TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director

RE: Commission Interim Topic: First Class City Teacher Retirement Plan Consolidation, First Consideration

DATE: September 4, 2013

Introduction

As a topic for consideration by the Legislative Commission on Pensions and Retirement, Commission Chair Senator Sandra Pappas, has designated a review of a study mandated by the 2013 Legislature to be conducted by the Teachers Retirement Association (TRA), the Duluth Teachers Retirement Fund Association (DTRFA), and the St. Paul Teachers Retirement Fund Association (SPTRFA) of a possible consolidation of the first class city teacher retirement fund associations with the statewide TRA.

This memorandum accompanies the first consideration of the topic by the Commission and attempts to provide the Commission with a considerable portion of the background information that may be necessary or helpful in assessing the work plan proposed by the three retirement plan administrations for the mandated study and subsequently consideration the consolidation study report. This first consideration memo:

1. Summarizes the legislation mandating the consolidation study;
2. Presents background information on the benefit plan membership, governance, and state funding efforts for TRA, DTRFA, and SPTRFA over the period 1969-2012 (1969, 1973, 1978, 1983, 1988, 1993, 1998, 2003, 2008, 2009, 2010, 2011, and 2013);
3. Summarizes the content and results of past mandated first class city teacher/TRA consolidation studies; and
4. Summarizes the legislation and subsequent activities related to the Minneapolis Teachers Retirement Fund Association (MTRFA)/TRA consolidation.

The second consideration of the topic during the 2013-2014 Interim is tentatively scheduled for a February 2014 commission meeting, following the completion of the mandated report in January 2013. The second consideration Commission staff issue memorandum will evaluate the report for its compliance with the legislative mandate and its adequacy in identifying and resolving the issues arising with the potential retirement plan and fund consolidations.

Laws 2013, Chapter 111, Article 13, Section 22

Laws 2013, Chapter 111, Article 13, Section 22, a portion of the 2013 Omnibus Retirement Bill assembled by the Commission that made various changes related to the first class city teacher retirement funds, required that the governing boards and the executive directors of the Duluth Teachers Retirement Fund Association (DTRFA), the St. Paul Teachers Retirement Fund Association (SPTRFA), and the Teachers Retirement Association (TRA) jointly study and develop a report on the feasibility of and the requirements necessary for the consolidation of the two first class city teacher retirement fund associations into the statewide retirement plan. The report mandate reportedly represents a request of Governor Mark Dayton communicated to the Senate and House authors of the 2013 Omnibus Retirement Bill. The report is due January 6, 2014.

DTRFA, SPTRFA, and TRA Benefit Plans

The Duluth Teachers Retirement Fund Association (DTRFA) and St. Paul Teachers Retirement Fund Association (SPTRFA) have been defined benefit retirement plans since their establishment in 1910 or shortly thereafter and both retirement plans shifted to a final average salary benefit plan before 1958. The Teachers Retirement Association (TRA) initially was a defined contribution retirement plan from 1931 until 1969 (although the plan provided for a hypothetical rather than an actual accumulation of employer contributions), added a career average salary defined benefit retirement program as a benefit plan election option in 1969, shifted the defined benefit retirement plan to a final average salary in 1973, phased out the defined contribution retirement programs after 1973, and totally eliminated the defined contribution retirement programs in 1989.

Attachments A, B, and C provide general background information primarily related to benefit coverage, for DTRFA, SPTRFA, and TRA, respectively.

DTRFA, SPTRFA, and TRA Funding and Funded Condition

Attachment D compares the funded condition, actuarial funding requirements, and required contributions and retirement-plan-specific state aid for the most recent five years and for every fifth year for the period 1969 (the first year of regular actuarial valuations for the first class city teacher retirement fund associations) to 2003.

Over the period 1969-2012, the SPTRFA has been the poorest funded of the three teacher retirement plans (14.64% funded in 1969, 72.55% funded in 1998, and 61.98% funded in 2012), but has had the greatest decrease in normal cost (12.49% in 1969, 9383% in 1998, and 8.39% in 2012), has had the most stable administrative expense as a percentage of covered payroll (0.23% of covered pay in 1969 and 1998 and 0.31% of covered pay in 2012), and has had the greatest decrease in its contribution deficiency (from 13.33% of covered pay in 1969 to 6340% of covered pay in 2012.

Over the period 1969-2012, the DTRFA has declined the most in funding ratio (96.83% funded ratio in 1969 to 63.40% funded ratio in 2012), has had the greatest increase in administrative expenses as a percentage of covered pay (from 0.67% of covered pay in 1969 to 1.16% of covered pay in 2012), and has had the greatest increase in the amortization requirement (from 0.26% of covered pay in 1969 to 15.36% of covered pay in 2012).

The TRA, over the period 1969-2012, has had the most consistent normal cost as a percentage of covered pay (8.23% of covered pay in 1969 to 8.53% of covered pay in 2012), but has had the greatest negative change in its funding sufficiency/deficiency situation (0.69% of covered payroll sufficiency in 1969 to 5.04% of covered payroll deficiency in 2012).

Past Teacher Retirement Fund Association Consolidation Studies

a. In General. Consideration by the Commission of the potential for the consolidation of the state's teacher retirement funds is not a recent topic.

b. 1975-1976 Interim Teacher Retirement Plan Benefit Study. In 1975 (Laws 1975, Ch. 306, Sec. 31), the Legislature mandated that the Pension Commission must review and compare the retirement benefit plan provisions of the first class city teacher retirement fund associations, the retirement benefit plan provisions of the Teachers Retirement Association (TRA), and of any retirement benefit plan proposals and report to the Legislature by January 30, 1976. The study occurred following the legislative session in which a benefit increase proposal for the Minneapolis Teachers Retirement Fund Association (MTRFA) was interrupted and when the leadership of the House of Representatives was concerned about the significant funding differences between the statewide TRA and of the first class city teacher retirement fund associations. The MTRFA benefit increase proposal was subsequently approved, but legislation was subsequently enacted that provided for the coordination of the MTRFA and of the St. Paul Teachers Retirement Fund Association (SPTRFA) in 1977.

LCPR Meeting	Commission Consideration Topic
7/26/1975	Preliminary Item-by-Item Comparison of the Current Articles of Incorporation and Bylaw Provisions of the First Class City Teacher Retirement Fund Associations.
8/25/1975	Comparison of First Class City Teacher Retirement Fund Association Benefit Plans.
12/19/1975	First Class City Teacher Retirement Fund Association Benefit Plan Comparison and Draft Legislation Extending the TRA Benefit Plan to the First Class City Teacher Retirement Fund Associations.
1/22/1976	First Class City Teacher Retirement Fund Association Benefit Comparisons and Benefit Plan Revision Working Draft Legislation.
2/17/1976	First Class City Teacher Retirement Fund Association Benefit Plan Revision Working Draft Legislation.

c. 1993-1994 Interim Teacher Retirement Fund Association Phase-Out or Consolidation Options Study. In 1993 (Laws 1993, Ch. 357, Sec. 9), the Legislature required the Pension Commission to study the options available for either phasing out or consolidating the first class city teacher retirement associations and report to the Legislature its conclusions by February 1, 1994. To assist in the study, a technical advisory group was established, comprised of the Pension Commission staff, the directors of the first class city teacher retirement funds, a representative of the teacher bargaining unit of the applicable school districts, a representative of each applicable school district, a Department of Finance representative, the executive director of the Teachers Retirement Association (TRA), and a TRA member.

LCPR Meeting	Commission Consideration Topic
3/29/93	SF 553 (Riveness); HF 637 (Reding): SPTRFA Consolidation; SF 1282 (Pogemiller); HF 1498 (Orfield): First Class City Teacher Funding Provisions
4/27/93	First Class City Teacher Structure and Funding Issues; SF 553 (Riveness); HF 637 (Reding): SPTRFA Consolidation; and SF 1282 (Pogemiller); HF 1498 (Orfield): First Class City Teacher Funding Provisions
4/29/93	First Class City Teacher Structure and Funding Issues
8/19/93	Mandated interim project: Study of Teacher Retirement Fund Association Phase-Out or Consolidation Options, First Consideration
10/27/93-11/08/93	Technical Advisory Task Force meeting
11/09/93	Technical Advisory Task Force meeting
11/16/93	Technical Advisory Task Force meeting
01/13/94-01/14/94	Study of Teacher Retirement Fund Association Phase-Out or Consolidation Options, Second Consideration
02/17/94	Study of Teacher Retirement Fund Association Phase-Out or Consolidation Options, Third Consideration
03/17/94	Study of Teacher Retirement Fund Association Phase-Out or Consolidation Options, Report of the Advisory Group
08/17/94	First Class City Teacher Fund Phase-out or Consolidation Options Report

d. 1997-1998 Interim First Class City Teacher Retirement Fund Consolidation Options. In 1997 (Laws 1997, Ch. 233, Art. 1, Sec. 75), the Legislature mandated the Pension Commission, in consultation with the affected constituencies, to study the advantages and disadvantages of restructuring or consolidating the first class city teacher retirement fund associations, with the study to be completed by January 31, 1998.

LCPR Meeting	Commission Consideration Topic
10/22/97	Mandated Study: First Class City Teacher Retirement Funds Consolidation Options, First Consideration
12/10/97	Mandated Study: First Class City Teacher Retirement Funds Consolidation Options, Second Consideration
01/04/98	Mandated Study: First Class City Teacher Retirement Funds Consolidation Options, Second Consideration
01/23/98	Completion of Mandated Study: First Class City Teacher Retirement Funds Consolidation Options, Second Consideration

e. 1998-2000 SPTRFA Phase-Out/Consolidation into TRA Issue. In 1998, proposed legislation was introduced on behalf of an organization of St. Paul Teachers Retirement Fund Association (SPTRFA) members seeking a phase-out or consolidation of the retirement plan into the statewide Teachers Retirement Association (TRA).

