

\_\_\_\_\_ moves that the Legislative Commission on Pensions and Retirement (LCPR) approve changes to the assumptions, referred to as “load factors,” used to account for the cost of portability statutes, specifically, the statutes providing for “combined service annuities” and “coverage by more than one plan,” in Minnesota Statutes, Chapter 356. These assumptions will be used in the annual actuarial valuations, beginning with the July 1, 2025, valuations, of the following pension plans:

- Minnesota State Retirement System (MSRS) General State Employees Retirement Fund
- MSRS State Patrol Retirement Fund
- MSRS Correctional Employees Retirement Fund
- Public Employees Retirement Association (PERA) General Employees Retirement Plan
- PERA Police and Fire Retirement Plan
- PERA Local Government Correctional Service Retirement Plan
- Teachers Retirement Association (TRA)
- St. Paul Teachers Retirement Fund Association (SPTRFA)

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Minnesota Statutes, section 356.215, subdivision 18, paragraph (a), governs LCPR approval of changes in the actuarial assumptions other than the investment rate of return:

*The actuarial assumptions used for the preparation of actuarial valuations under this section that are other than the interest rate may be changed only with the approval of the Legislative Commission on Pensions and Retirement or after a period of one year has elapsed since the date on which the proposed assumption change or changes were received by the Legislative Commission on Pensions and Retirement without commission action.*

The executive directors of MSRS, PERA, TRA, and SPTRFA submitted letters to the LCPR, requesting approval of the assumption changes, summarizing the changes, and referring to the *July 1, 2023 Public Retirement Plan Portability Assumptions Study* for the specific changes. The letters, attached, are the following:

- Letter from the executive director of MSRS, dated April 4, 2025, regarding the MSRS General State Employees Retirement Fund, MSRS State Patrol Retirement Fund, and the MSRS Correctional Employees Retirement Fund
- Letter from the executive director of PERA, dated April 7, 2025, regarding the PERA General Employees Retirement Plan, the PERA Police and Fire Plan, and the PERA Local Government Correctional Service Retirement Plan
- Letter from the executive director of TRA, dated April 10, 2025, regarding TRA
- Letter from the executive director of SPTRFA, dated April 21, 2025, regarding SPTRFA

The *July 1, 2023, Public Retirement Plan Portability Assumptions Study* is available on the [LCPR website](#).

April 4, 2025

**Via Electronic Mail Only**

Susan Lenczewski, Executive Director  
Legislative Commission on Pensions and Retirement  
Centennial Office Building, 1<sup>st</sup> Floor  
658 Cedar St.  
St. Paul, MN 55155  
[lcpr@lcpr.mn.gov](mailto:lcpr@lcpr.mn.gov)

**Re: Public Retirement Plan Portability Assumptions**

Dear Ms. Lenczewski:

The Legislative Commission on Pensions and Retirement (LCPR) adopted a resolution in 2024 directing its actuary, VIA Actuarial Solutions, to review and propose modifications to the load factors used to account for the cost of plan provisions that allow for employee portability between the state's public retirement plans. The LCPR actuary's February 19, 2025, report recommended changes to the load factors for the state's General, Correctional, and State Patrol plans.

At its March 20, 2025, meeting, the Minnesota State Retirement System (MSRS) Board of Directors approved the recommended changes to the load factors as shown below and in the LCPR actuary's report.

Plan	Vested Terminated Current Load	Vested Terminated Updated Load	Non-Vested Terminated Current Load	Non-Vested Terminated Updated Load
General Plan	4%	9%	5%	51%
Correctional Plan	17%	6%	6%	111%
State Patrol Plan	13%	9%	0%	70%

By this letter and pursuant to Minnesota Statutes, section 356.215, subd. 18, the MSRS Board of Directors proposes that the load factors be changed as shown above and respectfully requests the approval of the LCPR.

Please let me know if you have any questions about the changes and the Board's request.

Sincerely,



Chad Burkitt  
General Counsel  
Minnesota State Retirement System



April 7, 2025

Susan Lenczewski, Executive Director  
Legislative Commission on Pensions and Retirement  
Centennial Office Building, 1st Floor  
658 Cedar St.  
St. Paul, MN 55155

Dear Ms. Lenczewski,

On February 19, 2025 the LCPR issued a report titled "*July 1, 2023 Public Retirement Plan Portability Study*". The LCPR's actuary, VIA Actuarial Solutions (VIA), completed the report. The LCPR's actuary performs this study because it involves gathering and analyzing membership data from all Minnesota pension systems.

