

# Minnesota Public Pension Plan Basics <sup>1</sup>

Coordinated Members <sup>2</sup>	MSRS General	PERA General	TRA	St. Paul Teachers
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	1.7%	1.7%	1.9%	1.9%
<b>Average Earnings</b>	\$59,807	\$41,360	\$60,523	\$76,110
<b>Average Annual Pension</b>	\$20,568	\$13,177	\$26,701	\$19,036
<b>Vesting Period</b>	5 years	5 years	3 years	3 years
<b>Active Membership</b>	51,997	154,119	82,964	3,467
<b>Retiree Membership</b>	36,432	87,181	58,434	2,181
<b>Disability Recipients</b>	1,801	3,588	485	24
<b>Inactive Membership <sup>3</sup> (deferred vested)</b>	17,154	63,287	15,512	2,488
<b>Employer Contribution Rate <sup>4</sup></b>	5.875%	7.5%	7.71% <sup>5</sup>	11.175%
<b>Employee Contribution Rate <sup>4</sup></b>	5.75%	6.5%	7.5%	7.5%
<b>Post Retirement Increase (COLA)</b>	1%	1% <sup>6</sup>	1%	0%

Basic Members <sup>2</sup>	MERF (PERA) <sup>7</sup>	PERA General	TRA	St. Paul Teachers
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	2% 1 <sup>st</sup> 10 yrs 2.5% 11+ yrs	2.7%	2.7%	2.5%
<b>Average Earnings</b>	\$71,261	\$75,979	\$89,101	N/A
<b>Average Annual Pension</b>	\$39,108	\$41,286	\$59,560	\$43,731
<b>Vesting Period</b>	3 years	3 years	3 years	5 years
<b>Active Membership</b>	8	3	1	0
<b>Retiree Membership</b>	2,277	3,201	2,639	1,451
<b>Disability Recipients</b>	77	75	0	1
<b>Inactive Membership <sup>3</sup> (deferred vested)</b>	11	13	5	1
<b>Employer Contribution Rate <sup>4</sup></b>	9.75%	11.78%	15.35%	14.475%
<b>Employee Contribution Rate <sup>4</sup></b>	9.75%	9.1%	11%	10%
<b>Post Retirement Increase (COLA)</b>	1% <sup>6</sup>	1% <sup>6</sup>	1%	0%

<sup>1</sup> Sources: relevant sections of Minnesota Statutes and plan actuarial valuation reports. Membership data is as of June 30, 2019.

<sup>2</sup> Coordinated members **do** receive Social Security. Basic members **do not** receive Social Security.

<sup>3</sup> Members who have left public employment, are vested in a pension, but haven't reached retirement age.

<sup>4</sup> Rates in effect as of July 1, 2018. Many plans have contribution increases scheduled to go into effect in future years.

<sup>5</sup> The employer contribution rate for members employed by Special School District #1 (Minneapolis) is 11.35%.

<sup>6</sup> Beginning January 1, 2019, 50% of the Social Security COLA, but not less than 1% or more than 1.5%.

<sup>7</sup> The Minneapolis Employees Retirement Fund (MERF) was fully merged into PERA in 2015.

<b>Public Safety Plans <sup>8</sup></b>	<b>MSRS State Patrol</b>	<b>MSRS Correctional</b>	<b>PERA Police &amp; Fire</b>	<b>PERA Correctional</b>
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	<b>3%</b>	<b>2.2%</b>	<b>3%</b>	<b>1.9%</b>
<b>Average Earnings</b>	<b>\$85,990</b>	<b>\$57,486</b>	<b>\$84,065</b>	<b>\$56,742</b>
<b>Average Annual Pension</b>	<b>\$60,077</b>	<b>\$22,064</b>	<b>\$55,724</b>	<b>\$11,401 <sup>9</sup></b>
<b>Vesting Period</b>	<b>10 years <sup>10</sup></b>	Vested 50% after <b>5 years</b> , increasing 10% each year thereafter	Vested 50% after <b>10 years</b> , increasing 5% each year thereafter	Vested 50% after <b>5 years</b> , increasing 10% each year thereafter
<b>Active Membership</b>	<b>943</b>	<b>4,582</b>	<b>11,760</b>	<b>3,965</b>
<b>Retiree Membership</b>	<b>863</b>	<b>2,879</b>	<b>7,718</b>	<b>1,053</b>
<b>Disability Recipients</b>	<b>60</b>	<b>308</b>	<b>1,413</b>	<b>199</b>
<b>Inactive Membership <sup>11</sup> (deferred vested)</b>	<b>56</b>	<b>1,386</b>	<b>1,620</b>	<b>3,374</b>
<b>Employer Contribution Rate <sup>12</sup></b>	<b>22.35%</b>	<b>14.4%</b>	<b>16.95%</b>	<b>8.75%</b>
<b>Employee Contribution Rate <sup>12</sup></b>	<b>14.9%</b>	<b>9.6%</b>	<b>11.3%</b>	<b>5.83%</b>
<b>Post Retirement Increase (COLA)</b>	<b>1%</b>	<b>1.5%</b>	<b>1%</b>	<b>1.6% <sup>13</sup></b>

<b>Small Group Plans</b>	<b>MSRS Judges <sup>14</sup></b>	<b>MSRS Legislators <sup>15</sup></b>
<b>Accrual Rate</b> <i>multiplied by high-five salary &amp; years of service</i>	Tier I Judges: <b>3.2%</b> ----- Tier II Judges: <b>2.5%</b>	<b>2.5%</b>
<b>Average Earnings</b>	<b>\$157,199</b>	<b>\$53,481</b>
<b>Average Annual Pension</b>	<b>\$70,111</b>	<b>\$24,736</b>
<b>Vesting Period</b>	<b>5 years</b>	<b>6 full years or 4 regular legislative sessions</b>
<b>Active Membership</b>	<b>315</b>	<b>17</b>
<b>Retiree Membership</b>	<b>293</b>	<b>287</b>
<b>Disability Recipients</b>	<b>16</b>	<b>0</b>
<b>Inactive Membership <sup>11</sup> (deferred vested)</b>	<b>19</b>	<b>32</b>
<b>Employer Contribution Rate</b>	<b>22.5%</b>	<i>Plan is funded by an annual appropriation to fund benefits</i>
<b>Employee Contribution Rate</b>	Tier I Judges: <b>9%</b> ----- Tier II Judges: <b>7%</b>	<b>9%</b>
<b>Post Retirement Increase (COLA)</b>	<b>1.75%</b>	<b>1%</b>

<sup>8</sup> The State Patrol and PERA Police & Fire plan members **do not** receive Social Security. MSRS and PERA Correctional plan members **do** receive Social Security.

<sup>9</sup> This is a relatively new plan: members have not accrued much service credit so their benefits are smaller.

<sup>10</sup> Vesting is three years if hired before July 1, 2013.

<sup>11</sup> Members who have left public employment, are vested in a pension, but haven't reached retirement age.

<sup>12</sup> Rates in effect as of July 1, 2018. PERA Police & Fire rates in effect as of January 1, 2019. Many plans have contribution increases scheduled to go into effect in future years.

<sup>13</sup> Beginning January 1, 2019, 100% of the Social Security COLA, but not less than 1% or more than 2.5%.

<sup>14</sup> Tier I: judges appointed/elected before July 1, 2013. Tier II: judges appointed/elected after June 30, 2013.

<sup>15</sup> The Legislators Plan was closed to new members in 1997. Legislators Plan members **do not** receive Social Security.