

Minnesota Retirement Funds

Comparison of 30-year Employer and State Contributions to 30-year Member Contribution Increases and Benefit Reforms

For approximately \$2.1B of employer contributions and direct State funding over the next 30 years, the 2018 Omnibus Pension Bill includes approximately \$6.1B in additional employee contributions and cost savings.

System / Plan	Total Annual & Present Value of Savings Attributable to Member Contribution Increases and Benefit Reforms (in \$Millions)						Present Value of Savings Over 30 Year Period		
	Annualized Savings						Present Value of Savings Over 30 Year Period	Savings Attributable to Past Service (Actuarial Accrued Liability - AAL)	Savings Attributable to Future Service
	Employee Contribution Increases	Benefit Reforms (% of pay)*	Total Contributions & Reforms (% of pay)	Projected FY18 Payroll	Total Contributions & Reforms (\$ amount)				
TRA	0.25%	3.56%	3.81%	\$ 5,043	\$ 192	\$ 3,181	\$ 2,047	\$ 1,134	
MSRS-General	0.50%	3.10%	3.60%	3,023	109	1,853	1,100	753	
MSRS-Highway Patrol	1.00%	0.00%	1.00%	77	1	13	0	13	
MSRS-Correctional	0.50%	3.00%	3.50%	258	9	154	76	78	
St. Paul Teachers	0.25%	1.90%	2.15%	260	6	93	65	28	
PERA-General	0.00%	0.60%	0.60%	6,202	37	634	70	564	
PERA-P&F	1.00%	0.00%	1.00%	960	10	163	0	163	
PERA-Correctional	0.00%	0.00%	0.00%	209	0	0	0	0	
					\$ 363	\$ 6,091	\$ 3,358	\$ 2,733	

* Savings attributable to resetting amortization periods is excluded from this calculation

System / Plan	Total Annual & Present Value of Costs Attributable to Employer Contribution Increases and State Funding (in \$Millions)					
	Annualized Savings					
	Employer Contribution Increases	Supplemental Contribution	Projected FY18 Payroll	Total Payroll Based Contributions (\$)	State Funding	Present Value of Contributions Over 30 Year Period
TRA	1.25%	0.00%	\$ 5,043	\$ 63	\$ -	\$ 933
MSRS-General	0.75%	0.00%	3,023	23	-	390
MSRS-Highway Patrol	1.50%	7.00%	77	7	-	84
MSRS-Correctional	1.55%	4.45%	258	15	-	208
St. Paul Teachers	2.50%	0.00%	260	7	5	161
PERA-General	0.00%	0.00%	6,202	0	0	0
PERA-P&F	1.50%	0.00%	960	14	9	319
PERA-Correctional	0.00%	0.00%	209	0	0	0
				\$ 129	\$ 14	\$ 2,095

Approximately \$3.4B of the \$6.1B in savings will be recognized immediately and will reduce the Plans' Unfunded Actuarial Accrued Liabilities and increase the Plans' funding ratios.

Projected payroll is from each plan's 2017 actuarial valuation report

Total payroll is assumed to grow 3.25% for MSRS and PERA and 3.0% for TRA and SPT

All present values are determined using a 7.5% discount rate

Employer contributions are assumed to be phased-in according to the Omnibus bill