees	214	00	0	0	214
<b>Total Operating Expenses</b>	<b>\$ 11,648</b>	<b>\$ 10</b>	<b>\$ 592</b>	<b>\$ 10,679</b>	<b>\$ 367</b>
<b>OTHER CHANGES IN RESERVES:</b>					
Actuarial Adjustments	\$ 0	\$ 0	\$(2,160)	\$ 1,087	\$ 1,073
Inactive Employee Transfers	0	(4)	0	0	4
New Annuity Transfer	0	(1,067)	0	7,767	(6,700)
Plan Transfers	0	0	0	0	0
<b>Total Other Changes</b>	<b>\$ 0</b>	<b>\$ (1,071)</b>	<b>\$ (2,160)</b>	<b>\$ 8,854</b>	<b>\$ (5,623)</b>
<b>Net Reserve Additions</b>	<b>\$ 21,618</b>	<b>\$ 1,902</b>	<b>\$ (2,752)</b>	<b>\$ 9,903</b>	<b>\$ 12,565</b>
<b>Balance June 30, 1993</b>	<b>\$240,074</b>	<b>\$ 27,006</b>	<b>\$ 6,693</b>	<b>\$108,664</b>	<b>\$ 97,711</b>
<b>Balance June 30, 1994</b>	<b>\$261,692</b>	<b>\$ 28,908</b>	<b>\$ 3,941</b>	<b>\$118,567</b>	<b>\$ 110,276</b>

See notes to Financial Statements.



# Correctional Employees Retirement Fund

## Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1994  
(In Thousands)

	Total	Member Reserve	MPRI Fund Reserve	State Reserve
<b>OPERATING REVENUES:</b>				
Member Contributions	\$ 2,679	\$ 2,651	\$ 0	\$ 28
Employer Contributions	3,355	0	0	3,355
Investment Income	9,469	0	0	9,469
MPRI Fund Income	4,298	0	4,298	0
Other Income	0	0	0	0
<b>Total Operating Revenues</b>	<b>\$ 19,801</b>	<b>\$ 2,651</b>	<b>\$ 4,298</b>	<b>\$ 12,852</b>
<b>OPERATING EXPENSES:</b>				
Annuity Benefits	\$ 4,557	\$ 0	\$ 4,557	\$ 0
Refunds	238	238	0	0
Interest on Refunds	47	0	0	47
Interest to MPRI Fund	68	0	0	68
Administrative Expenses	100	0	0	100
Investment Fees	153	0	0	153
<b>Total Operating Expenses</b>	<b>\$ 5,163</b>	<b>\$ 238</b>	<b>\$ 4,557</b>	<b>\$ 368</b>
<b>OTHER CHANGES IN RESERVES:</b>				
Actuarial Transfers	\$ 0	\$ 0	\$ 159	\$ (159)
New Annuity Transfers	0	(500)	4,259	(3,759)
Plan Transfers	9	2	0	7
<b>Total Other Changes</b>	<b>\$ 9</b>	<b>\$ (498)</b>	<b>\$ 4,418</b>	<b>\$ (3,911)</b>
<b>Net Reserve Additions</b>	<b>\$ 14,647</b>	<b>\$ 1,915</b>	<b>\$ 4,159</b>	<b>\$ 8,573</b>
<b>Balance June 30, 1993</b>	<b>\$132,823</b>	<b>\$18,536</b>	<b>\$40,027</b>	<b>\$ 74,260</b>
<b>Balance June 30, 1994</b>	<b>\$147,470</b>	<b>\$20,451</b>	<b>\$44,186</b>	<b>\$ 82,833</b>

See notes to Financial Statements



# Judges Retirement Fund

## Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1994  
(In Thousands)

	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
<b>OPERATING REVENUES:</b>					
Member Contributions	\$ 1,416	\$ 1,416	\$ 0	\$ 0	\$ 0
Employer Contributions	4,912	0	0	0	4,912
General Fund Appropriations	1,457	0	0	0	1,457
Investment Income	710	0	0	0	710
MPRI Fund Income	3,817	0	0	3,817	0
Other Income	10	0	0	0	10
<b>Total Operating Revenues</b>	<b>\$12,322</b>	<b>\$ 1,416</b>	<b>\$ 0</b>	<b>\$ 3,817</b>	<b>\$ 7,089</b>
<b>OPERATING EXPENSES:</b>					
Annuity Benefits	\$ 5,773	\$ 0	\$ 1,457	\$ 4,316	\$ 0
Refunds	28	28	0	0	0
Interest on Refunds	6	0	0	0	6
Interest to MPRI Fund	27	0	0	0	27
Administrative Expenses	27	0	0	0	27
Investment fees	13	0	0	0	13
<b>Total Operating Expenses</b>	<b>\$ 5,874</b>	<b>\$ 28</b>	<b>\$ 1,457</b>	<b>\$ 4,316</b>	<b>\$ 73</b>
<b>OTHER CHANGES IN RESERVES:</b>					
Actuarial Adjustments	\$ 0	\$ 0	\$ 1,255	\$ 617	\$ (1,872)
Inactive Employee Transfers	0	0	0	0	0
New Annuity Transfers	0	(486)	0	4,581	(4,095)
<b>Total Other Changes</b>	<b>\$ 0</b>	<b>\$ (486)</b>	<b>\$ 1,255</b>	<b>\$ 5,198</b>	<b>\$ (5,967)</b>
<b>Net Reserve Additions</b>	<b>\$ 6,448</b>	<b>\$ 902</b>	<b>\$ (202)</b>	<b>\$ 4,699</b>	<b>\$ 1,049</b>
<b>Balance June 30, 1993</b>	<b>\$ 44,106</b>	<b>\$ 6,558</b>	<b>\$ 12,551</b>	<b>\$ 36,155</b>	<b>\$ (11,158)</b>
<b>Balance June 30, 1994</b>	<b>\$50,554</b>	<b>\$ 7,460</b>	<b>\$12,349</b>	<b>\$40,854</b>	<b>\$ (10,109)</b>

See notes to Financial Statements.



# Legislators Retirement Fund

## Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1994 (In Thousands)					
	Total	Member Reserve	NonMPRIF Reserve	MPRIF Reserve	State Reserve
<b>OPERATING REVENUES:</b>					
Member Contributions	\$ 593	\$ 579	\$ 0	\$ 0	\$ 14
General Fund revenues	1,618	0	0	0	1,618
MPRI Fund Income	1,278	0	0	1,278	0
<b>Total Revenues</b>	<b>\$ 3,489</b>	<b>\$ 579</b>	<b>\$ 0</b>	<b>\$ 1,278</b>	<b>\$ 1,632</b>
<b>OPERATING EXPENSES:</b>					
Annuity Benefits	\$ 1,887	\$ 0	\$ 272	\$ 1,615	\$ 0
Interest to MPRI Fund	8	0	0	0	8
Administrative Expenses	24	0	0	0	24
<b>Total Expenses</b>	<b>\$ 1,919</b>	<b>\$ 0</b>	<b>\$ 272</b>	<b>\$ 1,615</b>	<b>\$ 32</b>
<b>OTHER CHANGES IN RESERVES:</b>					
Actuarial Transfers	\$ 0	\$ 0	\$ 3,484	\$ 87	\$ (3,571)
New Annuity Transfers	0	(82)	0	977	(895)
<b>Total Other Changes</b>	<b>\$ 0</b>	<b>\$ (82)</b>	<b>\$ 3,484</b>	<b>\$ 1,064</b>	<b>\$ (4,466)</b>
<b>Net Reserve Additions</b>	<b>\$ 1,570</b>	<b>\$ 497</b>	<b>\$ 3,212</b>	<b>\$ 727</b>	<b>\$ 2,866</b>
<b>Balance June 30, 1993</b>	<b>\$17,168</b>	<b>\$5,123</b>	<b>\$ 2,699</b>	<b>\$12,454</b>	<b>\$ (3,108)</b>
<b>Balance June 30, 1994</b>	<b>\$18,738</b>	<b>\$5,620</b>	<b>\$ 5,911</b>	<b>\$13,181</b>	<b>\$ (5,974)</b>

See notes to Financial Statements.



