

# REQUEST FOR PROPOSALS FOR ACTUARIAL SERVICES

## Legislative Commission on Pensions and Retirement

### 1. INTRODUCTION

The Minnesota Legislative Commission on Pensions and Retirement (“LCPR” or “Commission”) requests proposals from qualified actuarial consulting firms to provide a range of actuarial services to the Commission. The firm awarded the contract (“Retained Actuary”) will play an important role in setting statewide policy for public sector retirement. That role includes acting as the actuarial advisor to the Commission and performing cost valuations of proposed legislation. The Retained Actuary will also assist the Commission in its oversight role by performing scheduled reviews of the work performed by actuaries retained by public pension plans.

The purpose of this request for proposal (“RFP”) is to evaluate and select an actuarial firm that will serve as the Commission’s Retained Actuary for a 36-month period commencing January 21, 2025, and ending January 20, 2028. This period may be extended beyond the initial 36-month period in one-year increments if mutually agreed upon by both parties; however, the number of one-year extensions may not exceed two.

Price will be a significant factor in the evaluation of proposals. For reference purposes, over the past five fiscal years (2020-2024), the LCPR incurred annual expenses averaging approximately \$127,000 for actuarial services.

This RFP is intended to comply with [Minnesota Statutes, section 3.225](#).

Deadline for Submissions:	Monday, November 18, 2024, at 3 p.m. Central Time. Late submissions may not be accepted.
Method of Submission:	Proposals may be submitted by email or in paper by mail or delivery. Submissions by email are preferred.
Email Proposal to:	<a href="mailto:Susan.lenczewski@lcpr.mn.gov">Susan.lenczewski@lcpr.mn.gov</a> Copy to <a href="mailto:lisa.diesslin@lcpr.mn.gov">lisa.diesslin@lcpr.mn.gov</a>
Mail Proposal to:	Attention: Susan Lenczewski Minnesota Legislative Commission on Pensions and Retirement Centennial Office Building, First Floor 658 Cedar Street St. Paul, Minnesota 55155
Contact Person:	Susan Lenczewski Executive Director Minnesota Legislative Commissions on Pensions and Retirement <a href="mailto:Susan.lenczewski@lcpr.mn.gov">Susan.lenczewski@lcpr.mn.gov</a> 651.296.1309

## 2. APPENDICES TO THIS RFP

[Appendix A: Public Pension Plans in Minnesota, July 1, 2023](#)

[Appendix B: Schedule of Fixed Fee Projects](#)

[Appendix C: Delivery of Reports](#)

[Appendix D: Proposed Actuarial Services Agreement](#)

## 3. BACKGROUND ON THE LCPR

The LCPR is a joint commission of the Minnesota Legislature, established pursuant to [Minnesota Statutes, section 3.85](#). The Commission was established to study pension and retirement topics, to make recommendations furthering sound pension policy for the State's public pension plans, to oversee the review or replication of the annual actuarial valuations and related actuarial work for the major and statewide public pension plans, and to analyze proposed public pension legislation. As a joint commission, the LCPR consists of seven representatives from the House of Representatives and seven senators from the Senate. The Commission employs three full time staff, who conduct the day-to-day operations, draft retirement-related legislation, and advise the Commission members on policy and legal considerations. For more information about the LCPR, visit [lcpr.mn.gov](http://lcpr.mn.gov).

The jurisdiction of the LCPR includes oversight of the pension and defined contribution plans administered by the Minnesota State Retirement System (MSRS), the Public Employees Retirement Association (PERA), the Teachers Retirement Association (TRA), the Saint Paul Teachers Retirement Fund Association (St. Paul Teachers), and approximately 500 firefighter relief associations serving communities throughout the state. MSRS, PERA, TRA, and St. Paul Teachers comprise the "Retirement Systems." Additional information regarding these systems and the pension plans they administer is contained in [Appendix A](#).