LCPR Meeting	Commission Consideration Topic
02/06/98	SF 2742 (Kelley, S.P.); HF 3198 (Folliard): Phase-Out of SPTRFA
02/06/98	SF 3087 (Kelley, R.C.): Phase-Out of SPTRFA
02/10/98	SF 3087 (Kelley, R.C.): Phase-Out of SPTRFA
12/06/00	Update on St. Paul Teachers Retirement Fund Association Consolidation Discussions

f. 2001-2002 Interim Teacher Retirement Plan Aggregation Study. In 2001 (1st Spec. Sess. Laws 2001, Ch. 10, Art. 11, Sec. 20), the Legislature mandated the TRA executive director, the DTRFA executive secretary, the MTRFA executive director, and the SPTRFA executive secretary to prepare a report that details the stages necessary to create a restructured statewide teacher retirement plan if the Legislature were to determine that the change was in the best interests of the state, its taxpayers, and the public education community. The study was to be conducted using a task force of school district and active member representatives of the various retirement plans. The report was required to include the necessary draft legislation to effect the creation of the restructured teacher retirement plan. The report was due on February 15, 2002.

LCPR Meeting	Commission Consideration Topic
2001	HF 2529 (Kahn); Teacher Plan Merger Study (SS Laws 2001, Ch. 10, Art. 11)
06/11/02	Review of the Implementation Plan Study for the Aggregation of the Four Minnesota Teacher Retirement Plans

g. 2003-2004 Interim Teacher Plans Restructuring Actuarial Study. In 2003 (1st Spec. Sess. Laws 2003, Ch. 12, Art. 9, Sec. 1-2), the Legislature mandated the consulting actuary retained by the Pension Commission to prepare an additional actuarial valuation report considering the feasibility of aggregating the first class city teacher retirement fund associations and the TRA into a new restructured retirement fund, based on the proposals contained in the 2001 mandated study, including post-retirement adjustment changes, benefit changes, administrative cost restructurings, and asset transfers. The four retirement fund administrator were required to consult with the 2001 consolidation advisory task force and were required to provide the actuary retained by the Pension Commission with all necessary information requested for the report. The cost of the preparation of the mandated report was required to be allocated equally among the four retirement plans, with the executive director of the Minneapolis Teachers Retirement Fund Association (MTRFA) serving as the fiscal agent for the payment of the study cost and the collection of reimbursed amounts. The mandated report was required to be filed by January 15, 2004.

LCPR Meeting	Commission Consideration Topic
04/14/03	HF 1466 (Smith); SF 1304 (Pogemiller): Teacher Plans Restructuring Actuarial Study

h. 2005-2006 MTRFA/TRA Consolidation Legislation. In 2005 and 2006, proposed legislation was introduced providing for a consolidation of the Minneapolis Teachers Retirement Fund Association (MTRFA) into the statewide Teachers Retirement Association (TRA). Ultimately, in 2006 (Laws 2006, Ch. 277, Art. 3), MTRFA was required by law to consolidate into the TRA.

LCPR Meeting	Commission Consideration Topic
04/21/05	SF 1519 (Pogemiller); HF 1615 (Smith): MTRFA Consolidation with TRA
05/12/05	SF 1519 (Pogemiller); HF 1615 (Smith): MTRFA Consolidation with TRA
01/19/06	MTRFA Funding Problem; Review of Senate Action as part of SF 1057 (Pogemiller), 3rd Engrossment, Article II, from 2005
02/27/06	HF 2847 (Ozment): MTRFA/TRA Merger

i. 2009-2010 Interim Study of the Creation of a Pension Fund Consolidation Assistance Fund. During the 2009-2010 Interim, as a topic designated by the Commission chair for interim study, the Commission considered the options for and the desirability of creating a pension fund consolidation assistance fund.

LCPR Meeting	Commission Consideration Topic
07/08/09	Designated Interim Study: Options for and Desirability of the Creation of a Pension Fund Consolidation Assistance Fund; First Consideration
08/12/09	Designated Interim Study: Options for and Desirability of the Creation of a Pension Fund Consolidation Assistance Fund; Second Consideration
10/14/09	Designated Interim Study: Options for and Desirability of the Creation of a Pension Fund Consolidation Assistance Fund; Third Consideration

2006 MTRFA/TRA Consolidation and MTRFA Liquidating Trust

a. Laws 2006, Chapter 277, Article 3: MTRFA Consolidation into TRA. In 2006, the former Minneapolis Teachers Retirement Fund Association (MTRFA) was consolidated into the Teachers Retirement Association (TRA).

- The TRA definition of "teacher" for pension plan purposes was revised to include Minneapolis public school teachers and the TRA definition of allowable service credit was revised to include service provided by Minneapolis teachers which was credited as allowable MTRFA service prior to the merger of the MTRFA into TRA on July 1, 2006.
- Starting July 1, 2006, the employee contribution rate for coordinated TRA members was increased to 5.5% of pay. Any basic members who enter TRA from the MTRFA had their member

contribution rate increased to 9.0% of pay. For Special School District No. 1, Minneapolis, after July 1, 2007, the employer contribution rates increased to 5.5% for coordinated members and 9.5% for basic members. In addition, Special School District No. 1, Minneapolis, shall continue to pay an employer additional contribution of 3.64% of pay on behalf of both coordinated and basic members. For employing units other than Special School District No. 1, after June 30, 2007, the employer contribution rate increased from 5.0% of pay to 5.5% of pay on behalf of coordinated members and from 9.0 to 9.5% on behalf of basic members.

- For coordinated TRA members, including those transferred into TRA from MTRFA, the accrual rate used to compute the high-five annuity was increased for service provided after June 30, 2006, from 1.2% to 1.4% for each of the first ten years of service and from 1.7 to 1.9% for each year thereafter. If a level benefit computation is applicable for a coordinated member, the rate used for post June 30, 2006 service was increased from 1.7% to 1.9%. There is no change in the formula for computing basic member benefits. Any basic member who was an MTRFA basic member on June 30, 2006, continued to have the person's annuity computed under the annuity formula specified in the MTRFA articles of incorporation.
- All active, inactive, and retired MTRFA members were transferred to TRA as of July 1, 2006, along with all records, service credit, and liabilities. Any newly hired Minneapolis teacher after June 30, 2006, also became a TRA member.
- On or before June 30, 2006, all MTRFA retirement fund assets were required to be transferred to TRA and are invested by the State Board of Investment although the MTRFA board of trustees established a liquidating trust prior to the consolidation and deposited in that trust a portion of MTRFA assets. MTRFA ceased to exist on June 30, 2006.
- On behalf of MTRFA retired members or other benefit recipients of that organization, the TRA transferred to the State Board of Investment Post Fund assets consistent with the funding ratio of the Post Fund, leaving the funding ratio of Post Fund assets to be unchanged by the transfer.
- The benefits of all retired, disabled, deferred or inactive members of the former MTRFA were required to be computed as specified under applicable law, bylaw, or articles of incorporation in effect when the former MTRFA member terminated service.
- All post-retirement adjustments paid to former MTRFA members after December 31, 2006, were those under the State Board of Investment Post Fund rather than under any prior MTRFA procedure.
- TRA became the successor in interest to all claims against the MTRFA, except that TRA is not liable for any breach of fiduciary duty where the acts constituting the claimed breach were not done in good faith.
- A special audit of the MTRFA as of June 30, 2006, was performed by the State Auditor.
- TRA's full funding date was reset to June 30, 2037.
- MTRFA employees were made TRA employees until December 31, 2007, and were appointed without examination at their current hourly rate and have employment benefits comparable to other TRA employees.
- Because of the merger of MTRFA into TRA, the provisions in the first class city teacher plan chapter and elsewhere relating to the normal retirement age definition, the teacher definition, the pension plan establishment provision, the sabbatical leave provision, the military leave/break in service, the parental and maternity leave provision, the medical leave, the employee contribution rate provision, the retirement contribution levy prohibition, the employer contribution rate provision, the supplemental administrative expense assessment, the coordinated program establishment provision, the coordinated program annuity computation provision, the optional annuity forms provision, the service-in-more-than-one-fund provision, the annuity computation for combined coordinated/basic service provision, the coordinated program administration provision, the financial reporting provision governing Minnesota public plans, the joint actuary retention provision, the economic actuarial assumption provision, the combined service annuity provision, the combined service disability provision, the combined service survivor provision, the pre-1973 retiree increase provision, and the supplemental needs trust provision were revised to move any reference to the MTRFA.
- The MTRFA bylaws were repealed, except that the bylaws must be used for computing the benefits applicable to former basic MTRFA members.
- The MTRFA union business agent provision, the MTRFA purchase of out-of-state teaching service, the MTRFA basic program establishment provision, and the MTRFA post-retirement adjustment provision, were repealed.