# Elective State Officers Retirement Fund

## Statement of Revenues, Expenses and Changes in Reserves

Year Ended June 30, 1994 (In Thousands)				
	Total	Member Reserve	NonMPRIF Reserve	State Reserve
<b>OPERATING REVENUES:</b>				
Member Contributions	\$ 37	\$ 37	\$ 0	\$ 0
General Fund revenues	164	0	0	164
<b>Total Revenues</b>	<b>\$ 201</b>	<b>\$ 37</b>	<b>\$ 0</b>	<b>\$ 164</b>
<b>OPERATING EXPENSES:</b>				
Annuity Benefits	\$ 161	\$ 0	\$ 161	\$ 0
Administrative Expenses	1	0	0	1
<b>Total Expenses</b>	<b>\$ 162</b>	<b>\$ 0</b>	<b>\$ 161</b>	<b>\$ 1</b>
<b>OTHER CHANGES IN RESERVES:</b>				
Actuarial Adjustments	0	0	165	(165)
<b>Total Other Changes</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 165</b>	<b>\$ (165)</b>
<b>Net Reserve Additions</b>	<b>\$ 39</b>	<b>\$ 37</b>	<b>\$ 4</b>	<b>\$ (2)</b>
<b>Balance June 30, 1993</b>	<b>\$ 322</b>	<b>\$ 322</b>	<b>\$ 1,373</b>	<b>\$(1,373)</b>
<b>Balance June 30, 1994</b>	<b>\$ 361</b>	<b>\$ 359</b>	<b>\$ 1,377</b>	<b>\$ (1,375)</b>

See notes to the Financial Statements



# Deferred Compensation Fund

## Statement of Changes in Assets and Liabilities

Year Ended June 30, 1994 (In Thousands)				
	Balance July 1, 1993	Increases	Decreases	Balance June 30, 1994
<b>ASSETS:</b>				
Cash	\$ 11	\$ 69,396	\$ 69,376	\$ 31
Accounts Receivable:				
Member contributions	2,542	2,942	2,542	2,942
Other	77	85	77	85
Prepaid Expenses	0	4	0	4
Investment pools:				
Short-term pools (at cost)	2,275	24,834	24,767	2,342
MSI Fund pool (at market)	227,264	136,554	116,410	247,408
Deposits with Insurance Companies	611,618	146,829	42,603	715,844
<b>Total Assets</b>	<b>\$843,787</b>	<b>\$380,644</b>	<b>\$255,775</b>	<b>\$968,656</b>
<b>LIABILITIES:</b>				
Accounts Payable—Accrued Expenses	\$ 221	\$ 119	\$ 221	\$ 119
Due to Other Funds	300	440	300	440
Member Deferred Compensation	843,266	171,175	46,344	968,097
<b>Total Liabilities and Reserves</b>	<b>\$843,787</b>	<b>\$171,734</b>	<b>\$ 46,865</b>	<b>\$968,656</b>

See notes to Financial Statements.



# Schedule of Administrative Expenses

Minnesota State Retirement System

Years Ended June 30, 1994  
(In Thousands)

	<b>Totals</b>
Staff salaries	\$ 1,436
Social Security	103
Retirement	59
Insurance	140
Other Personal Services	3

<b>Total</b>	<b>\$ 1,741</b>
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## PROFESSIONAL SERVICES:

Actuarial	\$ 150
Data processing	152
Disability examinations	36
Legal counsel	10
Other professional services	267

<b>Total</b>	<b>\$ 615</b>
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## COMMUNICATION:

Printing	\$ 52
Telephone	16
Postage	126
Travel	8
Subscriptions and memberships	8

<b>Total</b>	<b>\$ 210</b>
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## RENTALS:

Office space	\$ 156
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## MISCELLANEOUS:

Supplies	\$ 122
Repairs and maintenance agreements	21
Department head and board member expense	15
Statewide indirect cost	86
Depreciation	39
Other purchased services	1
Other	33

<b>Total</b>	<b>\$ 317</b>
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<b>Total Operating Expenses</b>	<b>\$ 3,039</b>
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## EXPENSES DISTRIBUTED BY FUND:

State Employees	\$ 2,003
State Patrol	66
Correctional	101
Judges Retirement	27
Unclassified Employees	109
Deferred Compensation*	708
Legislators	24
Elected Officials	1

<b>Total Distribution</b>	<b>\$ 3,039</b>
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\*This amount is excluded from the combined administrative expenses on page 19 because agency funds do not report operations.



## Investment Summaries

Year Ended June 30, 1994 (In Thousands)						
State Board of Investment Pools	Market value June 30, 1993	Cost June 30, 1993	Purchases	Sales	Cost June 30, 1994	Market Value June 30, 1994
<b>STATE EMPLOYEES RETIREMENT FUND:</b>						
Short-Term Pools	\$ 58,837	\$ 58,837	\$182,020	\$168,180	\$ 72,677	\$ 72,677
Equity Pools	1,347,341	1,190,185	362,106	271,474	1,280,817	1,333,784
Fixed Income Pools	550,125	528,900	144,193	120,249	552,844	532,881
<b>Total Pooled Investments</b>	<b>\$1,956,303</b>	<b>\$1,777,922</b>	<b>\$686,319</b>	<b>\$559,903</b>	<b>\$1,906,338</b>	<b>\$1,939,342</b>
<b>STATE PATROL RETIREMENT FUND:</b>						
Short-Term Pools	\$ 1,352	\$ 1,352	\$ 16,718	\$ 13,449	\$ 4,622	\$ 4,622
Equity Pools	99,740	88,398	25,689	16,900	97,187	101,329
Fixed Income Pools	40,725	39,233	10,487	7,728	41,992	40,486
<b>Total Pooled Investments</b>	<b>\$141,817</b>	<b>\$128,983</b>	<b>\$52,894</b>	<b>\$38,077</b>	<b>\$143,801</b>	<b>\$146,437</b>
<b>CORRECTIONAL RETIREMENT FUND:</b>						
Short-Term Pools	\$ 3,668	\$ 3,668	\$ 10,169	\$ 9,875	\$ 3,962	\$ 3,962
Equity Pools	70,078	61,839	19,366	11,873	69,332	72,428
Fixed Income Pools	28,614	27,512	7,562	5,113	29,961	28,938
<b>Total Pooled Investments</b>	<b>\$ 102,360</b>	<b>\$ 93,019</b>	<b>\$ 37,097</b>	<b>\$ 26,861</b>	<b>\$ 103,255</b>	<b>\$ 105,328</b>
<b>JUDGES RETIREMENT FUND:</b>						
Short-Term Pools	\$ 1,516	\$ 1,516	\$ 9,498	\$ 10,180	\$ 834	\$ 834
Equity Pools	5,060	4,886	2,700	917	6,669	6,475
Fixed Income Pools	2,066	2,091	1,050	366	2,775	2,588
<b>Total Pooled Investments</b>	<b>\$ 8,642</b>	<b>\$ 8,493</b>	<b>\$ 13,248</b>	<b>\$ 11,463</b>	<b>\$ 10,278</b>	<b>\$ 9,897</b>
<b>UNCLASSIFIED FUND:</b>						
Short-Term Pools	\$ 852	\$ 852	\$ 7,325	\$ 7,299	\$ 878	\$ 878
MSI Fund Pools	103,144	54,024	16,267	11,703	58,588	106,230
<b>Total Pooled Investments</b>	<b>\$103,996</b>	<b>\$ 54,876</b>	<b>\$ 23,592</b>	<b>\$ 19,002</b>	<b>\$ 59,466</b>	<b>\$107,108</b>
<b>DEFERRED COMPENSATION FUND:</b>						
Short-Term Pools	\$ 2,275	\$ 2,275	\$ 24,458	\$ 24,391	\$ 2,342	\$ 2,342
MSI Fund Pools	227,266	134,205	136,554	114,761	155,998	247,408
<b>Total Pooled Investments</b>	<b>\$ 229,541</b>	<b>\$ 136,480</b>	<b>\$161,012</b>	<b>\$139,152</b>	<b>\$ 158,340</b>	<b>\$ 249,750</b>