The LCPR is authorized by statute ([Minnesota Statutes, section 3.85, subdivision 5](#)) to employ professional assistance to perform its duties. The LCPR contracts with a consulting actuarial firm to assist with oversight of the Retirement Systems by replicating annual actuarial valuations and reviewing experience studies and other actuarial work performed by actuaries retained by the Retirement Systems. The Retained Actuary also assists the Commission by providing actuarial cost or savings estimates for proposed pension legislation.

For purposes of this RFP and the resulting contract for actuarial services, individuals authorized to act on behalf of the LCPR as its authorized agents are the LCPR Chair and Executive Director.

## 4. REQUIREMENTS APPLICABLE TO ALL WORK

### 4.1 Produce Understandable Communications

Communications must be understandable by the Commission and its staff. The Retained Actuary will:

- produce reports regarding the reviews and replications it performs for the Commission;

- provide actuarial advice and services relating to legislation under consideration by the Commission; and
- testify to the Commission about its reports and advice.

Commission members will have varying levels of expertise regarding pensions and actuarial work and typically will have limited time to devote to a topic. Therefore, it is critical that the Retained Actuary be able to communicate clearly, concisely, with minimal jargon, and in a manner that is understandable to someone without experience with pensions and actuarial concepts.

## 4.2 Meet Due Dates

Projects must be completed by agreed-upon due dates. The Retained Actuary will be expected to deliver its reports, advice, and testimony on a timely basis, in accordance with due dates that are coordinated with the Commission's meeting schedule and the legislative session. Occasionally, during the session, legislators will need accurate and substantive information very quickly to inform decision-making. Response time may be short and outside of the control of LCPR staff. The Retained Actuary must be able to handle these requests, including understanding the context in which they are providing advice and anticipating the need for additional information beyond the scope of the request.

## 4.3 Apply Professional Standards

All reviews, replications, and other actuarial work by the Retained Actuary must be prepared in accordance with applicable professional standards, applicable Minnesota statutes, including Chapter 356, and the LCPR's Standards for Actuarial Work. Work product delivered to the Commission must be technically accurate, clearly written, and consistent with actuarial best practices.

## 4.4 Comply with Accessibility Requirements

The Retained Actuary's work product, whether delivered or presented to the Commission, must be accessible within the meaning of Section 508 of the federal Rehabilitation Act and in compliance with the [State of Minnesota Accessibility Standards](#). See also [MN Expectations for Accessible Documents](#).

# 5. SERVICES TO BE PROVIDED

## 5.1 Replicate Annual Actuarial Valuations

The Retained Actuary will conduct a replication of an actuarial valuation by independently performing its own valuation using the same input data as used by the plan's actuary. For example, when the Retained Actuary replicates a valuation, the pension plan provides the Retained Actuary with the same demographic and financial information used by the pension plan's actuary. The Retained Actuary then performs its own valuation using its own methodology. The Retained Actuary would then compare the two valuations (the Retained Actuary's and the pension plan's actuary's) and prepare a report on the differences and any other considerations. The Retained Actuary will replicate actuarial valuations on the schedule detailed in [Appendix B](#) and prepare a written report for each. (Appendix B assumes the Actuarial Services Agreement will be renewed for an additional two years, for a total of five years, with an Agreement expiration date of January 20, 2030, or, if later, 60 months after the Agreement's effective

date. If the Agreement is not renewed beyond its initial 36-month term, the fixed fee projects will end with the replication valuations due in FY 2027.)

See the [LCPR Valuations webpage](#) for examples of actuarial valuations and replication reports.

## 5.2 Review Experience Studies

The MSRS General Employees Retirement Plan, PERA General Employees Retirement Plan, and TRA are required by statute to conduct an experience study every four years. The most recent experience studies for these plans were published in 2023 for the period 2018 to 2022. The next experience studies will be published in 2027. After the 2027 experience studies are published, the Retained Actuary will review the experience studies and prepare a written report. The MSRS and PERA Correctional Plans, State Patrol Plan, Police and Fire Plan, St. Paul Teachers, and Judges Plan perform periodic experience studies. After a pension plan publishes an experience study, the Retained Actuary will review the experience study and prepare a written report.

