

2010-2014 Financial Sustainability Provisions
Comparison of MSRS, PERA, TRA, and First Class City Teacher Retirement Fund Association Provisions

Contained in Laws 2010, Ch. 359; 1st Spec. Sess. Laws 2011, Ch. 8; Laws 2013, Ch. 111 and Ch. 143, Art. 2; Laws 2014, Ch. 296

	MSRS-General		MSRS-Correct.		State Patrol		Judges		Legislators		ESO	
	Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
a. Contributions												
2010:	--	--	--	--	--	--	--	--	--	--	--	--
2013:	--	--	--	--	+2.0%	+3.0%	+1.0% Tier I	+2.0% Tier I	--	--	--	--
2014	+0.5%	+0.5%	+0.5%	+0.5%	--	--	+1.0% Tier II	+2.0% Tier I	--	--	--	--
Contrib. rate stabilizer	--	--	--	--	--	--	--	--	--	--	--	--
b. Post-retirement adjustments	2010: Reduced from 2.5% to 2.0%, restored when 90% funded on MVB;* 6-mo. waiting period imposed for initial increase. 2014: 90% funded trigger spread over two actuarial valuations.		2010: Reduced from 2.5% to 2.0%, restored when 90% funded on MVB;* 6-mo. waiting period imposed for initial increase.		2010: Reduced from 2.5% to 1.5%, restored when 90% funded on MVB;* 6-mo. waiting period imposed for initial increase. 2013: Reduced from 1.5% to 1.0% after 12/31/13 until at least 85% funded, to 1.5% when 85-90% funded, and to 2.5% when 90% funded.		2010: Reduced from 2.5% to 2.0%, restored when 90% funded on MVB;* 6-mo. waiting period imposed for initial increase. 2013: Reduced from 2.0% to 1.75% until 70% funded on MVB.* Minimum period to obtain full post-retirement adjustment increased to 18 months. 2014: 70% funded trigger spread over two actuarial valuations.		2010: Reduced from 2.5% to 2.0%, restored once MSRS-General is 90% funded on MVB;* 6-mo. waiting period for initial increase.		2010: Reduced from 2.5% to 2.0%, restored once MSRS-General is 90% funded on MVB;* 6-mo. waiting period for initial increase.	
c. Interest on refunds	2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		--	
d. Deferred annuities augmentation	2010: Reduced from 5, 3, or 2.5% to 2% after 12/31/ 11.		2010: Reduced from 5, 3, or 2.5% to 2% after 12/31/ 11.		2010: Reduced from 5, 3, or 2.5% to 2% after 12/31/ 11.		--		2010: Reduced from 5, 3, or 2.5% to 2% after 12/31/ 11.		--	
e. Reemployed annuitant earnings limitation deferral account interest	Eliminated after 1/1/11.		Eliminated after 1/1/11.		--		--		--		--	
f. Vesting service requirement	2010: For new members after 6/30/10, increased from 3 years to 5 years.		2010: For new members after 6/30/10, increased from 3 years to 50% vested w/5 years-100% w/10 years.		2010: For new members after 6/30/10, increased from 3 years to 5 years. 2013: For members hired before 7/1/13, 3-yr. vesting; for members hired after 6/30/13, 10-yr. vesting.		--		--		--	
g. Early retirement reduction factor, per year under normal retirement age	--		2010: For pre-6/30/10 members retiring after 6/30/15 and for new members after 6/30/10, increased from 2.4% to 5.0%.		2010: For new members after 6/30/10, increased from 1.2% to 2.4%. 2013: 0.1% per mo. reduction for pre-age 55 retirees before 7/1/15; 0.37% per mo. reduction for pre-age 55 retirees after 6/30/15.		--		--		--	
h. Benefit accrual rate %, per year of high-5 average salary	--		2010: For new members after 6/30/10, reduced from 2.4% to 2.2%.		--		2013: Tier II applies to judges first elected or appointed after 6/30/13 and pre-7/1/13 judges with short service who elect it. Benefit accrual rate for Tier II is 2.5% per year of service credit rather than the 3.2% of Tier I.		--		--	
i. Maximum benefit					2013: 33 yrs limit on service credit.							
j. State aid	--		--		2013: \$1 million annually in Police & Fire Retirement Supplemental Aid		--		--		--	

Note: Other changes to these provisions may have also been enacted, but the nature of the revisions was not considered to be part of the "financial sustainability" legislation.
 MN LCPR; Financial Sustainability Comparison, 2010-2014.docx (updated 2/2015)

*MVB = Market Value Basis

**AVB = Actuarial Value Basis

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Contained in Laws 2010, Ch. 359; 1st Spec. Sess. Laws 2011, Ch. 8; Laws 2013, Ch. 111 and Ch. 143, Art. 2; Laws 2014, Ch. 296