From the actuarial estimates prepared by the jointly retained consulting actuary, The Segal Company, the consolidation of the MTRFA into the TRA, the increase in the TRA benefit accrual rate, the increase in the TRA amortization period, and the contribution rate increases had the following actuarial impact on TRA, based on the July 1, 2005, TRA actuarial valuation:

	7/1/2005 Actuarial Condition of TRA		MTRFA Consolidation		MTRFA Under TRA Actuarial Assumptions*	TRA Benefit Increase*	30-Year Amortization Period	2006 Projected Condition of TRA		2006 Actual TRA Actuarial Results	
Membership											
Active Members		74,552		4,756	--	--	--		79,308		79,164
Service Retirees		35,779		3,537	--	--	--		39,316		41,009
Disabilitants		581		25	--	--	--		606		630
Survivors		2,597		277	--	--	--		2,874		3,044
Deferred Retirees		9,880		1,377	--	--	--		11,257		11,773
Nonvested Former		19,151		3,604	--	--	--		22,755		21,956
Total Membership		142,540		13,576	--	--	--		156,116		157,576
Funded Status	%	$	%	$	$	$	$	%	$	%	$
Accrued Liability		18,021,410,061		1,755,912,975	90,507,852	82,359,973	--		19,950,190,861		20,679,110,879
Current Assets		17,752,917,313		783,354,138	0	0	--		18,536,271,451		19,035,611,839
Unfund. Accr. Liability		268,492,748		972,558,837	90,507,852	82,359,973	--		1,413,919,410		1,643,499,040
Funding Ratio	98.51		44.61					92.91		92.05	
Financing Requirements											
Covered Payroll		3,389,066,754		231,208,456	--	--	--		3,620,275,210		3,707,900,584
Benefits Payable		1,048,440,524		123,031,355	--	--	--		1,171,471,879		1,224,212,024
Normal Cost	8.02	271,801,325	9.51	21,981,273	--	42,902,997	--	9.30	336,685,595	9.43	349,678,399
Administrative Exp.	0.34	11,522,827	0.29	670,505	--	--	--	0.34	12,193,332	0.33	12,236,072
Amortization	0.69	23,384,561	36.50	84,391,086	7,853,547	7,173,200	(43,518,367)	2.19	79,284,027	2.34	86,764,874
Total Requirements	9.05	306,708,713	46.30	107,042,864	7,853,547	50,076,197	(43,518,367)	11.83	428,162,954	12.10	448,679,345
Employee Contrib.	5.00	169,453,338	5.74	13,266,140	--	18,101,376	--	5.52	199,839,191	5.51	204,456,479
Employer Contrib.	5.00	169,453,338	8.46	19,553,269	--	19,257,148	--	5.72	207,079,742	5.23	193,832,020
Employer Add'l Cont.	0.00	0	0.00	0	--	--	--	0.00	0	0.00	0
Direct State Funding	0.00	0	7.70	17,814,000	--	--	--	0.49	17,814,000	0.51	18,819,111
Other Govt. Funding	0.00	0	1.08	2,500,000	--	--	--	0.07	2,500,000	0.07	2,500,000
Admin. Assessment	0.00	0	0.00	0	--	--	--	0.00	0	0.00	0
Total Contributions	10.00	338,906,676	22.99	53,133,409	--	37,358,524	--	11.80	427,232,933	11.31	419,607,609
Total Requirements	9.05	306,708,713	46.30	107,042,864	7,853,547	50,076,197	(43,518,367)	11.83	428,162,954	12.10	448,679,345
Total Contributions	10.00	338,906,676	22.99	53,133,409	--	37,358,524	--	11.80	427,232,933	11.31	419,607,609
Deficiency (Surplus)	(0.95)	(32,197,963)	23.31	53,909,455	7,853,547	87,434,721	(43,518,367)	0.03	930,021	0.79	29,071,736

* *The Segal actuarial cost estimate did not allocate the impact of the benefit increase or the actuarial assumption change clearly, so the allocation was estimated by the Commission staff. The allocation is an approximation, but the total combined impact reflects the Segal estimate.*

b. 2006 MTRFA Liquidating Trust Preceding TRA Consolidation. Although not provided for in Laws 2006, Chapter 277, Article 3, the Minneapolis Teachers Retirement Fund Association (MTRFA)/ Teachers Retirement Association (TRA) consolidation legislation, on May 8, 2006, the MTRFA board authorized the creation of a liquidating trust at a special meeting held for that purpose, with the liquidating trust agreement executed on behalf of MTRFA as grantor on May 18, 2006, and with the liquidating trust agreement executed on behalf of the trust by its trustee, Harry Haynesworth IV, on May 22, 2006. On May 26, 2006, MTRFA transferred $1.532 million to the liquidating trust, based on an estimate of the trust requirements prepared by a third party advisor.

Liquidating trusts are primarily creased for the purpose of liquidating and distributing the assets of a failing or troubled corporation, partnership, or other business entity by holding title to some of the entity's assets while waiting for some business-related contingency to be resolved. The contingencies that frequently give rise to the creation of a liquidating trust would be the settlement of third part contract or tort claims or the disposition of hard to sell property or assets. Liquidating trusts are a staple tool of federal and state tax practice in corporate dissolution and are used by a troubled business to avoid the tax burden that would otherwise be borne by the business.

The MTRFA liquidating trust was funded from the MTRFA special retirement fund and had three sets of beneficiaries, with the initial beneficiaries being the MTRFA board of trustees and the MTRFA executive director, with the secondary beneficiaries being any MTRFA creditors, and with the tertiary beneficiary being TRA. The MTRFA liquidating trust agreement specified potential liabilities and obligations that MTRFA may lack assets to cover, which were:

- Contracts and expenses to conduct a membership election to authorize MTRFA's transfer of assets to TRA;
- Indemnification of the fiduciaries for past, present, and future obligations;
- Premiums for fiduciary liability "tail coverage";

- Any contracts, debts, obligations, or liabilities to third parties;
- General and administrative operating expenses and costs of the liquidating trust;
- Severance obligations to employees;
- Amounts due to the executive director under her employment contract;
- Liquidating trust trustee fees and costs;
- Professional fees and costs incurred prior to, and subsequent to, consolidation; and
- A reasonable additional amount for unanticipated fees, costs, and expenses.

The MTRFA liquidating trust trustee was empowered with sole and absolute discretion in deciding which claims and obligations may be paid and what indemnification against claims would be provided to the MTRFA board of trustee members and the MTRFA executive director.

On June 19, 2006, MTRFA, the MTRFA board of trustees, the MTRFA executive director, the MTRFA liquidating trust, and the MTRFA liquidating trust trustee initiated a declaratory judgment action in Hennepin County District Court against TRA and the State Attorney General for a ruling that the liquidating trust was lawfully established, that MTRFA took lawful actions under the Minnesota Nonprofit Corporation Act, and that TRA must indemnify the MTRFA board of trustees and the MTRFA executive director under the Minnesota Nonprofit Corporation Act. The TRA counterclaimed and sought a temporary restraining order again the MTRFA liquidating trust, which was denied by district court judge Harry Crump on June 26, 2006. TRA's motion that the venue of the action be transferred to the Ramsey County District Court under Minnesota Statutes, Section 354.07, Subdivision 3, was also denied by Judge Crump.

In a special accounting report required by the MTRFA/TRA consolidation law, the State Auditor's Office determined seven items of legal noncompliance with respect to the MTRFA liquidating trust, which were:

1. The creation of the MTRFA liquidating trust constituted an illegal diversion of money from the MTRFA special retirement fund;
2. The placement of MTRFA pension plan assets with a third-party trustee violated the applicable legal title to assets provision of the Minnesota Public Pension Plan Fiduciary Responsibility law;
3. The creation of the MTRFA liquidating trust constituted a violation of the Minnesota public pension plan exclusive membership benefit law;
4. The transfer of MTRFA assets to the liquidating trust constituted a violation of the prohibited transaction under the Minnesota Public Pension Plan Fiduciary Responsibility law;
5. The failure to transfer full MTRFA assets to TRA violated the MTRFA/TRA consolidation law;
6. The MTRFA liquidating trust agreement was an illegal attempt to perpetuate the MTRFA beyond its consolidation into TRA; and
7. The empowerment of the MTRFA liquidating trust trustee to pay lawful obligations of MTRFA as he determines them contravenes TRA's status as the successor in interest of MTRFA under the MTRFA/TRA consolidation law.

The State Auditor's Office also determined that 90.2% of the assets transferred by MTRFA to the MTRFA liquidating trust were administrative expenses that had been paid by MTRFA prior to the creation of the MTRFA liquidating trust, that had been specifically assumed by TRA or that had been paid by TRA. The only administrative expenses payable by the MTRFA liquidating trust that were not previously paid or assumed by TRA as determined by the office of the State Auditor were the MTRFA liquidating trust attorney fees and trustee fees, which were expenses that would not have been incurred without the creation of a liquidating trust.

Eventually, the MTRFA liquidating trust was dissolved and its assets were transferred to TRA, although neither the 2006 Comprehensive Annual Financial Report or the 2007 TRA Comprehensive Annual Financial Report specifically accounts for the assets that MTRFA deposited in the liquidating trust on the eve of the passage of the MTRFA/TRA consolidation legislation in 2006 or indicates the ultimate disposition of the former MTRFA liquidating trust.

Background Information on the Duluth Teachers Retirement Fund Association

The Duluth Teachers Retirement Fund Association (DTRFA) was created in 1910, under Laws 1909, Chapter 343 (currently Minn. Stat. Ch. 354A). The plan covers teachers employed by Independent School District No. 709, Duluth, and some faculty members at the Lake Superior College.

The initial assets of the plan were invested in municipal bonds. In 1921, DTRFA was partially invested in individual home mortgages made by the plan (the fund discontinued its home mortgage program for members in 1965). The plan did not invest in corporate equities until 1943, when the first stock investments were made.

In 1919, the initial DTRFA retirement annuity formula was established with a benefit accrual rate of 1.42% of the highest ten years' average salary per year of allowable service, with the retirement annuity payable in full at age 55. The normal retirement age was increased from age 55 to age 60 on a phased-in basis between 1948 and 1953.

DTRFA coordinated with Social Security in 1957 on a total plan basis, meaning that all DTRFA members since 1957 have been coordinated program members. Also in 1957, the DTRFA retirement annuity formula was revised with the benefit accrual rate reset from 1.42% of the highest ten years' average salary per year of allowable service to 0.71% of the highest ten years' average salary per year of allowable service. The plan was also modified in 1957 to permit additional member contributions to produce a larger pension benefit.

In 1964, the plan added a tax-sheltered annuity program under Section 403(b) of the Internal Revenue Code and received a qualification determination from the Internal Revenue System.

The plan granted several ad hoc post-retirement adjustments during the period 1966-1981, with a 10% adjustment in 1966, a 9% adjustment in 1968, a 4% adjustment in 1969, a 5% adjustment in 1971, a 9.5% adjustment in 1975, a 3% adjustment in 1976, and an 8.7% adjustment in 1981.