The Retained Actuary will review experience studies in accordance with the schedule detailed in [Appendix B](#); however, because there is no statutory requirement that the public safety and smaller plans conduct experience studies on a particular schedule, if any of these pension plans do not conduct an experience study as anticipated by Appendix B, the Retained Actuary's review of the study will be deferred until the pension plan completes the study. (As also noted in Section 5.1, Appendix B assumes the Actuarial Services Agreement will be renewed for an additional two years, for a total of five years, with an Agreement expiration date of January 20, 2030, or, if later, 60 months after the Agreement's effective date. If the Agreement is not renewed beyond its initial 36-month term, the fixed fee projects will end with the experience study reviews due in FY 2026.)

See the [LCPR Experience Studies webpage](#) for examples of experience studies and review reports.

## 5.3 Actuarial Cost Estimates for Proposed Legislation

The Retained Actuary will, at the request of Commission staff, review or replicate an actuarial cost estimate prepared by the applicable pension plan's consulting actuary or will prepare an independent estimate of the actuarial cost or savings of proposed legislation. Cost estimates and reviews of proposed legislation must be completed in a timely fashion, allowing for the fast pace of the legislative process.

## 5.4 Review Factor Tables

The Retained Actuary will, at the request of Commission staff, review the optional annuity factors, present value factors, and early retirement factors prepared by a pension plan's consulting actuary.

## 5.5 Commission Meetings

The Retained Actuary will, at the request of Commission staff, attend Commission meetings and make presentations on assigned topics or provide actuarial and technical information and advice on pending pension legislation. Commission meetings are public. In a typical year the Commission holds 8 to 12 meetings, most of which are during the regular session of the legislature (typically January to May).

## 5.6 Advice

The Retained Actuary will, at the request of Commission staff, provide advice to the staff, the Commission, legislators, or legislative staff on topics that require actuarial expertise. The Retained Actuary must be available to respond to requests for advice given the fast pace of the legislative process.

## 5.7 Special Projects

The Retained Actuary will, at the request of Commission staff, perform studies, research, or other work on pension benefits, pension funding, or other actuarial topics related to the Retirement Systems or Minnesota's firefighter relief associations. One of these special projects will likely be to assist Commission staff with completing the amendment and restatement of the [Standards for Actuarial Work](#). The Standards are in the process of being restated to update them and take into account changes in applicable state statutes and actuarial standards.

# 6. RFP AND SELECTION SCHEDULE

## 6.1 Timeline

Event	Deadline
LCPR issues RFP	Monday, October 21, 2024
Submission of questions	Due by Friday, October 25, 2024, at 3 p.m. CT
LCPR staff posts answers to questions	Friday, November 1, 2024, at 3 p.m. CT
Proposal submission deadline	Monday, November 18, 2024, at 3 p.m. CT
LCPR completes evaluation and selection of finalists	Wednesday, November 20, 2024**
LCPR interviews finalists	Thursday, November 21, through Wednesday, November 27; or if needed, Tuesday, December 17, through Friday, December 20, 2024**
LCPR selects Retained Actuary	By January 10, 2025**

\*\* These dates are subject to the availability of Commission members. If members cannot meet and complete the evaluation and selection process by these dates, all responders will be notified of the new dates.

## 6.2 Questions

Firms with questions regarding the Request for Proposals must submit questions by email by 3:00 p.m. (CT), Friday, October 25, to:

Susan Lenczewski at [susan.lenczewski@lcpr.mn.gov](mailto:susan.lenczewski@lcpr.mn.gov)

This is the only person designated to answer questions regarding this RFP by prospective submitters.

LCPR staff will compile the questions timely received with answers and provide the compilation by 3:00 p.m. CT, Friday, November 1, via email to the firms that submitted questions. The questions and answers will also be posted on the [LCPR website](#).