# Schedule of Cash Receipts and Disbursements\*

Minnesota State Retirement System

Year Ended June 30, 1994 (In Thousands)								
	State Employees	State Patrol	Correctional Employees	Judges	Legislators	Elected State Officers	Unclassified	Totals
Cash balance July 1, 1993	\$ 185	\$ 0	\$ 1	\$ 0	\$ 0	\$ 0	\$ 37	\$ 223
<b>ADD RECEIPTS:</b>								
Member Contributions	62,255	2,982	2,658	1,400	593	36	2,961	72,885
Employer Contributions	60,429	5,120	3,328	4,894	0	0	4,097	77,868
Appropriations	0	0	0	1,457	1,098	126	0	2,681
Investment Income	189,101	13,371	9,467	710	0	0	1,686	214,335
MPRI Fund Income	116,710	11,728	4,298	3,818	1,278	0	0	137,832
Investments Redeemed/Sold	559,903	38,077	26,861	11,473	0	0	13,162	649,476
Transfers In	1,531	0	9	0	0	0	69	1,609
Other	(44)	(1)	(1)	(1)	0	0	106	59
Total Cash Receipts	\$ 989,885	\$ 71,277	\$ 46,620	\$ 23,751	\$ 2,969	\$ 162	\$ 22,081	\$ 1,156,745
<b>LESS DISBURSEMENTS:</b>								
Benefit Payments	\$ 116,071	\$ 11,271	\$ 4,557	\$ 5,773	\$ 1,887	\$ 161	\$ 0	\$ 139,720
Refunds	6,047	10	238	28	0	0	4,015	10,338
Interest on Refunds	1,597	1	47	6	0	0	0	1,651
Interest to MPRI Fund	1,191	86	68	27	8	0	0	1,380
Administrative Expenses	1,670	46	79	35	25	1	98	1,954
Investment Fees	2,857	214	153	13	0	0	0	3,237
Investments Purchased	688,319	52,894	37,097	13,248	0	0	16,267	807,825
MPRI Fund Transfers	171,579	6,645	4,370	4,640	1,049	0	0	188,283
Transfers Out	69	0	0	0	0	0	1,625	1,694
Other	0	0	1	0	0	0	95	96
Total Cash Disbursements	\$ 989,400	\$ 71,167	\$ 46,610	\$ 23,770	\$ 2,969	\$ 162	\$ 22,100	\$ 1,156,178
Cash Balance June 30, 1994	\$ 670	\$ 110	\$ 11	\$ (19)	\$ 0	\$ 0	\$ 18	\$ 790

\* The Deferred Compensation Fund is excluded from this schedule because agency funds do not report operations.

## Summary Schedule of Comminssions and Payments to Consultants

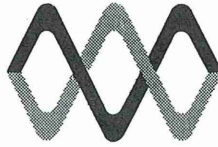
Individual or Firm Name:	Services Received	Fees Paid
William Mercer, Inc.	Actuary	\$ 73,872
Milliman & Robertson, Inc.	Actuary	15,162
Gabriel, Roeder, Smith & Co.	DCP Advisor	13,901
Och's Services, Inc.	DCP Account Services	155,045
National Benefits, Inc.	DCP Account Services	97,884
State Of Minnesota:		
Department of Health	Medical Advisor	\$ 28,576
Attorney General	Legal	9,606
Legislative Commission on Pensions & Retirement	Actuary	31,907



Minnesota State Retirement System

# ACTUARIAL SECTION





**MILLIMAN & ROBERTSON, INC.**

Actuaries and Consultants

Suite 400  
15700 Bluemound Road  
Brookfield, Wisconsin 53005  
Telephone: 414/784-2250  
Fax: 414/784-6388

December 19, 1994

Board of Trustees  
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, 1994.

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 SERF, CERF, LRF and ESORF resulted in a deficiency in the current funding level. The deficiencies are 0.88%, 0.13%, 29.34% and 33.00% of payroll respectively. 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.

The actuarial valuation was based upon applicable statutory provisions and the Standards of Actuarial Work in effect on July 1, 1994. In the aggregate, the basic financial membership data provided to us by the association office appears reasonable in comparison to last year, 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.

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Board of Trustees  
December 19, 1994  
Page Two

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 MSRS Board and approved by the Legislative Commission on Pensions and Retirement.

A new mortality table was adopted for the SERF to reflect longer life expectancies. Also, the SERF's salary increase and payroll growth assumptions were revised to more closely reflect actual plan experience. These changes decreased the SERF's contribution deficiency by 0.04% and decreased the actuarial accrued liability by \$61.5 million. There were no major changes in benefit provisions.

The following table shows the date for full funding for each of the plan and the funding percentage for the 1994 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	81%
SPRF	2020	95
CERF	2020	97
LRF	N/A	41
ESORF	N/A	13
JRF	2020	51

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

Minnesota State Retirement System

## Actuarial Cost Method

Entry Age Normal with costs allocated as level percentage of payroll.

## Assumptions

### 1. Retirement

State Employees Plan<sup>(7)</sup>, Graded rates from age 58 with 25% of those eligible for Rule of 90 retiring each year; Correctional Plan<sup>(6)</sup>, age 58; State Patrol<sup>(6)</sup>, age 58 if hired after June 30, 1961, age 63 if hired before July 1, 1961; Judges Plan<sup>(6)</sup>, age 68; Elective Officers<sup>(6)</sup> and Legislators<sup>(6)</sup>, age 62.

### 2. Mortality

1971 Group Annuity Mortality Table<sup>(5)</sup> with an 8 year set back for females. The Combined Annuity Table<sup>(1)</sup> for disabilitants. For the State Employees Retirement Fund<sup>(6)</sup>, The 1983 Group Annuity Mortality Table with males set back four years and females set back two years was used.

### 3. Separation

Graded rates based on actual experiences<sup>(8)</sup>.

### 4. Expense

Prior year expenses expressed as a percentage of prior year payroll<sup>(8)</sup>.

### 5. Interest

8.5% pre-retirement<sup>(7)</sup> - 5% post-retirement<sup>(2)</sup>.

### 6. Salary increases

6.5% per year<sup>(6)</sup> (5% plus graded merit and seniority assumption for State Employees Retirement Fund<sup>(6)</sup>)

### 7. Contribution Refund

Employees withdrawing are assumed to take the larger of a refund or a deferred benefit<sup>(4)</sup>.

### 8. Social Security

Correctional Plan<sup>(3)</sup>, based on the present law and 6.5% salary scale. Only state service earnings used. Judges Plan<sup>(3)</sup>, \$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<sup>(6)</sup>.

#### Effective Dates Assumptions Adopted:

(1) June 30, 1972	(5) June 30, 1980
(2) June 30, 1973	(6) June 30, 1984
(3) June 30, 1974	(7) June 30, 1989
(4) June 30, 1979	(8) June 30, 1994



# Required Reserves

July 1, 1994  
(In Thousands)

	State Employees Fund	State Patrol Fund	Correctional Fund	Judges Fund	Legislative Plan	Elective State Officers Plan
<b>ACTIVE MEMBERS:</b>						
Retirement Annuities	\$2,176,102	\$127,041	\$ 78,527	\$38,231	\$13,090	\$ 876
Disability Benefits	83,245	8,927	1,797	1,895	0	0
Survivors Benefits	55,723	7,351	3,669	3,599	308	111
Deferred Retirements	251,881	7,678	18,048	0	1,529	348
Refunds	(63,825)	(860)	(2,448)	259	(185)	(5)
<b>Total</b>	<b>\$2,503,126</b>	<b>\$150,137</b>	<b>\$ 99,593</b>	<b>\$43,984</b>	<b>\$14,742</b>	<b>\$ 1,230</b>
Deferred Retirements	100,905	2,605	8,812	1,126	11,570	241
Former Members Not Vested	2,671	127	111	0	44	0
Annuityants in MPRIF	1,265,096	118,567	44,186	40,854	13,181	0
Annuityants Not in MPRIF	4,786	3,941	0	12,349	5,911	1,377
<b>Total Required Reserves</b>	<b>\$3,876,584</b>	<b>\$275,377</b>	<b>\$152,702</b>	<b>\$98,313</b>	<b>\$45,448</b>	<b>\$2,848</b>

## Actual Compared to Recommended Rates

	Actual Contribution Rates			Recommended Rate
	Employee	Employer	Total	
State Employees Fund	4.07%	4.20%	8.27%	9.15%
State Patrol Fund	8.50	14.88	23.38	21.79
Correctional Fund	4.90	6.27	11.17	11.30
Judges Fund (1)	6.36	22.00	28.36	28.27
Legislative Plan	9.00	0.00 (2)	9.00	38.34
Elected Officers Plan	9.00	0.00 (2)	9.00	42.00

(1) Represents average rate of receipts.