In 1971, the DTRFA retirement annuity formula was again revised, with the benefit accrual rate reset to 1.15% of the highest five years' average salary per year of allowable service and the normal retirement age was set at age 60.

In 1973, the DTRFA tax-sheltered annuity program was expanded with the addition of the Variable Fund for equity investments.

In 1978, DTRFA coverage and Social Security coverage was extended to part-time and hourly Independent School District No. 709 educators.

In 1981, the DTRFA retirement annuity formula was further revised, with the benefit accrual rate reset to 1.25% of the highest five years' average salary per year of allowable service, and the member contribution was increased to 4.5% of covered salary.

In 1983, member contributions to the fund became pre-tax contributions under the federal Internal Revenue Code.

In 1985, member contributions to the fund became pre-tax contributions under state income tax law.

Also in 1985, a DTRFA 13th check post-retirement adjustment mechanism was established, based on investment returns in excess of the post-retirement actuarial interest rate assumption rate and allocated as a particular dollar amount (unit value) per number of years of service credit plus the number of years on retirement. The unit value over time was:

Year	Unit Value	Year	Unit Value
1985	$34	1991	$52
1986	$44	1992	$50
1987	$48	1993	$55
1988	--	1994	$52
1989	$46	1995	$55
1990	$50		

In 1995, the DTRFA 13th check provision was replaced by the same system then used by the Minneapolis Teachers Retirement Fund Association (MTRFA): Annuity payments were increased by 2% annually and benefit recipients could receive an additional investment-related post-retirement adjustment based on the five-year annualized return above 8.5%, with a minor adjustment for the contribution deficiency.

In 1989, the DTRFA retirement annuity was further modified with the creation of two benefit tiers. The first benefit tier included the Rule of 90 early retirement provision, applicable to teachers first employed before July 1, 1989, while the second benefit tier, applicable to those first hired after June 30, 1989 or to those hired before that date if the level benefit approach, with actuarial reduction if retiring early, provided a higher benefit. In 1995, the DTRFA benefit accrual rate was increased by 0.13% of the highest five years' average salary per year of allowable service credit, and the member contribution rate was increased from 4.5% of covered salary to 5.5%. In 1997, the DTRFA benefit accrual rate was increased by 0.07% of the highest five years' average salary, to 1.45% of average salary per year of service credit for the Old Law (pre-1981) plan, 1.20% of average salary for the first ten years of service and 1.70% of average salary for all subsequent years of service for the Tier I (Rule of 90) New Law (post-1981) plan, and 1.70% of average salary for all years of service for the Tier II (Level Benefit) New Law (post-1981) plan.

Also in 1997, direct annual state aid, initially $486,000 annually, was established. This was redirected to the MTRFA and the St. Paul Teachers Retirement Fund Association (SPTRFA) in 2001, when the DTRFA became fully funded. In 2003 the DTRFA funding ratio fell below 100%, and in 2008, aid was restarted to the DTRFA.

In 2002, coverage for teachers in charter schools located in Duluth was changed from DTRFA to the statewide Teachers Retirement Association (TRA).

In 2010, post-retirement adjustment procedures were again revised. The procedure adopted in 1995 was replaced with a procedure consisting of a transitional system followed by a move to an inflation match not to exceed 5%, after funding ratios improve considerably. Under the transition method, no increase is provided to DTRFA pensioners (retirees, disabilitants, and survivors) if the funding ratio, based on comparison of the market value of assets compared to accrued liability, is less than 80%. A 1% increase will be paid if the market-value funding ratio is at least 80% but less than 90%, and a 2% increase will be paid if the ratio is at least 90%. Also, when the funding ratio, when actuarial asset value rather than market is used, is at least 90%, the transition method ends and a new system is put in place which will match inflation up to 5%. However, if the funding ratio based on actuarial value falls below 80%, no increase will be paid. Also in 2010, numerous changes were made to the DTRFA to address its deteriorating financial condition. These changes included increasing the employee and employer contribution rates by 0.5% each, revising post-retirement adjustment procedures as described earlier, increasing vesting from three years to five years, reducing the refund interest rate from 6% to 4%, reducing the deferred annuities augmentation rate to 2%, and eliminating interest payments on reemployed annuitant savings accounts.

In 2011, the 2010 vesting requirement change was made applicable to all DTRFA benefits and benefit programs.

In 2012, the DTRFA member and employer contribution rates were increased, the Duluth School District was required to make full employer contributions on the salaries paid to reemployed DTRFA annuitants, the DTRFA deferral of annuity amounts in excess of the reemployed annuitant earnings limits was eliminated in favor of forfeiture after June 30, 2013, the DTRFA early retirement reduction rate for ages under age 62 was increased beyond the full actuarial value requirement and was reduced below the full actuarial value requirement for ages in excess of age 61, additional state aid for DTRFA was appropriated for Fiscal Years 2014 and 2015, and the 2010 DTRFA post-retirement adjustment changes were modified to permit future 1% annual post-retirement adjustments.

The DTRFA is managed by a governing board of nine members, including one school board representative, one designee of the school district superintendent, five active member-elected representatives, and two retired member-elected representatives. In addition to maintaining member records and determining benefit eligibility and amounts, the DTRFA governing board is the investment authority for the assets of the retirement fund.

Background Information on the St. Paul Teachers Retirement Fund Association

The St. Paul Teachers Retirement Fund Association (SPTRFA) was created in 1910 under the authority of Laws 1909, Chapter 343, by the teaching body of the St. Paul public schools with the consent of the St. Paul City Council and was incorporated as a Minnesota corporation in 1910. The plan primarily covers certificated teaching and administrative personnel employed by Independent School District No. 625, St. Paul, but the plan also includes some faculty members employed by the Minnesota State Colleges and Universities System (MnSCU). Teachers who were employed by charter schools that were located in St. Paul previously were members of SPTRFA, but coverage for them was transferred to the statewide Teachers Retirement Association (TRA) in 2002.

Initially, in 1910, membership in the SPTRFA was voluntary and the initial pensions, first paid in 1910, were $30 per month and were funded from a 1.0% member contribution and a contribution from the City of St. Paul, subject to a maximum levy. The flat retirement benefit amount was increased to $40 per month in 1913 and to $50 in 1922. The funding of the SPTRFA before 1955 was essentially on a "current disbursements" or "pay-as-you-go" basis, with the total of the member contributions and the City of St. Paul tax levy generally equaling the retirement benefit payout (i.e. in 1952, the member contribution of $223,891 and the tax levy of $289,861 largely was consumed by the annuities payable of $508,923; in 1953, the respective amounts were $233,391; $312,433; and $525,959; and in 1954, $243,181; $334,245; and $529,429).

In 1955, unrelated to any legislative mandate, the SPTRFA member contribution rate was increased from 4.5% of covered pay to 6.0% of covered pay and the City of St. Paul essentially doubled its local tax levy, from $334,245 in 1954 to $687,000 in 1955. This resulted in SPTRFA beginning to amass reserves for its actuarial liabilities, totaling $1.6 million in assets in 1955. Also in 1955, SPTRFA first retained a consulting actuary, A. A. Weinberg of Chicago, Illinois, who also was the State Employees Retirement Association (SERA, predecessor to the Minnesota State Retirement System (MSRS)) consulting actuary. The applicable tax levy limit for SPTRFA and the other two first class city teacher retirement fund associations was set in 1923 and remained unchanged until 1969, when the levy limit was eliminated following the 1967 inclusion of the first class city teacher retirement fund associations in direct State payment of teacher employer retirement contributions.

In 1975, the local levy for SPTRFA was eliminated and the State funding of the plan, set identical as a percentage of covered payroll to the statewide Teachers Retirement Association (TRA), was set as the total employer support of the plan.

SPTRFA coordinated with Social Security in 1978, effectively closing the SPTRFA Basic Plan to new members. Each existing teacher elected to either remain as a basic member or to begin Social Security coverage (which makes them coordinated members). The current SPTRFA Basic Plan covers the pre-1978 hires who did not elect Social Security coverage. A SPTRFA Coordinated Program was created for all post-1978 hires and for those pre-1978 hires who elected Social Security coverage. Because there have been no new basic members added to the SPTRFA since 1978, not many St. Paul teachers remain as Basic Program active members. As of June 30, 2004, the 362 SPTRFA Basic Program active members made up 8.2% of the total SPTRFA active membership, while the 1,689 SPTRFA Basic Program retired members comprised 81.0% of the total number of SPTRFA service retiree membership. As of June 30, 2012, the 26 remaining SPTRFA Basic Program active members made up 0.68% of the total SPTRFA active membership, while the 1,766 SPTRFA Basic Program retired members comprised 60.0% of the total number of SPTRFA service retiree membership.

The SPTRFA after 1978 substantially replicated the statewide TRA Coordinated Program benefit plan. In 1983, member contributions to SPTRFA were tax sheltered for federal and State income tax purposes and the plan was determined as tax qualified by the federal Internal Revenue Service.

In 1987, the prior direct State funding to SPTRFA was folded into the general education State aid to the school district. Retirement benefits were improved by the addition of a two-tier benefit package, effective in 1989 (Laws 1989, Chapter 319, Article 13), for both Basic and Coordinated Plan members. Coordinated members first hired before July 1, 1989, are eligible for Tier I or Tier II benefits. Members first hired after June 30, 1989, are eligible for Tier II benefits only. Tier I is the Rule of 90 early normal retirement age benefit program, with a modestly smaller retirement annuity formula for the initial ten years of service credit. Tier II is the "level benefit" later normal retirement age benefit program, with a higher benefit accrual rate for all years of service credit.

In 1997 (Laws 1997, Chapter 233, Article 3), legislation improved first class city teacher retirement fund association Coordinated Program benefits, implement a new method of paying a post-retirement increase, and provided additional state, employer, and employee funding. Also in 1997, as part of major benefit increase legislation, special direct State aid to SPTRFA was enacted.