## 7. PROPOSAL EVALUATION

### 7.1 Minimum Qualifications

Minimum qualifications:

- The firm must meet the definition of an approved actuary under [Minnesota Statutes, section 356.215](#), which requires the firm to include a fellow in the Society of Actuaries.
- The proposal must satisfy the contents requirements described in Part 8.
- The firm must have recent actuarial experience with defined benefit pension plans for public employees.

### 7.2 Evaluation Criteria

When selecting a firm from among qualified respondents, the Commission may consider the following factors, both as they relate to the firm in general and to the personnel to be assigned to provide the services (“assigned personnel”):

- 1) Sufficient Firm Size. The firm must have sufficient personnel and resources to meet the Commission’s needs, when taking into account the firm’s obligations to its other clients.
- 2) Public Pension Plan Experience. The extent of the experience of the firm and the assigned personnel in evaluating and forecasting the financial condition of large, defined benefit pension plans for public employees.
- 3) Review and Replication Experience. The experience of the firm and the assigned personnel in performing reviews and replications of other actuarial firms' work.
- 4) Availability. The availability of the assigned personnel to meet with the Commission, often on short notice, during the legislative session (January through May).
- 5) Liability Limits and Third-Party Reliance Disclaimers. The extent to which the firm seeks to limit its liability with respect to errors in its work product or disallows reliance by third parties on its actuarial work.
- 6) Location. The Commission prefers firms with assigned personnel located in Minnesota and with headquarters in the United States.
- 7) Fees. The hourly rates of assigned personnel and the fixed fees for the services to be provided.
- 8) Quality of Work Product. The clarity and readability of reports produced by the assigned personnel on actuarial topics or on actuarial work for defined benefit pension plan clients.

### 7.3 Interview of Finalists

After the Executive Director has evaluated the proposals received and, working with the Commission, finalists have been identified, the Commission or a subcommittee of the Commission will interview the finalists. It is anticipated that interviews will be conducted during the periods beginning Thursday, November 21, through Wednesday, November 27, or, if needed, Tuesday, December 17, through Friday, December 20, 2024, depending on the availability of Commission members.

## 8. CONTENTS OF PROPOSALS

Responding firms must submit a proposal that meets the requirements of this section. Only proposals complying with the requirements of this section will be considered by the Commission.

### 8.1 Cover Letter

A responding firm's proposal must include a cover letter that identifies the firm's address and primary point of contact for the RFP. The cover letter must be signed by an authorized employee of the firm and should include:

- 1) A statement about objectives of the RFP to demonstrate the firm's view and understanding of the nature of the services to be provided;
- 2) A list of all materials and enclosures included in the proposal;
- 3) Any plans for a merger with or acquisition by another firm that might impact the responding firm's ability to deliver the services described in this RFP; and
- 4) The nature and financial impact of any litigation to which the responding firm is a party that might impair the firm's ability to deliver the services described in this RFP.

### 8.2 Minimum Qualifications

Responding firms must provide evidence of compliance with the minimum qualifications listed in Section 7.1.

### 8.3 Firm Information

Responding firms must provide the following information:

- 1) Structure, Operational Method, and Communication Capability. Describe the structure of the firm, its process for delegating work to less experienced personnel, and the oversight provided by more senior personnel. Include in the description an indication of how the firm communicates pension fundamentals in an understandable manner to audiences of diverse and non-technical background.
- 2) Assigned Personnel. List the staff that will be providing actuarial services (not including clerical staff). The list should include each person's professional credentials and a brief resume detailing the individual's educational and work experience with public pension plans.

- 3) Prior Public Pension Experience. Describe the firm's public pension plan experience during the last five years. Describe any consulting or other experience advising elected public bodies.
- 4) Valuation System. Describe the valuation system used by the firm. Indicate whether the system was developed by an outside vendor or is proprietary software developed by the firm.
- 5) References. List three (3) public pension systems or, if necessary to provide three references, corporations with defined benefit pension plans that are clients of the firm and would serve as a reference, complete with the name and telephone number of a contact person who can be contacted about the firm's prior performance.
- 6) Internal Controls. Describe the firm's internal control structure and design as well as systems to protect the unauthorized access or use of not-public demographic data.