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



## Schedule of Active Member Valuation Data

(In Thousands)

**STATE EMPLOYEES RETIREMENT FUND:**

Valuation Date	Number	Annual Payroll	Average Annual Pay	% Increase In Average Pay
06-30-85	44,399	\$1,047,928,000	\$23,603	5.45%
06-30-86	45,172	1,135,260,000	25,132	6.48%
06-30-87	45,707	1,208,169,834	26,433	5.18%
06-30-88	47,040	1,316,671,000	27,990	5.89%
06-30-89	48,653	1,418,160,000	29,148	4.14%
06-30-90	49,576	1,515,247,502	30,564	4.86%
06-30-91	49,718	1,612,238,000	32,428	6.10%
06-30-92	49,214	1,658,792,000	33,706	3.94%
06-30-93	48,830	1,694,520,000	34,702	2.96%
06-30-94	49,365	1,789,033,000	36,241	4.43%

**STATE PATROL RETIREMENT FUND:**

Valuation Date	Number	Annual Payroll	Average Annual Pay	% Increase In Average Pay
06-30-85	764	\$25,846,000	\$33,830	5.38%
06-30-86	769	27,474,000	35,727	5.61%
06-30-87	771	28,582,892	37,072	3.77%
06-30-88	740	29,267,000	39,550	6.68%
06-30-89	765	32,591,000	42,603	7.72%
06-30-90	788	34,423,288	43,684	2.54%
06-30-91	809	37,777,000	46,696	6.89%
06-30-92	795	37,113,000	46,683	-0.03%
06-30-93	781	40,654,000	52,054	11.50%
06-30-94	788	41,462,000	52,617	1.08%

**CORRECTIONAL EMPLOYEES RETIREMENT FUND:**

Valuation Date	Number	Annual Payroll	Average Annual Pay	% Increase In Average Pay
06-30-85	1,191	\$29,160,000	\$24,484	5.32%
06-30-86	1,220	33,561,000	27,509	12.36%
06-30-87	1,233	35,181,294	28,533	3.72%
06-30-88	1,267	38,807,000	30,629	7.35%
06-30-89	1,317	41,976,000	31,872	4.06%
06-30-90	1,416	47,074,739	33,245	4.31%
06-30-91	1,463	50,821,000	34,738	4.49%
06-30-92	1,573	56,044,000	35,629	2.57%
06-30-93	1,618	60,330,000	37,287	4.65%
06-30-94	1,761	70,562,000	40,069	7.46%



# Schedule of Active Member Valuation Data

(In Thousands)

**JUDGES RETIREMENT FUND:**

Valuation Date	Number	Annual Payroll	Average Annual Pay	% Increase In Average Pay
06-30-85	240	\$15,521,000	\$64,671	5.50%
06-30-86	243	16,718,000	68,798	6.38%
06-30-87	238	15,998,455	67,220	-2.29%
06-30-88	246	17,109,000	69,549	3.46%
06-30-89	257	18,759,000	72,992	4.95%
06-30-90	262	20,190,649	77,064	5.58%
06-30-91	271	21,570,000	79,594	3.28%
06-30-92	271	22,181,000	81,849	2.83%
06-30-93	267	22,469,000	84,154	2.82%
06-30-94	265	22,302,000	84,158	0.01%

**LEGISLATIVE MEMBERS RETIREMENT FUND:**

Valuation Date	Number	Annual Payroll	Average Annual Pay	% Increase In Average Pay
06-30-85	201	\$4,507,000	\$22,423	7.79%
06-30-86	201	4,880,000	24,279	8.28%
06-30-87	201	4,765,000	23,706	-2.36%
06-30-88	201	4,932,000	24,537	3.50%
06-30-89	201	6,114,000	30,418	23.97%
06-30-90	201	6,430,000	31,990	5.17%
06-30-91	201	7,554,000	37,582	17.48%
06-30-92	200	6,753,000	33,765	-10.16%
06-30-93	200	6,891,000	34,455	2.04%
06-30-94	201	6,916,000	34,408	-0.14%

**ELECTIVE OFFICERS RETIREMENT FUND:**

Valuation Date	Number	Annual Payroll	Average Annual Pay	% Increase In Average Pay
06-30-85	6	\$366,000	\$61,000	4.98%
06-30-86	6	385,000	64,167	5.19%
06-30-87	6	373,000	62,167	-3.12%
06-30-88	6	386,000	64,333	3.49%
06-30-89	6	406,000	67,667	5.18%
06-30-90	6	428,000	71,333	5.42%
06-30-91	6	440,000	73,333	2.80%
06-30-92	6	451,000	75,167	2.50%
06-30-93	6	462,000	77,000	2.44%
06-30-94	6	462,000	77,000	0.00%



# Schedule of Retirees and Beneficiaries

Minnesota State Retirement System

Year Ended	Number Added	Number Removed	Year End Total		% Increase In Annual Benefits	Average Annual Benefit
			Annual Number	Benefits		
STATE EMPLOYEES RETIREMENT FUND:						
06-30-85	1,024	500	11,367	\$42,956,000	21.18%	\$3,779
06-30-86	1,002	499	11,870	49,433,000	15.08%	4,165
06-30-87	976	505	12,341	57,057,000	15.42%	4,623
06-30-88	1,021	485	12,877	63,698,000	11.64%	4,947
06-30-89	742	540	13,079	69,604,000	9.27%	5,322
06-30-90	940	634	13,385	76,040,000	9.25%	5,681
06-30-91	1,200	578	14,007	85,977,000	13.07%	6,138
06-30-92	1,198	604	14,601	95,010,000	10.51%	6,507
06-30-93	1,032	566	15,067	104,362,000	9.84%	6,927
06-30-94	1,506	642	15,931	116,072,000	11.22%	7,286
STATE PATROL RETIREMENT FUND:						
06-30-85	30	19	407	\$3,971,000	15.74%	\$9,757
06-30-86	36	18	425	4,646,000	17.00%	10,932
06-30-87	23	20	430	5,431,000	16.90%	12,630
06-30-88	46	21	455	6,263,000	15.32%	13,765
06-30-89	22	22	455	7,187,000	14.75%	15,796
06-30-90	32	22	465	7,846,000	9.17%	16,873
06-30-91	36	14	487	8,720,000	11.14%	17,906
06-30-92	27	17	497	9,603,000	10.13%	19,322
06-30-93	31	17	511	10,253,000	6.77%	20,065
06-30-94	27	9	529	11,271,000	9.93%	21,306
CORRECTIONAL RETIREMENT FUND:						
06-30-85	16	13	329	\$2,107,000	-6.48%	\$6,404
06-30-86	10	11	328	2,265,000	7.50%	6,905
06-30-87	16	11	333	2,287,000	0.97%	6,868
06-30-88	29	16	346	2,678,000	17.10%	7,740
06-30-89	24	13	357	2,964,000	10.68%	8,303
06-30-90	26	19	364	3,188,000	7.56%	8,758
06-30-91	30	11	383	3,493,000	9.57%	9,120
06-30-92	23	12	394	3,773,000	8.02%	9,576
06-30-93	23	8	409	4,150,000	9.99%	10,147
06-30-94	30	8	431	4,557,000	9.81%	10,573



