

# PENSION SUBTRACTION FOR “BASIC PLAN” MEMBERS WHO WERE NOT COVERED BY SOCIAL SECURITY

Many cities established pension plans before Social Security was created in 1935. Police and Fire Pension Plans in Minnesota date back the 1870's. First class Teacher Plans were established in 1909 as was the Minneapolis Employees Retirement Fund. By 1978, new employees in all but public safety plans were coordinated with Social Security. **Police and Fire members still today ARE NOT COVERED BY SOCIAL SECURITY.**

<b>PERA Police &amp; Fire Fund, Retirees and Surviving Spouses:</b>	<b>12,107</b>
<b>PERA Basic Plan Retirees (2,477 MERF/ 3,700 Other) and Surviving Spouses:</b>	<b>6,177</b>
<b>TRA Basic Plan Retirees and Surviving Spouses:</b>	<b>2,644</b>
<b>St. Paul Teachers Basic Plan Retirees and Surviving Spouses:</b>	<b>1,544</b>
<b>State Highway Patrol Troopers, DNR and BCA Agents:</b>	<b>1,021</b>
<b>Total Basic Plan Retirees and Surviving Spouses:</b>	<b>23,493</b>
<b>Active Basic Plan Members in PERA Police &amp; Fire and Troopers:</b>	<b>12,541</b>
<b>US Dept. of Labor, Inflation Growth Year Over Year:</b>	<b>December 2021: 7.0%</b>
	<b>December 2022: 7.1%</b>
<b>Social Security COLA Increase:</b>	<b>January 1, 2022: 5.9%</b>
	<b>January 1, 2023: 8.7%</b>
<b>All State Retiree COLA:</b>	<b>January 1, 2022: 1%</b>
	<b>January 1, 2023: 1%</b>
 <b>All State and Local Government Spending on Pensions:</b>	 <b>5.2%</b>
<b>Minnesota State and Local Government Spending on Pensions:</b>	<b>2.4%</b>
<b>Minnesota's Ranking on Pension Spending:</b>	<b>46<sup>th</sup></b>

Prepared by Brian Rice, January 13, 2023

Sources: 2022 Pension Plan Actuarial Reports; US Dept. of Labor; Social Security Administration; and National Association of State Retirement Administrators