## 8.4 Accessibility

Responding firms must provide the following information:

- 1) Identify experience modifying technology for compliance with the **State of Minnesota Accessibility Standards**.
- 2) The State of Minnesota requires all information and communication technology ("ICT") to conform to the **State of Minnesota Digital Accessibility Standard**, which complies with Section 508 of the federal Rehabilitation Act of 1973 and **Web Content Accessibility Guidelines (WCAG) 2.1, Level AA**. Provide responses to the following questions to attest to the firm's ability to ensure that the Minnesota Legislature fulfills its legal and operational responsibilities. For further details on accessibility requirements for digital documents, refer to **Expectations for Digital Documents**.
  - a) Describe how the firm will ensure that the personnel assigned to perform work for the Commission have the knowledge and skills to make reports and presentations accessible.
  - b) Describe the firm's approach to ensuring accessibility (e.g., strategy, tools, design, testing, ongoing validation) and how accessibility will be incorporated into the work process.
  - c) Provide links to websites or copies of documents or access to other examples of ICT work the firm has produced that meet accessibility standards.

## 8.5 Example of Best Work

A responding firm must provide one example of a report or presentation for a prior or current client that communicates actuarial valuation, experience study, or benefit cost estimate results.

## 8.6 Fees

A responding firm must provide the fee it will charge for each of the fixed fee projects listed in **Appendix B**. The firm must provide the fee for the initial contract year and, if that fee will change in subsequent years, the fee for two subsequent years. A responding firm may, but is not required to, provide fees for fixed fee projects due in FY 2028 and FY 2029.



For services that are not fixed fee, a responding firm must provide the following:

- 1) A schedule of the hourly rates it will charge for the services of each of the personnel anticipated to be assigned to an hourly project for the initial contract year and, if that rate will change in subsequent years, the rate for two subsequent years; and
- 2) A description of any fees not included in 1), above (e.g., for out-of-pocket expenses, computer expenses, development costs).

The responding firm must also provide a description of the firm's billing practices, timing, and procedures.

In summary, the firm must provide fixed fee amounts and hourly rates for the following services:

<b>Service</b>	<b>Type of Fee</b>
Replication of annual actuarial valuation reports, as described in Section 5.1.	Fixed Fee
Review of experience studies, as described in Section 5.2	Fixed Fee
Cost estimates for legislative proposals, as described in Section 5.3	Rate Per Hour
Review of factor tables, as described in Section 5.4	Rate Per Hour
Attendance and presentations at Commission meetings, as described in Section 5.5	Rate Per Hour
Advice to the Commission or staff, as described in Section 5.6	Rate Per Hour
Special projects, as described in Section 5.7	Rate Per Hour

## **8.7 Limits on Liability**

The LCPR prefers no limits to indemnification and the recovery of damages and costs for the Retained Actuary's professional errors or omissions. If a responding firm does not accept a proposal based on unlimited indemnification for damages and costs, the responding firm must disclose any contractual legal liability threshold amounts related to professional errors and omissions offered as a condition for entering into a contract for actuarial services. During the contracting process, the selected responding firm will need to provide a certificate of insurance with the coverage level specified.

## **8.8 Conflict of Interest Statement**

A responding firm must provide a list of all individuals or entities with which it has relationships that create, or appear to create, a conflict of interest with the services contemplated in this RFP, especially relationships with a Minnesota public pension plan, Minnesota public employer, firefighter relief association, or a labor organization representing Minnesota public employees. The list should indicate the name of the individual or entity, the relationship, and an explanation of the conflict and how it will be resolved. If no such conflict exists, the responding firm must provide a statement to that effect.

## 8.9 Submission of Proposals

Proposals must be received by the LCPR by **Monday, November 18, 2024, at 3 p.m. CT**. Submission by email is preferred.