# Schedule of Retirees and Beneficiaries

Minnesota State Retirement System

	Year End Total					
Year Ended	Number Added	Number Removed	Annual Number	Benefits	% Increase In Annual Benefits	Average Annual Benefit
JUDGES RETIREMENT FUND:						
06-30-85	8	5	139	\$2,158,000	9.04%	\$15,525
06-30-86	8	9	138	2,391,000	10.80%	17,326
06-30-87	25	11	152	2,725,000	13.97%	17,928
06-30-88	17	8	161	3,110,000	14.13%	19,317
06-30-89	12	7	166	3,451,000	10.96%	20,789
06-30-90	22	10	178	3,846,000	11.45%	21,607
06-30-91	11	7	182	4,183,000	8.76%	22,984
06-30-92	11	7	186	4,592,000	9.78%	24,688
06-30-93	19	5	200	5,144,000	12.02%	25,720
06-30-94	19	12	207	5,773,000	12.22%	27,889
LEGISLATIVE RETIREMENT FUND:						
06-30-85	15	10	149	\$784,000	12.81%	\$5,262
06-30-86	13	6	156	885,000	12.88%	5,673
06-30-87	17	7	166	1,038,000	17.29%	6,253
06-30-88	8	5	169	1,149,000	10.69%	6,799
06-30-89	8	16	161	1,211,000	5.40%	7,522
06-30-90	6	4	163	1,262,000	4.21%	7,742
06-30-91	26	12	177	1,362,000	7.92%	7,695
06-30-92	15	14	178	1,500,000	10.13%	8,427
06-30-93	26	4	200	1,697,000	13.13%	8,485
06-30-94	13	8	205	1,887,000	11.20%	9,205
ELECTIVE STATE OFFICERS RETIREMENT FUND:						
06-30-85	0	0	9	\$102,000	7.37%	\$11,333
06-30-86	1	2	8	99,000	-2.94%	12,375
06-30-87	1	1	8	97,000	-2.02%	12,125
06-30-88	0	0	8	98,000	1.03%	12,250
06-30-89	0	0	8	105,000	7.14%	13,125
06-30-90	0	0	8	110,000	4.76%	13,750
06-30-91	2	3	7	119,000	8.18%	17,000
06-30-92	1	0	8	117,000	-1.68%	14,625
06-30-93	2	0	10	143,000	22.22%	14,300
06-30-94	1	0	11	161,000	12.59%	14,636



# Solvency Test – Funding Ratio

Minnesota State Retirement System

(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							
6-30-85*	\$ 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
6-30-93	466,594	1,068,206	2,028,690	2,905,578	100	100	67.6	81.5
6-30-94	500,436	1,269,882	2,106,266	3,158,068	100	100	65.9	81.5

## 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)	
6-30-85	\$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
6-30-93	27,006	115,357	115,839	244,352	100	100	88.0	94.6
6-30-94	28,908	122,508	123,961	262,570	100	100	89.7	95.3

## CORRECTIONAL 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)	
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
6-30-93	18,537	40,027	75,716	135,939	100	100	102.2	101.2
6-30-94	20,451	44,186	88,065	148,163	100	100	94.8	97.0

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



# 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)	
6-30-85	\$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
6-30-93	6,558	48,706	35,245	44,156	100	77.2	0	48.8
6-30-94	7,460	53,203	37,650	50,428	100	80.8	0	51.3

**LEGISLATORS RETIREMENT 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
6-30-93	5,123	15,153	16,525	17,168	100	79.5	0	46.7
6-30-94	5,620	19,092	20,736	18,738	100	68.7	0	41.2

**ELECTIVE STATE 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
6-30-93	322	1,373	994	322	100	0	0	12.0
6-30-94	359	1,212	1,277	361	100	0	0	12.7



# Unfunded Accrued Liability (UAL)

Minnesota State Retirement System

(In Thousands)

## STATE EMPLOYEES RETIREMENT FUND:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
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
6-30-93	3,563,492	2,905,578	657,914	1,694,520	38.8
6-30-94	3,876,584	3,158,068	718,516	1,789,033	40.2

## STATE PATROL RETIREMENT FUND:

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
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
6-30-93	258,202	244,352	13,850	40,654	34.1
6-30-94	275,377	262,570	12,807	41,462	30.9

## CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
6-30-93	134,280	135,939	(1,658)	60,330	3.4
6-30-94	152,702	148,163	4,539	70,562	6.4

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



# Unfunded Accrued Liability (UAL)

(In Thousands)

**JUDGES RETIREMENT FUND:**

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	UAL	Member Payroll	UAL As a % Payroll
6-30-85	\$ 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
6-30-93	90,509	44,156	46,353	22,469	206.3
6-30-94	98,313	50,428	47,885	22,302	214.7

**ELECTIVE STATE 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
6-30-93	2,689	322	2,367	462	512.3
6-30-94	2,848	361	2,467	462	534.0

**LEGISLATORS RETIREMENT:**

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
6-30-93	36,801	17,168	19,633	6,891	284.9
6-30-94	45,448	18,738	26,710	6,916	386.2



Minnesota State Retirement System

# STATISTICAL SECTION



# Investment Results Compared to Selected Performance Standards

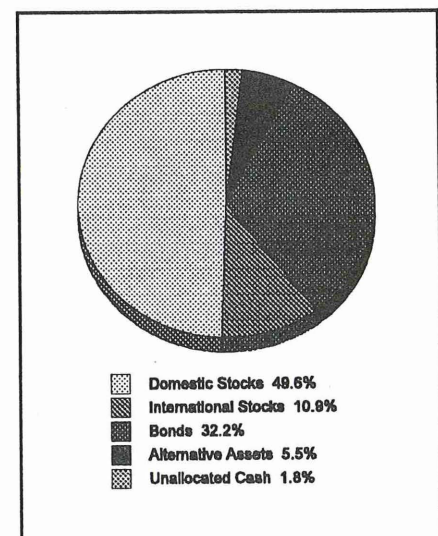
	Fiscal Year					Annualized	
	1990	1991	1992	1993	1994	3 Year	5 Year
Rate of Return - Time Weighted							
<b>Total Fund</b>	10.8%	6.7%	14.5%	14.4%	1.8%	10.1%	9.5%
Composite Index*	9.5	12.1	12.1	14.0	2.1	9.2	9.0
<b>Stocks, Bonds, Cash Only</b>	11.9	6.8	14.6	16.2	1.8	10.1	9.5
Median Fund**	10.4	7.3	13.3	13.7	2.4	9.8	9.4
Inflation	4.7	4.7	3.1	3.0	2.5	2.9	3.6

\*As of 6/30/94, the composite was weighted 50% Wilshire 5000, 32.8% Salomon BIG, 10% EAFE, 2.1% Wilshire Real Estate, 2.6% Venture Capital, .5% Resource Funds and 2.0% 91 Day T-Bills. This composite is adjusted to reflect various investment restrictions.

\*\*Wilshire Assoc. Trust Universe Comparison Service (TUCS) median balanced portfolio. TUCS contains returns of more than 200 public and corporate funds.

## Investment Allocation

	Actual Asset Mix	Policy Target
Domestic Stocks	49.6	50.0%
International Stocks	10.9	10.0
Bonds	32.2	24.0
Alternative Assets*	5.5	15.0
Unallocated Cash	1.8	1.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>



\* Alternative assets are invested in bonds until deployed.



# Active Employees\*

\*These Statistics are not available for the Legislators and Elective State Officers Plans.

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
<b>STATE EMPLOYEES RETIREMENT FUND:</b>												
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
6-30-93	33.0	32.3	32.6	30.7	30.8	30.8	43.2	41.0	42.0	12.0	9.4	10.6
6-30-94	33.9	32.5	33.1	30.8	30.7	30.8	43.4	41.2	42.1	12.1	9.7	10.8
<b>STATE PATROL RETIREMENT FUND:</b>												
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	-	-	-	27.1	26.6	27.1	41.3	35.9	41.1	14.3	9.2	14.0
6-30-93	-	-	-	27.1	26.3	27.0	42.1	36.6	41.8	15.0	10.2	14.8
6-30-94	29.2	27.1	28.5	27.1	26.5	27.1	42.5	35.1	41.9	15.3	8.5	14.9
<b>CORRECTIONAL OFFICERS RETIREMENT FUND:</b>												
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	29.5	31.5	31.2	38.1	36.5	38.1	8.1	5.0	8.1
6-30-93	31.5	33.6	32.2	29.6	31.9	30.1	38.8	37.0	38.5	9.1	5.1	8.3
6-30-94	31.4	32.5	31.8	29.7	32.0	30.2	39.0	36.9	38.5	9.1	4.7	8.1
<b>JUDGES RETIREMENT FUND:</b>												
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
6-30-93	44.5	42.9	44.1	42.4	43.4	42.5	53.5	50.8	53.1	11.1	7.5	10.5
6-30-94	43.6	40.0	41.7	42.3	42.5	43.3	53.6	50.1	53.0	11.4	7.6	10.7