VIA notes that "*This study includes analysis based on Minnesota Statutes, Sections 356.30 Combined Service Annuity ("CSA") and 356.311 Coverage by More Than One Plan ("CBM"). These statutes are collectively categorized in Minnesota Statutes under "Public Retirement Plan Portability" and they describe how member benefits earned in a Minnesota statewide pension plan can recognize prior pay and/or service earned in another Minnesota statewide pension plan.*"

The report provides updated assumption recommendations for use in annual actuarial valuations to better value the cost of providing the CSA and CBM provisions. The following summarizes the impact of the proposed assumption changes on the Actuarial Accrued Liability (AAL) for PERA's plans:

	AAL with Current Load	Estimated AAL with Updated Load	Estimated \$ Change in AAL	Estimated % Change in AAL
General	\$33,092,665	\$33,193,630	\$100,965	0.3%
Police & Fire	12,765,798	12,696,778	(69,020)	-0.5%
Correctional	1,112,405	1,062,645	(49,760)	-4.5%

The PERA Board of Trustees reviewed and accepted the recommended changes in the LCPR actuary's report. PERA's retained actuary, GRS, has reviewed and approved the results in VIA's report.

Minnesota Statutes Section 356.215, states that actuarial assumptions used for the preparation of actuarial valuations, other than the assumed rate of return, may only be changed with the approval of the LCPR or after a period of one year has elapsed since the date on which the proposed assumption change, or changes were received by the LCPR without commission action.

The PERA Board of Trustees respectfully requests that the LCPR review and approve the recommended changes so that the revised assumptions may be used in the July 1, 2025, actuarial valuations.

Sincerely,

  
Doug Anderson, ASA, MAAA  
Executive Director

Cc: Amy Strenge, Policy Coordinator



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Saint Paul Minnesota 55103  
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April 10, 2025

**Via Electronic Mail Only**

Susan Lenczewski, Executive Director  
Legislative Commission on Pensions and Retirement  
Centennial Office Building, 1<sup>st</sup> Floor  
358 Cedar Street  
Saint Paul, MN 55155

Dear Director Lenczewski,

In 2024, the Legislative Commission on Pensions and Retirement (LCPR) directed its retained actuary, VIA Actuarial Solutions, to review the load factors used to account for plan portability features in Minnesota's public pension plans. The resulting report, dated February 19, 2025, includes recommended changes to TRA's load factors, as displayed below:.

Vested Terminated		Non-Vested Terminated	
Current Load	Updated Load	Current Load	Updated Load
7%	6%	9%	13%

At its April 9, 2025 meeting, the Teachers Retirement Association (TRA) Board of Trustees approved the recommended adjustments to the load factors, which are estimated to have the following effect on TRA's actuarial accrued liability:

\$ in millions

AAL with Current Load	Estimated AAL with Updated Load	Estimated \$ Change in AAL	Estimated % Change in AAL
35,008,293	35,003,358	(4,935)	0.0%

With this letter and in accordance with Minnesota Statutes, section 356.215, subd. 18, the TRA Board of Trustees respectfully requests that the LCPR approve the recommended CSA and CMB loads for use, beginning with the July 1, 2025 actuarial valuation.

Sincerely,

Tim Maurer  
Executive Director  
Teachers Retirement Association

# St. Paul Teachers' Retirement Fund Association

## TRUSTEES & OFFICERS

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April 21, 2025

Susan Lenczewski, Executive Director  
Legislative Commission on Pensions and Retirement  
Centennial Office Building, 1<sup>st</sup> Floor  
358 Cedar Street  
Saint Paul, MN 55155

Dear Director Lenczewski,

The Legislative Commission on Pensions and Retirement (LCPR) commissioned its retained actuary, VIA Actuarial Solutions, to review the experience of Minnesota's public pension plans as it relates to plan portability. The study, published February 19, 2025, recommended updates to St. Paul Teachers' Retirement Fund Association (SPTRFA) assumed load factors.

Vested Terminated Members		Non-Vested Terminated Members	
Current Load	Updated Load	Current Load	Updated Load
20%	28%	9%	58%

The SPTRFA Board of Trustees approved the recommended actuarial assumption changes at its Board Meeting on April 16, 2025, for the actuarial valuation as of July 1, 2025.

Had these factors been used for the SPTRFA valuation as July 1, 2023, the Actuarial Accrued Liability would have increased from \$1,891,617M to \$1,901,416M, and increase of \$9,799M or 0.5%.

With this letter, and in accordance with Minnesota Statutes, Section 356.215, subd. 18, the SPTRFA Board of Trustees respectfully requests that the LCPR approve the recommended plan portability factors beginning with the July 1, 2025, actuarial valuation.

Respectfully,



Phillip Tencick, Executive Director/CIO  
St. Paul Teachers' Retirement Association