An emailed submission must be in **PDF format** and addressed to:

[susan.lenczewski@lcpr.mn.gov](mailto:susan.lenczewski@lcpr.mn.gov)  
with a copy to [lisa.diesslin@lcpr.mn.gov](mailto:lisa.diesslin@lcpr.mn.gov)

Paper submissions must be addressed to:

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

A PDF version of the proposal must also be emailed to [lisa.diesslin@lcpr.mn.gov](mailto:lisa.diesslin@lcpr.mn.gov).

A paper submission must be **postmarked no later than November 18, 2024**.

## 9. ADDITIONAL TERMS AND CONDITIONS

### 9.1 Contract Duration

The initial term of the contract will be for three years (36 months). The contract may be extended for two one-year terms upon agreement of the parties. In no event may the term of this contract, with extensions, exceed five (5) years.

### 9.2 Reservation of Rights

The LCPR reserves the right to reject any and all proposals received as a result of this RFP, cancel the solicitation if cancellation is considered to be in the LCPR's best interests, negotiate separately with any responding firm in any manner necessary, enter into a contract that varies from the specifications or general conditions, and require a responding firm to make an oral presentation of its proposal to the LCPR to help the LCPR better understand the specifics of the proposal.

The LCPR will not necessarily select the proposal that offers the lowest price and reserves the right to consider price, quality, reliability, convenience, and any other factors that the LCPR deems relevant in its selection process. The LCPR does not intend to award the contract for actuarial services to more than one firm.

### 9.3 Proposal Contents

By submission of a proposal, the responding firm warrants that the information provided is true, correct and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the contract award.

## 9.4 Disposition of Responses

All materials submitted in response to this RFP will become property of the LCPR. The LCPR is an agency of the legislature and is not subject to the Minnesota Data Practices Act.

## 9.5 Contingency Fees Prohibited

Pursuant to [Minnesota Statutes, section 10A.06](#), no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action, including Commission action pursuant to this RFP.

## 9.6 Delivery of Reports

Reports by the Retained Actuary must be emailed to the legislative offices and agencies identified in [Appendix C](#). Reports will be made publicly available by posting to the Commission's website and through the Legislative Reference Library.

## 9.7 Identification for Tax Purposes

As required by [Minnesota Statutes, section 270C.65 subdivision 3](#), the Retained Actuary must provide to the Executive Director its federal taxpayer identification number, Social Security number, or Minnesota tax identification number (if applicable). This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require the Retained Actuary to file state tax returns and pay delinquent state tax liabilities. The Retained Actuary must provide this information to the Executive Director no later than the date the Actuarial Services Agreement is entered into. This information will be available to federal and state tax authorities and state personnel involved in the payment and audit of state obligations. This information will not be made available to any other person without the express written permission of the Retained Actuary.

## 9.8 Reimbursement

The LCPR is not responsible for any costs incurred by any firm in responding to this RFP. The LCPR will not reimburse the Retained Actuary for travel, or any other costs or expenses incurred in responding to this RFP, in performing the services contemplated by the RFP, or pursuant to a contract for actuarial services, unless otherwise agreed to by the Executive Director in writing.

## 9.9 Proposed Agreement

[Appendix D](#) is a proposed "Actuarial Services Agreement." If a responding firm takes exception to any of the terms, conditions or language in the contract, the responding firm should indicate those exceptions in its response to the RFP. Only those exceptions that a responding firm has noted in its response to the RFP will be available for discussion or negotiation later should the responding firm be awarded the contract.

# APPENDIX A

## Public Pension Plans in Minnesota, July 1, 2023

(Source: for each pension plan, the actuarial valuation report dated July 1, 2023, available at [www.lcpr.mn.gov/valuations.htm](http://www.lcpr.mn.gov/valuations.htm))