# Employees Eligible to an Immediate Annuity

June 30, 1994

**STATE EMPLOYEES RETIREMENT FUND:**

	<b>Total</b>
Full Benefit	\$ 697
Reduced Benefit Due to Early Retirement	5,316
Proportional Benefit (Age Equal To Or Greater Than 65, Service Less Than 10 Years)	76
Rule of 90	364
Vested Employees Not Eligible To Immediate Benefit	32,549
Employees Not Vested	10,356

**Totals** **\$ 49,358**

**STATE PATROL RETIREMENT FUND:**

Full Benefit	\$ 54
Vested Employees Not Eligible To Immediate Benefit	686
Employees Not Vested	48

**Totals** **\$ 788**

**CORRECTIONAL OFFICERS RETIREMENT FUND:**

Full Benefit	\$ 54
Vested Employees Not Eligible To Immediate Benefit	1,195
Employees Not Vested	512

**Totals** **\$ 1,761**

**JUDGES RETIREMENT FUND:**

Full Benefit	\$ 28
Reduced Benefit	15
Vested Judges Not Eligible To Immediate Benefit	153
Judges Not Vested	69

**Totals** **\$ 265**

**LEGISLATIVE PLAN:**

Full Benefit	\$ 8
Reduced Benefit	23
Vested Members Not Eligible For An Immediate Benefit	78
Members Not Vested	92

**Totals** **\$ 201**

**ELECTIVE STATE OFFICERS PLAN:**

Full Benefit	\$ 2
Vested Members Not Eligible For An Immediate Benefit	1
Members Not Vested	3

**Totals** **\$ 6**



# Refund Statistics\*

Minnesota State Retirement System

\*These statistics are not available for the Legislators and Elective State Officers Plans.

Year Ending	Number of Refunds			Age		Years Forfeited		Number Forfeiting Vested Rights
	Male	Female	Total	Male	Female	Male	Female	
STATE EMPLOYEES RETIREMENT FUND:								
6-30-85	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
6-30-93	989	1,662	2,651	35.2	34.7	3.5	3.1	819
6-30-94	941	1,608	2,549	34.7	34.6	3.0	3.4	766
STATE PATROL RETIREMENT FUND:								
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
6-30-93	1	0	1	35.5	-	11.1	-	1
6-30-94	1	0	1	36.2	-	4.6	-	1
CORRECTIONAL OFFICERS RETIREMENT FUND:								
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
6-30-93	30	19	49	36.1	34.3	5.2	2.4	22
6-30-94	35	16	51	34.0	34.6	3.5	5.3	24
JUDGES RETIREMENT FUND:								
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	43.5	-	14.4	-	1
6-30-90	0	0	0	-	-	-	-	0
6-30-91	5	0	5	40.8	-	3.3	-	2
6-30-92	0	0	0	-	-	-	-	0
6-30-93	0	0	0	-	-	-	-	0
6-30-94	1	0	1	46.4	-	12.7	-	1



# 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	3,107	2,686	155	242	0	24	2,308	731	47	21
200- 399	3,658	3,020	250	368	1	19	2,589	958	81	30
400- 599	2,800	2,346	211	236	0	7	1,927	806	54	13
600- 799	1,919	1,683	104	123	0	9	1,243	638	30	8
800- 999	1,353	1,207	50	94	2	0	794	530	16	13
1,000-1,199	993	922	12	56	0	3	532	442	8	11
1,200-1,399	704	659	10	32	1	2	336	356	5	7
1,400-1,599	549	513	7	29	0	0	232	310	5	2
1,600-1,799	343	330	0	12	1	0	157	184	2	3
1,800-1,999	246	234	1	10	1	0	105	135	1	5
Over 2,000	369	362	0	6	1	0	132	236	1	0
<b>Totals</b>	<b>16,041</b>	<b>13,962</b>	<b>800</b>	<b>1,208</b>	<b>7</b>	<b>64</b>	<b>10,355</b>	<b>5,323</b>	<b>250</b>	<b>113</b>

**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	10	3	0	7	4	0	6
200- 399	12	6	0	6	5	4	3
400- 599	58	10	1	47	14	36	8
600- 799	23	11	0	12	8	15	0
800- 999	27	13	2	12	6	21	0
1,000-1,199	24	10	2	12	4	18	2
1,200-1,399	24	17	2	5	9	13	2
1,400-1,599	34	27	2	5	16	16	2
1,600-1,799	43	36	2	5	12	29	2
1,800-1,999	66	58	3	5	23	43	0
Over 2,000	210	201	4	5	124	84	2
<b>Totals</b>	<b>531</b>	<b>392</b>	<b>18</b>	<b>121</b>	<b>225</b>	<b>279</b>	<b>27</b>

**Types:**

- 1 Retired Members
- 2 Disabilitants
- 3 Survivors

**Options:**

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



# 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	27	25	0	2	21	5	1	0
200-399	46	40	2	4	34	12	0	0
400-599	74	65	1	8	46	26	1	1
600-799	80	76	4	0	68	12	0	0
800-999	60	52	6	2	45	14	0	1
1,000-1,199	36	31	5	0	27	9	0	0
1,200-1,399	24	21	3	0	12	12	0	0
1,400-1,599	22	21	0	1	10	12	0	0
1,600-1,799	23	23	0	0	10	13	0	0
1,800-1,999	12	12	0	0	6	6	0	0
Over 2,000	27	27	0	0	16	11	0	0
<b>Totals</b>	<b>431</b>	<b>393</b>	<b>21</b>	<b>17</b>	<b>295</b>	<b>132</b>	<b>2</b>	<b>2</b>

**Types:**

- 1 Retired Members
- 2 Disabillitants
- 3 Survivors

**Options:**

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

# 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	0	0	0	0	0	0	0	0
400-599	7	3	0	4	6	1	0	0
600-799	10	3	0	7	7	1	1	1
800-999	3	2	0	1	3	0	0	0
1,000-1,199	9	3	0	6	7	2	0	0
1,200-1,399	6	2	0	4	4	2	0	0
1,400-1,599	9	5	0	4	7	1	1	0
1,600-1,799	3	6	0	25	19	6	6	0
1,800-1,999	13	5	2	6	5	4	4	0
Over 2,000	119	98	6	15	29	53	29	8
<b>Totals</b>	<b>213</b>	<b>133</b>	<b>8</b>	<b>72</b>	<b>93</b>	<b>70</b>	<b>41</b>	<b>9</b>

**Types:**

- 1 Retired Members
- 2 Disabillitants
- 3 Survivors

**Options:**

- Life Full Life Annuity
- I Joint & Survivor
- III Life + 50% 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	7	12
200-399	2	1	16	19
400-599	0	1	35	11
600-799	0	1	27	8
800-999	0	1	16	5
1,000-1,199	0	0	11	0
1,200-1,399	0	1	6	0
1,400-1,599	1	0	10	0
1,600-1,799	0	1	8	0
1,800-1,999	0	0	3	1
Over 2,000	2	0	11	0
<b>Totals</b>	<b>5</b>	<b>6</b>	<b>150</b>	<b>56</b>



# Deferred Compensation Plan Statistics

Minnesota State Retirement System

These statistics include only participants in the Minnesota Supplemental Investment Fund and not the insurance company participants. On June 30, 1994, there were 12,710 active participants, 3,342 inactive participants and 846 in withdrawal status for a total of 16,898.