In 2010, 2011, and 2012, as part of or prompted by benefit plan revisions for the various statewide and major local retirement plans:

- The SPTRFA member and employer contribution rates were increased twice;
- The scheduled SPTRFA post-retirement adjustment was suspended in 2011, was reduced to 1.0% annually when the plan is funded less than 80% on an actuarial value of assets basis, and was reduced to 2.0% annually when the plan is funded between 80% and 90% on an actuarial value of assets basis;
- The SPTRFA interest rate on refunds was reduced by 2.0% after July 1, 2011;
- The SPTRFA deferred annuity augmentation rate in all instances was reduced to 2.0% annually after July 1, 2012;
- The SPTRFA interest on reemployed annuitant earnings limitation deferral accounts was eliminated after June 30, 2011;
- The SPTRFA benefit accrual rates were increased by 0.2% of the final average salary base for each year of service credit rendered after July 1, 2015;
- Additional state aid for SPTRFA was appropriated for Fiscal Years 2014 and 2015;
- The St. Paul School District was required to make full employer contributions on the salaries paid to reemployed SPTRFA annuitants;
- The SPTRFA deferral of annuity amounts in excess of the reemployed annuitant earnings limits was eliminated in favor of forfeiture after June 30, 2013;
- The SPTRFA early retirement reduction rate for ages under age 62 was increased beyond the full actuarial value requirement and was reduced below the full actuarial value requirement for ages in excess of age 61; and
- The SPTRFA post-retirement adjustment benefit receipt eligibility requirement was extended after June 30, 2013.

The SPTRFA is managed by a governing board of ten members, one member of the Board of Education of Independent School District No. 625, as designated by the board, and nine elected members. In addition to maintaining member records and determining benefit amounts, the SPTRFA governing board is the investment authority for the assets of the retirement fund.

Background Information on the
Teachers Retirement Association

The Teachers Retirement Association (TRA) was created in 1931 (Laws 1931, Chapter 406), to replace an earlier statewide teacher retirement program, the Teachers Insurance and Retirement Fund, that was created in 1915 and that was dissolved after it defaulted on benefit payments. Initially, TRA provided a money purchase retirement annuity as its only retirement benefit. A money purchase benefit is a defined contribution benefit, meaning that the benefit is determined by the amount of contributions that were accumulated and the investment income earned on those amassed contributions. The other two statewide pension plans, the General State Employees Retirement Plan of the Minnesota State Retirement System (MSRS-General) and the General Employee Retirement Plan of the Public Employees Retirement Association (PERA-General) were defined benefit plans from their inceptions, 1929 and 1931 respectively. Defined benefit plans provide a benefit based on a formula with each year of service producing an increment of the total benefit, typically based on a percentage of covered salary.

After the 1915 Law Teacher Insurance and Retirement Fund defaulted on benefit payments during the Great Depression, and when it was replaced in 1935 by TRA, optional memberships in the form of exemptions were enacted. Participants in the defunct 1915 Law Teacher Insurance and Retirement Fund were allowed to elect to be permanently exempt from TRA coverage. Newly hired teachers after 1931 who were under age 25 were also allowed to elect to be exempt from TRA coverage until reaching age 25. The permanent exempt status and the limited exempt status provisions of TRA were altered in 1957, with the elimination of the limited exempt status authority.

During its early history, TRA was not coordinated with Social Security. In 1957, a TRA Social Security referendum was held on an all-or-nothing basis and was rejected by the TRA membership, except for state college faculty which voted as a separate unit. In 1959, federal law was revised to allow individual Social Security elections, permitting those who wanted Social Security coverage to have that coverage, while those existing TRA members who did not want that coverage remained as TRA Basic members. Following that federal law change, a second TRA Social Security election was conducted in 1959, which led to the creation of the separate Basic programs and Coordinated program, with the TRA Coordinated Plan covering all new hires and existing employees who elected the Social Security coverage.

The 1957 Legislature (Extra Sess. Laws 1957, Ch. 15) revised TRA law to create a new plan which had the effect of providing coverage to post-1959 new hires and for existing TRA members who elected Social Security coverage under the 1959 election as the TRA Coordinated Money Purchase Plan.

The resulting TRA Basic and Coordinated Plans were money purchase plans. There were improvements in these money purchase plans through 1968, but by 1969, the general approach was deemed inadequate, and the Legislature revised TRA by creating other benefit options for TRA members. The employee contribution rate to the 1957 TRA Coordinated money Purchase Plan was set at 3% of salary, up to a maximum salary of $4,800. The employer provided a matching contribution, plus a separate amortization contribution. The retirement benefit was the account value at the time of retirement of all contributions credited to the account plus investment earnings, given the rate of return on TRA assets. This value was then annuitized and paid to the individual in monthly checks throughout the individual's retirement. The contributions included the member contributions made or credited to the account during the individual's TRA-covered career (including those prior to July 1, 1957), plus the employer contributions made after the Social Security effective date. Each account was also credited with a portion of any gains created due to the lesser disability or survivor benefits provided under new TRA Coordinated law, since Social Security was now expected to provide some income to TRA disabilitants or survivors.

A savings clause specified that any TRA member who had at least ten years of covered TRA service by July 1, 1957, was entitled to a total benefit at least as large as that provided under prior law. If the total benefit provided by the new TRA Coordinated money purchase program plus the Social Security benefit payment was less than the benefit the individual would have received under prior TRA law, TRA had to increase the TRA benefit payment.

In addition to the employer contribution mentioned above, the employer also made employer additional contributions to amortize any unfunded liability in TRA. Unfunded liability would not exist in a pure defined contribution plan, but the money purchase plan was not a pure defined contribution plan. The cost of providing the savings clause may have been one source of unfunded liability. Disability benefit provisions were another. The new plan promised to pay a disability benefit of $90 per month in addition to a disability benefit based on the individual's account value. Other miscellaneous benefits not based on account values might also create unfunded liability.

The revised TRA Basic member money purchase plan, coinciding with the creation of the Coordinated Plan just described, was specified in Extra Session Laws 1957, Chapter 16. The employee contribution rate was 6% of salary, not to exceed a salary of $4,800. The employer contribution was 3% until June 30, 1959, and 6% thereafter, plus an amortization requirement. The benefit amount was set at twice the terminal value of the employee contributions plus investment earnings.

Several changes occurred in the TRA money purchase plan since 1957. Key changes were that the $4,800 salary cap on contributions had been removed, and teachers were authorized to make retroactive contributions to the plan based on these excess salary amounts back to 1957. In addition, for purposes of crediting employee contributions to the account, any employee contributions for service after July 1, 1957, plus investment earnings on those contributions were multiplied by 120% prior to computing the account's value for purposes of computing the annuity. For basic members, the annuity value continued to be described in law as twice the terminal value of the employee contributions plus investment earnings, but "employee contributions" had in effect been redefined to include the retroactive payments on salary in excess of $4,800, and the effect of multiplying the post-June 30, 1957, employee contributions plus investment earnings by 120%. Multiplying the post-June 30, 1957, employee contributions plus attributed investment earnings by 120% in the Basic and Coordinated Money Purchase Plans, and the retroactive excess salary payments, added unfunded liability to TRA. In addition, various supplemental benefits had been created for both coordinated members and basic members, with special provisions for higher education faculty, further adding to the TRA unfunded liability. The June 30, 1967, TRA actuarial valuation indicates that TRA's funding ratio was 72%.

In 1969, in response to complaints from the teacher unions and others about the inadequacy of TRA retirement benefits, the Legislature created three alternative benefit programs. These alternative benefit programs were the Improved Money Purchase Program, to replace the prior money purchase program, the Career Average Salary Formula Program, to parallel the MSRS-General and PERA defined benefit plans, and the Variable Annuity Program, another defined contribution program that was invested wholly in equity (stock) investments.

TRA members (both basic and coordinated) who rendered service during the 1968-69 school year and any member who had at least 20 years of service credit as of July 1, 1969, were allowed to elect coverage by one of the above programs or a combination of these programs. The Improved Money Purchase Program was the default option. Teachers in this eligibility group were instructed to complete the election form only if they wished to have coverage other than the Improved Money Purchase Program. The options were as follows:

a. Improved Money Purchase Program. Teachers in this group would be covered by this option unless they elected other options as specified below.

b. Career Average Salary Formula Program.

c. Variable Annuity Program. This option was open to coordinated members only.

d. Combined Improved Money Purchase Program and Variable Annuity Program. Under this option, the employee and employer contributions would be divided between these two defined contribution programs. Four-sevenths of the contributions were placed in the Improved Money Purchase Program, and the remaining contributions were directed to the Variable Annuity Program.

e. Combination Career Average Salary Formula Program and Variable Annuity Program. This option combined a defined contribution program and a defined benefit program, with four-sevenths of the contributions going to the formula program and the remainder to the Variable Annuity Program.

Because TRA coordinated with Social Security on an individual basis in 1959, all new TRA hires after that date were coordinated members. The legislative changes in 1969 created somewhat different options for the post-1969 hires than for existing employees. The Improved Money Purchase Program was closed to post 1969 hires. The default option for the post 1969 hires was the Career Average Salary Formula Program. These hires were asked to complete an election form only if they wished to have some other available option. The available options for this group were as follows:

a. Career Average Salary Formula Program. This defined benefit plan was the default option.

b. Variable Annuity Program.

c. Combination Career Average Salary Formula Program and Variable Annuity Program. This option combined a defined contribution program invested entirely in stock with a defined benefit program, with four-sevenths of the contributions going to the formula program and the remainder to the Variable Annuity Program.

