

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.

Total Annual & Present Value of Savings Attributable to Member Contribution Increases and Benefit Reforms (in \$Millions)

Present Value of Savings Over 30 Year Period

System / Plan	Annualized Savings						Present Value of Savings Over 30 Year Period
	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	
MSRS-General	0.50%	3.10%	3.60%	3,023	109	1,853	
MSRS-Highway Patrol	1.00%	0.00%	1.00%	77	1	13	
MSRS-Correctional	0.50%	3.00%	3.50%	258	9	154	
St. Paul Teachers	0.25%	1.90%	2.15%	260	6	93	
PERA-General	0.00%	0.60%	0.60%	6,202	37	634	
PERA-P&F	1.00%	0.00%	1.00%	960	10	163	
PERA-Correctional	0.00%	0.00%	0.00%	209	0	0	
					\$ 363	\$ 6,091	

Savings Attributable to Past Service (Actuarial Accrued Liability - AAL)	Savings Attributable to Future Service
\$ 2,047	\$ 1,134
1,100	753
0	13
76	78
65	28
70	564
0	163
0	0
\$ 3,358	\$ 2,733

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

Total Annual & Present Value of Costs Attributable to Employer Contribution Increases and State Funding (in \$Millions)

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.

System / Plan	Annualized Savings						Present Value of Contributions Over 30 Year Period
	Employer Contribution Increases	Supplemental Contribution	Projected FY18 Payroll	Total Payroll Based Contributions (\$)	State Funding		
	TRA	1.25%	0.00%	\$ 5,043	\$ 63	\$ -	
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	

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