## INVESTMENT PERFORMANCE:

	Share Value		Rate of Return	
	June 30, 1993	June 30, 1994	FY 1994	5 Year Average
Income Shares	4785%	48.41%	1.2%	9.6%
Growth Shares	32.32%	32.51%	.6%	9.3%
Common Stock Index	22.89%	23.38%	2.2%	10.3%
Bond Market	20.24%	19.86%	-1.8%	9.0%

### Average Interest Rate

	FY 1993	FY 1994	5 Year Average
Money Market	3.3%	3.4%	5.7%

### November 3-Year Contract Interest Rates

	1991	1992	1993
Fixed Interest	6.625%	5.28%	4.625%

## INVESTMENT DISTRIBUTION:

	Current Investments for June 1994			Total Investments as of June 30, 1994		
	% of Participants	% of Dollars	Average Invested	% of Participants	% of Dollars	Average Invested
Income Shares	42	33	165	49	29	8,848
Growth Shares	31	19	137	36	15	6,126
Money Market	7	5	133	23	15	9,815
Bond Market	13	7	110	15	5	4,461
Common Stock Index	41	29	150	40	13	4,770
Fixed Interest 1991	11	7	136	17	10	8,082
Fixed Interest 1992	-	-	-	16	6	5,596
Fixed Interest 1993	-	-	-	19	7	5,545

## PARTICIPANT DISTRIBUTION:

	Monthly Investment							
	Under \$50	\$50- \$99	\$100- \$199	\$200- \$299	\$300- \$399	\$400- \$499	\$500- \$599	Over \$600
Age 24 and under	32	23	12	4	4	1	0	4
Age 25 thru 34	475	509	533	197	99	50	32	225
Age 35 thru 44	782	851	1,017	526	242	142	183	640
Age 45 thru 54	461	583	902	581	291	242	324	721
Age 55 thru 64	85	121	217	185	107	86	155	329
Age 65 and over	8	6	9	12	5	5	12	26

## PARTICIPANT WITHDRAWALS:

	FY 1994 Number	Average Dollar
Lump sum withdrawals:		
Partial Withdrawal	125	3,345
Full Withdrawal	217	6,169
Transfer to Insurance Co.	137	41,968
Survivor's Refund	23	9,316
Ongoing Withdrawals - June 30, 1994		
Members	846	\$549 per month
Survivors	43	\$547 per month



# Unclassified Employees Retirement Plan

On June 30, 1994, there were 1,559 active participants, and 1,027 inactive participants for a total of 2,586.

**INVESTMENT PERFORMANCE:**

INVESTMENT PERFORMANCE:	Share Value		Rate of Return	
	June 30, 1993	June 30, 1994	FY 1994	5 Year Average
Income Shares	47.85%	48.41%	1.2%	9.6%
Growth Shares	32.32%	32.51%	.6%	9.3%
Common Stock Index	22.89%	23.38%	2.2%	10.3%
Bond Market	20.24%	19.86%	-1.8%	9.0%
	Average Interest Rate			
	FY 1993	FY 1994	5 Year Average	
Money Market	3.3%	3.4%	5.7%	
	November 3-Year Contract Interest Rates			
	1991	1992	1993	
Fixed Interest	6.625%	5.28%	4.625%	

**INVESTMENT DISTRIBUTION:**

	Current Investments for June 1994			Total Investments as of June 30, 1994		
	% of Participants	% of Dollars	Average Invested	% of Participants	% of Dollars	Average Invested
Income Shares	75	62	304	83	55	27,109
Growth Shares	32	14	163	41	15	15,579
Money Market	14	7	193	26	11	17,863
Bond Market	12	4	115	20	4	7,845
Common Stock Index	19	10	189	23	9	14,179
Fixed Interest 1991	19	3	159	16	4	10,791
Fixed Interest 1992	-	-	-	14	1	3,184
Fixed Interest 1993	-	-	-	15	1	3,927

**PARTICIPANT DISTRIBUTION:**

	Monthly Investment							
	Under \$50	\$50- \$99	\$100- \$199	\$200- \$299	\$300- \$399	\$400- \$499	\$500- \$599	Over \$600
Age 24 and under	0	3	13	0	1	0	2	5
Age 25 thru 34	1	6	45	113	70	31	14	56
Age 35 thru 44	1	3	32	91	92	111	52	131
Age 45 thru 54	0	0	15	59	56	71	87	151
Age 55 thru 64	0	0	7	38	21	29	26	37
Age 65 and over	0	0	4	7	2	5	1	3

**PARTICIPANT WITHDRAWALS:**

	FY 1994 Number	Average Dollar
Lump sum withdrawals:		
From active status	152	24,903
Survivor's Refund	14	21,403
Annuity - As of June 30, 1994	64	\$366 per month



# Participating Employers

ADRIAN ISD #511	CROW WING, COUNTY OF	HIBBING JOINT RECREATION & PARK BOARD
AFSCME COUNCIL 6	CRYSTAL, CITY OF	HILL CITY ISD #2
AGRICULTURAL UTILIZATION RESEARCH INSTITUTE	DAWSON, CITY OF	HOLDINGFORD ISD #738
ALBANY ISD #745	DAYTON, CITY OF	HOPKINS ISD #270
ALBERT LEA/MANKATO ISD #2246	DEEPHAVEN, CITY OF	HOWARD LAKE, CITY OF
ALEXANDRIA ISD #206	DEER RIVER, CITY OF	HOYT LAKES, CITY OF
AMALGAMATED TRANSIT UNION 1005	DELANO ISD #87	HUTCHINSON ISD #423
ANOKA, CITY OF	DILWORTH, CITY OF	INVER GROVE HEIGHTS ISD #199
ANOKA, COUNTY OF	DULUTH HOUSING & REDEVELOPMENT AUTHORITY	ISANTI, COUNTY OF
ANOKA/HENNEPIN ISD #11	DULUTH ISD #709	ITASCA COUNTY HUMAN SERVICES DEPARTMENT
ARMORY BUILDING COMMISSION	DULUTH TEACHERS RETIREMENT ASSOCIATION	ITASCA MEDICAL CENTER
ARROWHEAD LIBRARY SYSTEM	DULUTH TRANSIT AUTHORITY	JACKSON, CITY OF
ARROWHEAD REGIONAL DEVELOPEMENT COMMISSION	DULUTH, CITY OF	JORDAN ISD #717
AUSTIN ISD #492	EAGAN, CITY OF	KASSON-MANTORVILLE ISD #204
BASS BROOK, CITY OF	EAST BETHEL, CITY OF	KOOCHICHING, COUNTY OF
BECKER, COUNTY OF	EAST CENTRAL REGIONAL LIBRARY	LAKE AGASSIZ REGIONAL LIBRARY
BELTRAMI COUNTY SOCIAL SERVICE CENTER	EAST CENTRAL SCHOOLS	LAKE CITY ISD #813
BELTRAMI, COUNTY OF	EDEN PRAIRIE ISD #272	LAKE OF THE WOODS, COUNTY OF
BEMIDJI ISD #31	EDEN PRAIRIE, CITY OF	LAKE SUPERIOR ISD #381
BERTHA - HEWITT ISD #786	EDEN VALLEY ISD #463	LAKEVILLE ISD #194
BLOOMINGTON, CITY OF	EDINA, CITY OF	LAKE, COUNTY OF
BRAINERD ISD #181	ELK RIVER ISD #728	LEAGUE OF MINNESOTA CITIES
BRAINERD, CITY OF	ELK RIVER MUNICIPAL UTILITIES	LEGISLATIVE COORDINATING COMMISSION
BRAINERD\STAPLES TECHNICAL COLLEGE	ELK RIVER, CITY OF	LEWISTON-ALTURA ISD #857
BROOKLYN CENTER ISD #286	EVELETH, CITY OF	LITCHFIELD PUBLIC UTILITIES
BUFFALO ISD #877	FARIBAULT ISD #656	LITTLE FALLS, CITY OF
BUFFALO, CITY OF	FARIBAULT, CITY OF	LONG PRAIRIE, CITY OF
BUHL ISD #712	FARMINGTON ISD #192	MAHTOMEDI ISD #832
BURNSVILLE ISD #191	FOLEY ISD #51	MANKATO ISD #77
BURNSVILLE, CITY OF	FOREST LAKE ISD #831	MAPLE GROVE, CITY OF
CANNON FALLS ISD #252	FOREST LAKE, CITY OF	MAPLEWOOD, CITY OF
CARVER COUNTY OF	FOSSTON ISD #601	MAWSECON JOINT DIST #938
CENTENNIAL ISD #12	FOSTER WHEELER TWIN CITIES INC	MELROSE HOSPITAL & PINE VILLA NURSING HOME
CHAMPLIN, CITY OF	FRAZEE ISD #23	MELROSE ISD #740
CHASKA ISD #112	FRIDLEY ISD #14	MELROSE, CITY OF
CHISAGO ISD #141	GILLETTE CHILDREN'S HOSPITAL	METROPOLITAN AIRPORTS COMMISSION
CHISAGO, COUNTY OF	GLENCOE ISD #422	METROPOLITAN COUNCIL
CIRCLE PINES-LEXINGTON POLICE DEPARTMENT	GLENCOE, CITY OF	METROPOLITAN COUNCIL - REGIONAL TRANSIT BOARD
CLEARWATER COUNTY SOCIAL SERVICES	GRAND MARAIS, CITY OF	METROPOLITAN COUNCIL - TRANSIT DIVISION
CLEVELAND ISD #391	GRAND RAPIDS ISD #318	METROPOLITAN LIBRARY SERVICE AGENCY
COLD SPRING ISD #750	GRAND RAPIDS PUBLIC UTILITIES	METROPOLITAN SPORTS FACILITIES COMM
COLD SPRING, CITY OF	GRAND RAPIDS, CITY OF	METROPOLITAN WASTE CONTROL COMMISSION
COLUMBIA HEIGHTS ISD #13	GRANITE FALLS ISD #894	MIDDLE MANAGEMENT ASSOCIATION
COLUMBIA HEIGHTS, CITY OF	GREAT RIVER REGIONAL LIBRARY	MILACA ISD #912
COOK COUNTY HOSPITAL	GREATER STAPLES AREA HOSPITAL	MINN ASSOCIATION OF PROFESSIONAL EMPLOYEES
COOK, CITY OF	GREENWAY ISD #316	MINN HISTORICAL SOCIETY
COOK, COUNTY OF	HAM LAKE, CITY OF	MINN HORTICULTURAL SOCIETY
COTTAGE GROVE, CITY OF	HASTINGS ISD #200	MINN HOUSE OF REPRESENTATIVES
CROMWELL ISD #95	HENNEPIN TECHNICAL CENTERS	MINN SAFETY COUNCIL
CROP IMPROVEMENT ASSOCIATION	HENNEPIN, COUNTY OF	MINN SENATE
CROSBY-IRONTON ISD #182	HERMANTOWN ISD #700	MINN STATE FAIR