In 1973, the TRA Formula Program had the basis for its retirement annuity calculations changed from a career average salary to a highest five consecutive years' average salary, with a simplification of its benefit accrual rates and a rate increase. TRA members previously covered under the IMP Program and who performed teaching service after June 30, 1972, were transferred to the High-Five Formula Program as of July 1, 1973. These transferred members retained rights, under a savings clause, to an IMP Program benefit calculation if that produced a larger benefit. This Improved Money Purchase Program savings clause applies only to TRA members who taught during the 1968-1969 school year or were on an approved leave of absence.

In 1987, the TRA vesting requirement was reduced from 10 years to five years. In 1989, TRA was included in major benefit increases, primarily the creation of the Rule of 90 benefit tier, and the vesting requirement was reduced from five years until three years. In 1994, the TRA benefit accrual rate was increased based wholly on an additional member contribution. In 1997, as part of “uniformity” legislation, similar benefit accrual rate increases and other benefit increases were extended to other general employee retirement plans. In 2006, when the MTRFA was consolidated into TRA, the TRA benefit accrual rates were increased by 0.2% for each year of post-2006 service credit.

In 2010, in conjunction with downsizings that were enacted for the other statewide retirement plans:

- The TRA member and employer contribution rates were increased;
- The scheduled TRA post-retirement adjustments were suspended for two years and thereafter reduced by 0.5% until the plan is at least 90% funded on a market value of assets basis;
- The TRA interest rate on contributions was reduced by 2.0% after June 30, 2011;
- The TRA deferred annuities augmentation was reduced in all cases to 2.0% annually after June 30, 2012; and
- The TRA reemployed annuitant earnings limitation deferral account interest was eliminated after January 1, 2011.

Teacher Plans, History of Funding and Funded Conditions

	DTRFA FY2012		SPTRFA FY2012		TRA FY2012	
Membership						
Active Members		919		3,880		76,649
Service Retirees		1,254		2,942		50,780
Disabilitants		19		29		591
Survivors		113		321		4,054
Deferred Retirees		284		1,833		12,201
Nonvested Former Members		766		1,427		27,591
Total Membership		3,355		10,432		171,866
Funded Status						
Accrued Liability		$326,243,873		$1,471,216,000		$23,024,505,000
Current Assets		$206,833,425		$911,930,000		$16,805,077,000
Unfunded Accrued Liability		$119,410,448		$559,286,000		$6,219,428,000
Funding Ratio	63.40%		61.98%		72.99%	
Financing Requirements						
Covered Payroll		$50,973,110		$256,509,000		$4,146,325,000
Benefits Payable		$24,806,357		$101,788,000		$1,485,527,000
Normal Cost	6.48%	$3,305,213	8.39%	$21,503,000	8.53%	$353,796,000
Administrative Expenses	1.16%	$591,288	0.31%	$795,000	0.24%	$9,951,000
Amortization	15.36%	$7,829,470	14.17%	$36,347,000	9.98%	$413,803,000
Total Requirements	23.00%	$11,725,971	22.87%	$58,645,000	18.75%	$777,550,000
Employee Contributions	6.50%	$3,313,252	6.02%	$15,449,000	6.50%	$269,572,000
Employer Contributions	6.79%	$3,461,075	8.87%	$22,753,000	6.69%	$277,520,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	1.23%	$626,202	1.58%	$4,057,000	0.52%	$21,727,000
Other Govt. Funding	0.00%	$0	0.00%	$0	0.06%	$2,500,000
Administrative Assessment	0.00%	$0	0.00%	$0	0.00%	$0
Total Contributions	14.52%	$7,400,529	16.47%	$42,259,000	13.71%	$568,819,000
Total Requirements	23.00%	$11,725,971	22.87%	$58,645,000	18.75%	$777,550,000
Total Contributions	14.52%	$7,400,529	16.47%	$42,259,000	13.71%	$568,819,000
Deficiency (Surplus)	8.49%	$4,325,442	6.40%	$16,386,000	5.04%	$208,731,000

	DTRFA FY2011		SPTRFA FY2011		TRA FY2011	
Membership						
Active Members		1,006		3,578		76,755
Service Retirees		1,216		2,864		49,079
Disabilitants		19		29		602
Survivors		109		319		3,856
Deferred Retirees		290		1,880		13,237
Nonvested Former Members		735		1,698		25,196
Total Membership		3,375		10,368		168,725
Funded Status						
Accrued Liability		$321,065,000		$1,389,875,000		$22,171,493,000
Current Assets		$235,071,975		$972,718,000		$17,132,383,000
Unfunded Accrued Liability		$85,993,025		$417,157,000		$5,039,110,000
Funding Ratio	73.22%		69.99%		77.27%	
Financing Requirements						
Covered Payroll		$54,279,300		$239,501,000		$4,106,922,000
Benefits Payable		$24,067,915		$97,287,000		$1,459,550,000
Normal Cost	6.08%	$3,298,919	7.59%	$18,165,000	8.17%	$335,649,000
Administrative Expenses	0.89%	$483,086	0.29%	$694,000	0.24%	$9,857,000
Amortization	10.27%	$5,574,484	10.49%	$25,124,000	8.16%	$335,125,000
Total Requirements	17.24%	$9,356,489	18.37%	$43,983,000	16.57%	$680,631,000
Employee Contributions	6.00%	$3,256,758	5.78%	$13,838,000	6.00%	$246,490,000
Employer Contributions	6.29%	$3,414,168	8.63%	$20,661,000	6.16%	$252,854,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	1.21%	$658,535	1.69%	$4,057,000	0.53%	$21,510,000
Other Govt. Funding	0.00%	$0	0.00%	$0	0.06%	$2,500,000
Administrative Assessment	0.00%	$0	0.00%	$0	0.00%	$0
Total Contributions	13.50%	$7,329,461	16.10%	$38,556,000	12.69%	$520,854,000
Total Requirements	17.24%	$9,356,489	18.37%	$43,983,000	16.57%	$680,631,000
Total Contributions	13.50%	$7,329,461	16.10%	$38,556,000	12.69%	$520,854,000
Deficiency (Surplus)	3.73%	$2,027,028	2.27%	$5,427,000	3.88%	$159,777,000

	DTRFA FY2010		SPTRFA FY2010		TRA FY2010	
Membership						
Active Members		1,054		3,837		77,356
Service Retirees		1,171		2,721		47,517
Disabilitants		19		23		654
Survivors		105		300		3,682
Deferred Retirees		301		1,863		12,756
Nonvested Former Members		721		1,419		23,651
Total Membership		3,371		10,163		165,616
Funded Status						
Accrued Liability		$312,649,572		$1,471,630,000		$22,081,634,000
Current Assets		$255,308,913		$1,001,444,000		$17,323,146,000
Unfunded Accrued Liability		$57,340,659		$470,186,000		$4,758,488,000
Funding Ratio	81.66%		68.05%		78.45%	
Financing Requirements						
Covered Payroll		$56,152,078		$250,225,000		$4,047,547,000
Benefits Payable		$23,596,191		$95,300,000		$1,421,382,000
Normal Cost	5.85%	$3,287,998	8.28%	$20,735,000	8.36%	$338,474,000
Administrative Expenses	0.91%	$510,984	0.24%	$601,000	0.24%	$9,714,000
Amortization	6.46%	$3,627,424	11.32%	$28,325,000	7.11%	$287,781,000
Total Requirements	13.22%	$7,426,406	19.84%	$49,661,000	15.71%	$635,969,000
Employee Contributions	5.50%	$3,088,365	5.56%	$13,917,000	5.50%	$222,737,000
Employer Contributions	5.79%	$3,251,205	8.42%	$21,072,000	5.68%	$229,799,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	1.19%	$666,361	1.62%	$4,057,000	0.47%	$19,049,000
Other Govt. Funding	0.00%	$0	0.00%	$0	0.06%	$2,500,000
Administrative Assessment	0.00%	$0	0.00%	$0	0.00%	$0
Total Contributions	12.48%	$7,005,931	15.60%	$39,046,000	11.71%	$474,085,000
Total Requirements	13.22%	$7,426,406	19.84%	$49,661,000	15.71%	$635,969,000
Total Contributions	12.48%	$7,005,931	15.60%	$39,046,000	11.71%	$474,085,000
Deficiency (Surplus)	0.74%	$420,475	4.24%	$10,615,000	4.00%	$161,884,000

	DTRFA FY2009		SPTRFA FY2009		TRA FY2009	
Membership						
Active Members		1,016		3,962		77,786
Service Retirees		1,151		2,593		46,108
Disabilitants		17		25		624
Survivors		96		293		3,476
Deferred Retirees		348		1,823		12,490
Nonvested Former Members		750		1,451		23,073
Total Membership		3,378		10,147		163,557
Funded Status						
Accrued Liability		$364,811,453		$1,454,314,000		$23,114,802,000
Current Assets		$279,255,559		$1,049,954,000		$17,882,408,000
Unfunded Accrued Liability		$85,555,894		$404,360,000		$5,232,394,000
Funding Ratio	76.55%		72.20%		77.36%	
Financing Requirements						
Covered Payroll		$55,344,873		$252,726,000		$4,049,217,000
Benefits Payable		$22,704,163		$95,137,000		$1,381,366,000
Normal Cost	7.42%	$4,108,948	8.52%	$21,558,000	8.88%	$359,579,000
Administrative Expenses	0.85%	$470,431	0.24%	$607,000	0.28%	$11,338,000
Amortization	9.55%	$5,285,435	9.64%	$24,363,000	7.66%	$310,170,000
Total Requirements	17.82%	$9,864,814	18.40%	$46,528,000	16.82%	$681,087,000
Employee Contributions	5.50%	$3,043,968	5.58%	$14,108,000	5.50%	$222,860,000
Employer Contributions	5.79%	$3,204,468	8.45%	$21,351,000	5.69%	$230,325,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	0.63%	$346,000	1.61%	$4,057,000	0.44%	$17,948,000
Other Govt. Funding	0.00%	$0	0.00%	$0	0.06%	$2,500,000
Administrative Assessment	0.00%	$0	0.00%	$0	0.00%	$0
Total Contributions	11.92%	$6,594,436	15.64%	$39,516,000	11.70%	$473,633,000
Total Requirements	17.82%	$9,864,814	18.40%	$46,528,000	16.82%	$681,087,000
Total Contributions	11.92%	$6,594,436	15.64%	$39,516,000	11.70%	$473,633,000
Deficiency (Surplus)	5.90%	$3,270,378	2.76%	$7,012,000	5.12%	$207,454,000