Pension Plan	Coverage Group	System	Active Membership	Inactive Membership	Retired Membership	Assets (Thousands)
Minnesota State Retirement System (MSRS) General State Employees Retirement Plan	Most Minnesota state employees	MSRS	52,459	29,786	41,718	\$16,645,007
MSRS Correctional State Employees Retirement Plan	Dept. of Corrections and Dept. of Human Services employees	MSRS	4,426	2,853	3,448	\$1,595,630
State Patrol Retirement Plan	State Patrol officers; conservation officers; other state law enforcement officers	MSRS	979	130	911	\$943,099
Judges Retirement Plan	Appellate and district court judges	MSRS	321	18	330	\$268,987
Legislators Retirement Plan <sup>1</sup>	Legislators	MSRS	7	19	256	\$0
Public Employees Retirement Association (PERA) General Employees Retirement Plan	Non-public safety county and municipal employees and non-teaching school district employees	PERA	154,261	158,513	106,250	\$27,500,777
Public Employees Police and Fire Retirement Plan	County and municipal public safety employees (not including non-career firefighters)	PERA	11,635	2,907	8,492	\$11,038,928
Local Government Correctional Plan	County correctional facility employees	PERA	3,786	6,982	1,506	\$1,067,200
Statewide Volunteer Firefighter Retirement Plan	Non-career firefighters	PERA	4,454	1,302	142	\$152,089
Teachers Retirement Association (TRA)	Teachers (not including teachers in the St. Paul school district); some state university and college faculty	TRA	84,983	59,507	63,219	\$26,752,069
St. Paul Teachers Retirement Fund Association (SPTRFA)	St. Paul school district teachers	SPTRFA	3,360	5,618	3,858	\$1,216,753

<sup>1</sup> The Legislators Retirement Plan is closed to new members. The plan is no longer pre-funded. Remaining benefits payments are funded pay-as-you-go through an appropriation and member contributions.

## APPENDIX B

### Schedule of Fixed Fee Projects

#### Replication Valuations

Pension Plan	Valuation Date	Delivery Date <sup>1</sup>
Teachers Retirement Association	July 1, 2024	FY 2025
St. Paul Teachers Retirement Fund Association	July 1, 2024	FY 2025
MSRS General State Employees Retirement Plan	July 1, 2025	FY 2026
State Patrol Plan	July 1, 2025	FY 2026
MSRS Correctional Plan	July 1, 2025	FY 2026
Judges Plan	July 1, 2025	FY 2026
PERA General Employees Retirement Plan	July 1, 2026	FY 2027
Public Employees Police and Fire Retirement Plan	July 1, 2026	FY 2027
PERA Correctional Plan	July 1, 2026	FY 2027
Teachers Retirement Association	July 1, 2027	FY 2028
St. Paul Teachers Retirement Fund Association	July 1, 2027	FY 2028
MSRS General State Employees Retirement Plan	July 1, 2028	FY 2029
State Patrol Plan	July 1, 2028	FY 2029
MSRS Correctional Plan	July 1, 2028	FY 2029
Judges Plan	July 1, 2028	FY 2029

<sup>1</sup>“Delivery Date” means as early as possible during the fiscal year (July 1 to June 30) that begins with the valuation date. The pension plans’ actuaries do not complete the annual valuations until about during the month of December following the valuation date. Delivery during the fiscal year provided in this column is intended to give the Retained Actuary time to perform the replication valuation and produce a report before the end of the legislative session (mid-May), if possible, but no later than the end of that fiscal year (June 30).

## Experience Study Reviews

Pension Plan	Study Period	Delivery Date <sup>2</sup>
State Patrol Plan	July 1, 2019-June 30, 2023	FY2025
MSRS Correctional Plan	July 1, 2019-June 30, 2023	FY2025
Judges Plan	July 1, 2019-June 30, 2023	FY2025
Public Employees Police and Fire Plan	July 1, 2019-June 30, 2023	FY2025
PERA Correctional Plan	July 1, 2019-June 30, 2023	FY2025
St. Paul Teachers Retirement Fund Association	July 1, 2021-June 30, 2026	FY2028
MSRS General State Employees Retirement Plan	July 1, 2022-June 30, 2026	FY2028
PERA General Employees Retirement Plan	July 1, 2022-June 30, 2026	FY2028
Teachers Retirement Association	July 1, 2022-June 30, 2026	FY2028
State Patrol Plan	July 1, 2023-June 30, 2027	FY2029
MSRS Correctional Plan	July 1, 2023-June 30, 2027	FY2029
Judges Plan	July 1, 2023-June 30, 2027	FY2029
Public Employees Police and Fire Plan	July 1, 2023-June 30, 2027	FY2029
PERA Correctional Plan	July 1, 2023-June 30, 2027	FY2029