# Participating Employers

Minnesota State Retirement System

MINN VALLEY EDUCATION DISTRICT #6027	PAYNESVILLE, CITY OF	ST. PAUL PORT AUTHORITY
MINN VALLEY REGIONAL LIBRARY	PIERZ ISD #484	ST. PAUL PUBLIC HOUSING AUTHORITY
MINNEAPOLIS COMMUNITY DEVELOPMENT AUTHORITY	PINE ISLAND ISD #150	ST. PAUL RAMSEY MEDICAL CENTER
MINNEAPOLIS EMPLOYEES RETIREMENT FUND	PINE, COUNTY OF	ST. PAUL TEACHERS RETIREMENT ASSOCIATION
MINNEAPOLIS PUBLIC HOUSING AUTHORITY	PIONEERLAND LIBRARY SYSTEM	ST. PAUL, CITY OF
MINNEAPOLIS SSD #1	PRIOR LAKE ISD #719	ST. PETER COMMUNITY HOSPITAL
MINNEAPOLIS TEACHERS RETIREMENT FUND	PRIOR LAKE, CITY OF	ST. PETER ISD #508
MINNEAPOLIS, CITY OF	RAMSEY, CITY OF	ST. PETER, CITY OF
MINNESOTA TECHNOLOGY, INC	RAMSEY, COUNTY OF	ST. PETER, CITY OF
MINNETONKA ISD #276	REDWOOD FALLS, CITY OF	SWANVILLE ISD #486
MONTICELLO-BIG LAKE HOSPITAL	REVISOR OF STATUTES	TECHNOLOGY & INFORMATION EDUCATION SERVICES
MOORHEAD ISD #152	RICHFIELD ISD #280	THIEF RIVER FALLS ISD #564
MORA ISD #332	RICHFIELD CITY OF	TRAVERSE DES SIOUX LIBRARY SYSTEM
MOUND ISD #277	RIVERLAND TECHNICAL COLLEGE	TWO HARBORS, CITY OF
MOUNDS VIEW, CITY OF	ROBBINSDALE ISD #281	UNITED HOSPITAL DISTRICT
MOUNDS VIEW ISD #621	ROCHESTER ISD #535	UNIVERSITY OF MINNESOTA
MOUND, CITY OF	ROCKFORD ISD #883	UPPER MINN VALLEY REGIONAL DEV. COMMISSION
MOUNTAIN IRON, CITY OF	ROSEMOUNT ISD #196	VERNDALE ISD #818
NE METROPOLITAN TECHNICAL COLLEGE	ROSEVILLE ISD #623	UPSALA ISD #487
NEW HOPE, CITY OF	ROSEVILLE, CITY OF	VIRGINA ISD #706
NEW PRAGUE ISD #721	SANDSTONE, CITY OF	WALKER ISD #113
NEW PRAGUE, CITY OF	SARTEL - ST STEPHEN ISD #748	WASHINGTON SOIL & WATER CONSERVATION DISTRICT
NEW SCANDIA, CITY OF	SARTELL, CITY OF	WASHINGTON, COUNTY OF
NEW ULM ISD #88	SAUK CENTER ISD #743	WAYZATA ISD #284
NEW ULM PUBLIC UTILITIES COMMISSION	SAUK CENTER POWER & LIGHT	WEST LAKE SUPERIOR SANITARY DISTRICT
NEW ULM, CITY OF	SAUK CENTER, CITY OF	WEST ST. PAUL, CITY OF
NEW YORK MILLS ISD #553	SAUK RAPIDS ISD #47	WESTBROOK ISD #175
NICOLLET ISD #507	SCOTT COUNTY SOIL & WATER CONSERVATION DIST.	WHITE BEAR LAKE ISD #624
NICOLLET, COUNTY OF	SHAKOPEE ISD #720	WHITE BEAR LAKE, CITY OF
NOBLES, COUNTY OF	SHAKOPEE PUBLIC UTILITIES	WILKIN, COUNTY OF
NORTH BRANCH ISD #138	SILVER LAKE ISD #425	WILLERNIE, CITY OF
NORTH BRANCH WATER & LIGHT	SOUTH WASHINGTON COUNTY SCHOOLS	WILLMAR ISD #347
NORTH BRANCH, CITY OF	SPRING LAKE PARK ISD #16	WILLMAR, CITY OF
NORTH ST PAUL ISD #622	SPRING PARK, CITY OF	WINONA, CITY OF
NORTHEASTERN EDUCATION DISTRICT #6033	SPRING LAKE PARK, CITY OF	WORTHINGTON ISD #518
NORTHFIELD ISD #659	STAPLES ISD #793	WORTHINGTON REGIONAL HOSPITAL
NORTHFIELD, CITY OF	STATE OF MINNESOTA	WORTHINGTON, CITY OF
NORWOOD ISD #108	STILLWATER ISD #834	WRIGHT COUNTY HUMAN SERVICES
NW TECHNICAL COLLEGE #2200	ST. ANTHONY, CITY OF	WRIGHT TECHNICAL CENTER
OAKDALE, CITY OF	ST. CLOUD ISD #742	WRIGHT, COUNTY OF
OGILVIE ISD #333	ST. CLOUD, CITY OF	
ONAMIA PUBLIC SCHOOLS ISD #480	ST. FRANCIS ISD #15	
ORONO ISD #278	ST. LOUIS CO ISD #710	
ORONO, CITY OF	ST. LOUIS PARK ISD #283	
OSSEO ISD #279	ST. LOUIS PARK, CITY OF	
OTTERTAIL LAKES AREA SEWER DISTRICT	ST. LOUIS, COUNTY OF	
OWATONNA ISD #761	ST. MICHAEL HOSPITAL & NURSING HOME	
OWATONNA PUBLIC UTILITIES	ST. MICHAEL-ALBERTVILLE ISD#885	
OWATONNA, CITY OF	ST. MICHAEL, CITY OF	
PAYNESVILLE COMMUNITY HOSPITAL	ST. PAUL ISD #625	
PAYNESVILLE ISD #741	ST. PAUL PARK, CITY OF	