	DTRFA FY2008		SPTRFA FY2008		TRA FY2008	
Membership						
Active Members		1,140		4,142		76,515
Service Retirees		1,128		2,514		43,041
Disabilitants		17		26		641
Survivors		98		290		3,299
Deferred Retirees		310		1,695		12,168
Nonvested Former Members		676		1,403		22,115
Total Membership		3,369		10,070		157,779
Funded Status						
Accrued Liability		$363,044,284		$1,432,040,000		$22,230,841,000
Current Assets		$298,067,085		$1,075,951,000		$18,226,985,000
Unfunded Accrued Liability		$64,977,199		$356,089,000		$4,003,856,000
Funding Ratio	82.10%		75.13%		81.99%	
Financing Requirements						
Covered Payroll		$59,548,231		$247,291,000		$3,846,190,000
Benefits Payable		$21,579,521		$88,272,000		$1,330,837,000
Normal Cost	8.43%	$5,022,602	8.66%	$21,396,000	8.77%	$337,281,000
Administrative Expenses	0.83%	$494,250	0.29%	$717,000	0.27%	$10,385,000
Amortization	6.60%	$3,930,183	8.68%	$21,465,000	6.04%	$232,310,000
Total Requirements	15.86%	$9,447,035	17.63%	$43,578,000	15.08%	$579,976,000
Employee Contributions	5.50%	$3,275,153	5.61%	$13,864,000	5.50%	$211,704,000
Employer Contributions	5.79%	$3,447,843	8.48%	$20,972,000	5.69%	$218,752,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	0.58%	$346,000	1.64%	$4,057,000	0.50%	$19,170,000
Other Govt. Funding	0.00%	$0	0.00%	$0	0.06%	$2,500,000
Administrative Assessment	0.00%	$0	0.00%	$0	0.00%	$0
Total Contributions	11.87%	$7,068,996	15.73%	$38,893,000	11.75%	$452,126,000
Total Requirements	15.86%	$9,447,035	17.63%	$43,578,000	15.08%	$579,976,000
Total Contributions	11.87%	$7,068,996	15.73%	$38,893,000	11.75%	$452,126,000
Deficiency (Surplus)	3.99%	$2,378,039	1.90%	$4,685,000	3.33%	$127,850,000

	DTRFA FY2003		SPTRFA FY2003		TRA FY2003	
Membership						
Active Members		1,373		4,331		71,916
Service Retirees		1,019		1,988		33,290
Disabilitants		14		21		558
Survivors		74		239		2,351
Deferred Retirees		187		858		9,304
Nonvested Former Members		826		1,966		19,256
Total Membership		3,493		9,403		136,675
Funded Status						
Accrued Liability		$291,109,000		$1,189,361,000		$16,856,379,000
Current Assets		$278,467,000		$898,760,000		$17,384,179,000
Unfunded Accrued Liability		$12,642,000		$290,601,000		($527,800,000)
Funding Ratio	95.66%		75.57%		103.13%	
Financing Requirements						
Covered Payroll		$52,972,000		$218,898,000		$3,163,057,000
Benefits Payable		$16,768,000		$63,358,000		$978,466,000
Normal Cost	9.08%	$4,812,000	10.09%	$22,076,000	8.84%	$279,583,000
Administrative Expenses	0.88%	$466,000	0.23%	$503,000	0.43%	$13,601,000
Amortization	1.31%	$694,000	10.04%	$21,977,000	(0.90%)	($28,468,000)
Total Requirements	11.27%	$5,972,000	20.35%	$44,556,000	8.37%	$264,716,000
Employee Contributions	5.50%	$2,913,000	5.87%	$12,846,000	5.00%	$158,163,000
Employer Contributions	5.79%	$3,067,000	8.83%	$19,321,000	5.00%	$158,163,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	0.00%	$0	2.19%	$4,803,000	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	$0	0.00%	$0
Administrative Assessment	0.00%	$0	0.00%	$0	0.00%	$0
Total Contributions	11.29%	$5,980,000	16.90%	$36,970,000	10.00%	$316,326,000
Total Requirements	11.27%	$5,972,000	20.35%	$44,556,000	8.37%	$264,716,000
Total Contributions	11.29%	$5,980,000	16.90%	$36,970,000	10.00%	$316,326,000
Deficiency (Surplus)	(0.02%)	($8,000)	3.45%	$7,586,000	(1.63%)	($51,610,000)

	DTRFA FY1998		SPTRFA FY1998		TRA FY1998	
Membership						
Active Members		1,437		4,494		68,247
Service Retirees		849		1,571		25,088
Disabilitants		10		24		454
Survivors		51		194		1,686
Deferred Retirees		155		183		6,356
Nonvested Former Members		563		839		16,653
Total Membership		3,065		7,305		118,484
Funded Status						
Accrued Liability		$197,078,000		$861,584,000		$12,046,312,000
Current Assets		$187,482,000		$625,053,000		$12,727,546,000
Unfunded Accrued Liability		$9,596,000		$236,531,000		($681,234,000)
Funding Ratio	95.13%		72.55%		105.66%	
Financing Requirements						
Covered Payroll		$48,158,000		$178,365,000		$2,569,368,000
Benefits Payable		$9,744,000		$37,852,000		$533,851,000
Normal Cost	8.22%	$3,958,000	9.83%	$17,528,000	9.60%	$246,514,000
Administrative Expenses	0.71%	$342,000	0.23%	$414,000	0.22%	$5,653,000
Amortization	1.31%	$631,000	8.76%	$15,626,000	0.00%	$0
Total Requirements	10.24%	$4,931,000	18.82%	$33,568,000	9.82%	$252,167,000
Employee Contributions	5.50%	$2,649,000	6.20%	$11,057,000	5.00%	$128,538,000
Employer Contributions	5.79%	$2,788,000	9.26%	$16,522,000	5.00%	$128,538,000
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	1.01%	$486,000	2.12%	$3,794,000	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	$0	0.00%	$0
Administrative Assessment	0.00%	$0	0.01%	$18,000	0.00%	$0
Total Contributions	12.30%	$5,923,000	17.59%	$31,391,000	10.00%	$257,076,000
Total Requirements	10.24%	$4,931,000	18.82%	$33,568,000	9.82%	$252,167,000
Total Contributions	12.30%	$5,923,000	17.59%	$31,391,000	10.00%	$257,076,000
Deficiency (Surplus)	(2.06%)	($992,000)	1.23%	$2,177,000	(0.18%)	($4,909,000)

	DTRFA FY1993		SPTRFA FY1993		TRA FY1993	
Membership						
Active Members		1,453		3,441		65,268
Service Retirees		770		1,244		19,343
Disabilitants		8		36		354
Survivors		44		154		1,113
Deferred Retirees		94		89		4,030
Nonvested Former Members		554		889		15,994
Total Membership		2,923		5,853		106,102
Funded Status						
Accrued Liability		$132,700,000		$571,059,000		$8,266,059,000
Current Assets		$130,857,000		$393,168,000		$7,045,937,000
Unfunded Accrued Liability		$1,843,000		$177,891,000		$1,220,122,000
Funding Ratio	98.61%		68.85%		85.24%	
Financing Requirements						
Covered Payroll		$42,180,000		$130,921,000		$2,156,000,000
Benefits Payable		$5,891,000		$22,764,000		$256,630,000
Normal Cost	9.17%	$3,867,906	11.78%	$15,419,000	9.84%	$212,150,400
Administrative Expenses	0.83%	$350,094	0.27%	$353,000	0.15%	$3,234,000
Amortization	0.21%	$88,578	6.63%	$8,680,000	2.76%	$59,505,600
Total Requirements	10.21%	$4,306,578	18.68%	$24,452,000	12.75%	$274,890,000
Employee Contributions	4.50%	$1,898,100	6.19%	$8,101,000	4.52%	$97,451,200
Employer Contributions	5.79%	$2,442,222	8.68%	$11,363,000	8.16%	$175,929,600
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	0.00%	$0	0.38%	$500,000	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	$0	0.00%	$0
Administrative Assessment	0.00%	$0	0.12%	$163,000	0.00%	$0
Total Contributions	10.29%	$4,340,322	15.37%	$20,127,000	12.68%	$273,380,800
Total Requirements	10.21%	$4,306,578	18.68%	$24,452,000	12.75%	$274,890,000
Total Contributions	10.29%	$4,340,322	15.37%	$20,127,000	12.68%	$273,380,800
Deficiency (Surplus)	(0.08%)	($33,744)	3.31%	$4,325,000	0.07%	$1,509,200