	PERA-General		PERA- Correct.		PERA-P&F		TRA		DTRFA		SPTRFA	
	Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
a. Contributions												
2010:	+0.25%	+0.25%	--	--	+0.2%	+0.3%	+2.0%	+2.0%	+1.00%	+1.00%	+1.00% Coord; +1.00% Basic	+1.00% Coord; +1.00% Basic
2013:	--	--	--	--	+1.2%	+1.8%	--	--	--	--	--	--
2014:	0.25%	0.25%	--	--	--	--	--	--	--	--	--	--
Contrib. rate stabilizer	Modified		--		--		Added		--		--	
b. Post-retirement adjustments	2010: Reduced from 2.5% to 1.0%, restored when 90% funded on MVB,* rate reduced if fund later declines from 90% funded.		2010: Reduced from 2.5% to 1.0%, restored when 90% funded on MVB,* rate reduced if fund later declines from 90% funded.		2010: Reduced from 2.5% to 1.0% for 1/1/11 and 1/1/12, then equal to the CPI % for the preceding fiscal year, not to exceed 1.5% until 90% funded on MVB,* then not to exceed 2.5%, rate reduced if fund later declines from 90% funded. 2013: Reduced from 1.5% to 1.0% until 90% funded for two consecutive valuations. Minimum receipt period of 25 mo. for a prorated initial adjustment or 36 mo. for a full initial adjustment.		2010: Suspended for 1/1/11 & 1/1/12; starting 1/1/13, reduced from 2.5% to 2.0%, restored when 90% funded on MVB;* 6-mo. waiting period for initial increase. 2012: Period for full initial post-retirement adjustment extended from 12 months to 18 months with prorated benefit for period over 6 months and under 18 months.		2010: 0% when less than 80% funded on MVB,* 1% when 80%-90% funded on MVB,* and 2% when more than 90% funded on MVB;* when 90% funded on AVB** moves to inflation match up to 5%.		2010: Automatic 2% inc. suspended for 1/1/2011. 2011: 1% when less than 80% funded on AVB**, 2% until 90% AVB; when 90% funded on AVB moves to inflation match up to 5%.	
c. Interest on refunds	2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/11.		2010: Reduced from 6% to 4% after 6/30/10.		2011: Reduced from 6% to 4% after 7/1/11.	
d. Deferred annuities augmentation	2010: Reduced from 5, 3, or 2.5% to 1% for plan members terminating before 1/1/12; eliminated for plan members terminating after 12/31/11.		2010: Reduced from 5, 3, or 2.5% to 1% for plan members terminating before 1/1/12; eliminated for plan members terminating after 12/31/11.		2010: Reduced from 5, 3, or 2.5% to 1% for plan members terminating before 1/1/12; eliminated for plan members terminating after 12/31/11.		2010: Reduced from 5, 3, or 2.5% to 2% after 6/30/12.		2010: Reduced from 5, 3, or 2.5% to 2% after 7/1/12.		2011: Reduced from 5, 3, or 2.5% to 2% after 7/1/12	
e. Reemployed annuitant earnings limitation deferral account interest	2010: Eliminated after 1/1/11.		2010: Eliminated after 1/1/11.		2010: Eliminated after 1/1/11.		2010: Eliminated after 1/1/11.		2010: Eliminated after 6/30/10.		2011: Eliminated after 6/30/11	
f. Vesting service requirement	2010: For new members after 6/30/10, increased from 3 years to 5 years.		2010: For new members after 6/30/10, increased from 3 years to 50% vested w/5 years-100% w/10 years.		2010: For new members after 6/30/10, incr. from 3 yrs to 50% vested w/ 5 yrs-100% w/10 yrs. 2013: For new members after 7/1/14, 50% vested w/10 yrs-100% w/20 yrs.		--		2010: For new members after 6/30/10, increased from 3 to 5 years. 2011: 5-year vesting clarified to apply to all benefits and programs for post-2010 hires.		--	
g. Early retirement reduction factor, per year under normal retirement age	--		--		2013: After 6/30/14, the reduction factor per year is a blending of the current (1.2% or 2.4%) and the eventual 5% rate which becomes effective in 2019. 2014: Exception added for county sheriffs who retire before 2/2/2015.							
h. Benefit accrual rate percentage, per year of high-5 average salary	--		--		--		--		--		--	
i. Maximum benefit					2013: 33 yrs limit on service credit.							
j. State aid	--		--		2013: \$9 million annually in Police & Fire Retirement Supplemental Aid		--		2013: \$6 million each in FY13/FY14 2014: \$6 million annually		2013: \$7 million each in FY13/FY14 2014: \$7 million annually	

Note: Other changes to these provisions may have also been enacted, but the nature of the revisions was not considered to be part of the "financial sustainability" legislation.
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