	DTRFA FY1988		SPTRFA FY1988		TRA FY1988	
Membership						
Active Members		1,578		3,280		63,326
Service Retirees		625		1,064		14,974
Disabilitants		30		30		221
Survivors		10		116		869
Deferred Retirees		51		36		1,878
Nonvested Former Members		159		1,056		13,310
Total Membership		2,453		5,582		94,578
Funded Status						
Accrued Liability		$90,759,000		$392,351,000		$5,413,782,000
Current Assets		$76,279,000		$236,183,000		$3,806,239,000
Unfunded Accrued Liability		$14,480,000		$156,168,000		$1,607,543,000
Funding Ratio	84.05%		60.20%		70.31%	
Financing Requirements						
Covered Payroll		$38,751,000		$95,390,000		$1,752,322,000
Benefits Payable		$4,535,000		$14,691,000		$148,243,000
Normal Cost	8.16%	$3,162,082	11.36%	$10,832,000	7.77%	$136,155,419
Administrative Expenses	0.89%	$344,884	0.53%	$506,000	0.30%	$5,256,966
Amortization	2.13%	$825,396	8.95%	$8,537,000	5.22%	$91,471,208
Total Requirements	11.18%	$4,332,362	20.84%	$19,875,000	13.29%	$232,883,594
Employee Contributions	4.50%	$1,743,795	6.71%	$6,401,000	4.60%	$80,606,812
Employer Contributions	5.79%	$2,243,683	9.63%	$9,190,000	9.09%	$159,286,070
Employer Add'l Cont.	0.00%	$0	0.00%	$0	0.00%	$0
Direct State Funding	0.00%	$0	0.00%	0	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	0	0.00%	$0
Administrative Assessment	0.00%	$0	0.00%	0	0.00%	$0
Total Contributions	10.29%	$3,987,478	16.34%	$15,591,000	13.69%	$239,892,882
Total Requirements	11.18%	$4,332,362	20.84%	$19,875,000	13.29%	$232,883,594
Total Contributions	10.29%	$3,987,478	16.34%	$15,591,000	13.69%	$239,892,882
Deficiency (Surplus)	0.89%	$344,884	4.50%	$4,284,000	(0.40%)	($7,009,288)

	DTRFA FY1983		SPTRFA FY1983		TRA FY1983	
Membership						
Active Members		1,119		2,384		57,831
Service Retirees		526		944		12,427
Disabilitants		23		--		0
Survivors		8		98		0
Deferred Retirees		50		--		0
Nonvested Former Members		0		--		16,842
Total Membership		1,726		3,426		87,100
Funded Status						
Accrued Liability		$63,630,916		$286,416,780		$3,472,264,036
Current Assets		$42,901,016		$132,517,578		$1,983,579,211
Unfunded Accrued Liability		$20,729,900		$153,899,202		$1,488,684,825
Funding Ratio	67.42%		46.27%		57.13%	
Financing Requirements						
Covered Payroll		$25,545,672		$66,289,124		$1,146,613,563
Benefits Payable		$2,215,013		$8,553,707		$62,177,636
Normal Cost	7.87%	$2,010,444	9.91%	$6,566,932	9.47%	$108,584,304
Administrative Expenses	0.57%	$145,610	0.38%	$249,834	0.13%	$1,490,598
Amortization	5.38%	$1,374,357	16.15%	$10,705,892	9.03%	$103,539,205
Total Requirements	13.82%	$3,530,412	26.43%	$17,522,659	18.63%	$213,614,107
Employee Contributions	4.50%	$1,149,555	7.19%	$4,763,669	4.73%	$54,234,822
Employer Contributions	5.79%	$1,479,094	10.74%	$7,119,319	4.73%	$54,234,822
Employer Add'l Cont.	0.00%	$0	0.00%	$0	3.05%	$34,971,714
Direct State Funding	0.00%	$0	0.00%	0	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	0	0.00%	$0
Administrative Assessment	0.00%	$0	0.00%	0	0.00%	$0
Total Contributions	10.29%	$2,628,650	17.93%	$11,882,988	12.51%	$143,441,357
Total Requirements	13.82%	$3,530,412	26.43%	$17,522,659	18.63%	$213,614,107
Total Contributions	10.29%	$2,628,650	17.93%	$11,882,988	12.51%	$143,441,357
Deficiency (Surplus)	3.53%	$901,762	8.51%	$5,639,670	6.12%	$70,172,750

	DPTRFA FY1978		SPTRFA FY1978		TRA FY1978	
Membership						
Active Members		1,182		2,792		62,683
Service Retirees		469		841		8,432
Disabilitants		23		33		155
Survivors		2		72		556
Deferred Retirees		52		--		0
Nonvested Former Members		0		--		14,312
Total Membership		1,728		3,738		86,138
Funded Status						
Accrued Liability		$38,132,156		$178,246,953		$1,732,776,686
Current Assets		$30,393,700		$70,023,919		$940,345,339
Unfunded Accrued Liability		$7,738,456		$108,223,034		$792,431,347
Funding Ratio	79.71%		39.28%		54.27%	
Financing Requirements						
Covered Payroll		$20,738,546		$53,370,977		$845,898,496
Benefits Payable		$1,597,220		$5,726,949		$31,452,536
Normal Cost	7.34%	$1,522,209	12.19%	$6,504,801	8.89%	$75,200,376
Administrative Expenses	0.42%	$87,102	0.31%	$164,543	0.11%	$930,488
Amortization	3.38%	$700,963	16.78%	$8,954,903	6.14%	$51,938,168
Total Requirements	11.14%	$2,310,274	29.27%	$15,624,247	15.14%	$128,069,032
Employee Contributions	4.00%	$829,542	7.63%	$4,074,340	4.32%	$36,542,815
Employer Contributions	5.62%	$1,164,469	12.63%	$6,740,754	4.32%	$36,542,815
Employer Add'l Cont.	0.00%	$0	0.00%	$0	3.00%	$25,376,955
Direct State Funding	0.00%	$0	0.00%	0	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	0	0.00%	$0
Administrative Assessment	0.00%	$0	0.00%	0	0.00%	$0
Total Contributions	9.62%	$1,994,011	20.26%	$10,815,095	11.64%	$98,462,585
Total Requirements	11.14%	$2,310,274	29.27%	$15,624,247	15.14%	$128,069,032
Total Contributions	9.62%	$1,994,011	20.26%	$10,815,095	11.64%	$98,462,585
Deficiency (Surplus)	1.53%	$316,263	9.01%	$4,809,152	3.50%	$29,606,447

	DTRFA FY1973		SPTRFA FY1973		TRA FY1973	
Membership						
Active Members		1,136		2,897		59,286
Service Retirees		411		730		4,917
Disabilitants		19		14		74
Survivors		2		43		496
Deferred Retirees		6		--		0
Nonvested Former Members		0		--		16,717
Total Membership		1,574		3,684		81,490
Funded Status						
Accrued Liability		$23,863,130		$96,577,497		$877,735,084
Current Assets		$22,035,561		$33,004,303		$468,427,531
Unfunded Accrued Liability		$1,827,569		$63,573,194		$409,307,553
Funding Ratio	92.34%		34.17%		53.37%	
Financing Requirements						
Covered Payroll		$14,071,277		$37,983,849		$583,341,059
Benefits Payable		$1,197,104		$3,261,550		$10,655,203
Normal Cost	7.56%	$1,063,789	9.20%	$3,494,514	8.94%	$52,150,691
Administrative Expenses	0.47%	$66,135	0.27%	$102,556	0.09%	$525,007
Amortization	0.94%	$132,270	12.15%	$4,615,038	5.09%	$29,692,060
Total Requirements	8.97%	$1,262,194	21.62%	$8,212,108	14.12%	$82,367,758
Employee Contributions	4.00%	$562,851	7.00%	$2,658,869	4.45%	$25,958,677
Employer Contributions	5.00%	$703,564	12.00%	$4,558,062	3.90%	$22,750,301
Employer Add'l Cont.	0.00%	$0	0.00%	$0	2.00%	$11,666,821
Direct State Funding	0.00%	$0	0.00%	0	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	0	0.00%	$0
Administrative Assessment	0.00%	$0	0.00%	0	0.00%	$0
Total Contributions	9.00%	$1,266,415	19.00%	$7,216,931	10.35%	$60,375,800
Total Requirements	8.97%	$1,262,194	21.62%	$8,212,108	14.12%	$82,367,758
Total Contributions	9.00%	$1,266,415	19.00%	$7,216,931	10.35%	$60,375,800
Deficiency (Surplus)	(0.03%)	($4,221)	2.62%	$995,177	3.77%	$21,991,958

	DTRFA FY1969		SPTRFA FY1969		TRA FY1969	
Membership						
Active Members		1,159		2,579		50,152
Service Retirees		318		720		2,778
Disabilitants		12		11		47
Survivors		1		20		439
Deferred Retirees		0		--		0
Nonvested Former Members		0		--		7,945
Total Membership		1,490		3,330		61,361
Funded Status						
Accrued Liability		$17,400,951		$96,292,296		$319,201,924
Current Assets		$16,849,895		$14,098,237		$224,941,093
Unfunded Accrued Liability		$551,056		$82,194,059		$94,260,831
Funding Ratio	96.83%		14.64%		70.47%	
Financing Requirements						
Covered Payroll		$11,849,015		$26,420,399		$386,300,000
Benefits Payable		$778,023		$2,363,164		$4,370,606
Normal Cost	10.21%	$1,209,784	12.49%	$3,299,908	8.23%	$31,792,490
Administrative Expenses	0.67%	$79,388	0.23%	$60,767	0.00%	$0
Amortization	0.26%	$30,807	17.61%	$4,652,632	1.33%	$5,137,790
Total Requirements	11.14%	$1,319,980	30.33%	$8,013,307	9.56%	$36,930,280
Employee Contributions	4.00%	$473,961	7.00%	$1,849,428	4.11%	$15,876,930
Employer Contributions	5.00%	$592,451	10.00%	$2,642,040	4.11%	$15,876,930
Employer Add'l Cont.	0.00%	$0	0.00%	$0	2.00%	$7,726,000
Direct State Funding	0.00%	$0	0.00%	0	0.00%	$0
Other Govt. Funding	0.00%	$0	0.00%	0	0.00%	$0
Administrative Assessment	0.00%	$0	0.00%	0	0.00%	$0
Total Contributions	9.00%	$1,066,411	17.00%	$4,491,468	10.22%	$39,479,860
Total Requirements	11.14%	$1,319,980	30.33%	$8,013,307	9.56%	$36,930,280
Total Contributions	9.00%	$1,066,411	17.00%	$4,491,468	10.22%	$39,479,860
Deficiency (Surplus)	2.14%	$253,569	13.33%	$3,521,839	(0.66%)	($2,549,580)