<sup>2</sup>“Delivery Date” means as early as possible during the fiscal year (July 1 to June 30) that includes the date the plan’s actuary issued the experience study. The pension plans’ actuaries do not complete the experience study until late in the fiscal year that is the first fiscal year following the last fiscal year in the study period (i.e., June) or early in the fiscal year that is the second fiscal year following the last fiscal year in the study period (i.e., July or August). Delivery during the fiscal year provided in this column is intended to give the Retained Actuary time to perform the review and produce a report before the end of the legislative session (mid-May), if possible, but no later than the end of that fiscal year (June 30).

## APPENDIX C

### Delivery of Final Reports

The Retained Actuary must deliver final reports electronically, as a pdf document attached to an email, to the following entities:

**(1) To the Commission:**

Email to the Executive Director and copy to the Commission Assistant:

[susan.lenczewski@lcpr.mn.gov](mailto:susan.lenczewski@lcpr.mn.gov)  
copy to: [lisa.diesslin@lcpr.mn.gov](mailto:lisa.diesslin@lcpr.mn.gov)

**(2) To the public pension plan or plans covered by the report:**

Email to the applicable plan's Executive Director:

MSRS: [erin.leonard@msrs.us](mailto:erin.leonard@msrs.us)  
PERA: [doug.anderson@mnpera.org](mailto:doug.anderson@mnpera.org)  
TRA: [tmaurer@minnesotatra.org](mailto:tmaurer@minnesotatra.org)  
SPTRFA: [ptencick@sptrfa.org](mailto:ptencick@sptrfa.org)

**(3) To Minnesota Management and Budget:**

Email to Executive Budget Officer for Taxes, Local Aid, and Pensions and copy to the general MMB email:

[thomas.carr@state.mn.us](mailto:thomas.carr@state.mn.us)  
copy to: [info.mmb@state.mn.us](mailto:info.mmb@state.mn.us)

**(4) To the Legislative Reference Library:**

Email to the Director:

[elizabeth@lrl.mn.gov](mailto:elizabeth@lrl.mn.gov)

**(5) To the Legislative Auditor:**

Email to the Legislative Auditor:

[judy.randall@state.mn.us](mailto:judy.randall@state.mn.us)

# APPENDIX D

## PROPOSED ACTUARIAL SERVICES AGREEMENT

This Actuarial Services Agreement (“Agreement”), effective \_\_\_\_\_ (the “Effective Date”), is between \_\_\_\_\_ (the “Actuary”) and the Minnesota Legislative Commission on Pensions and Retirement (the “Commission”). The Actuary and the Commission may each be referred to as a “Party” and collectively as the “Parties.”

### Preamble

- A. The Commission is authorized by Minnesota Statutes, section 3.85, as a joint commission of the Minnesota Legislature consisting of members of the Minnesota House of Representatives and the Minnesota Senate. The Commission provides legislative oversight of Minnesota’s public pension funds and plans, advises the legislature on pension and retirement policy, and considers legislation related to pension and retirement plans and policy.
- B. The Commission contracts for actuarial services to assist in its policy-making and oversight roles under the authority granted in Minnesota Statutes, section 3.85, subdivision 5.
- C. The Commission issued a request for proposal on October 15, 2024, which was published in the State Register on [date]. The Actuary was one of the responding firms. After conducting a diligent review process, the Commission approved the appointment of the Actuary and authorized the execution of an actuarial services agreement satisfactory to the Parties.

Now, therefore, the Parties agree as follows:

## 1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below and, when such meaning is intended, the term is capitalized:

### 1.1 “Deliverable”

“Deliverable” means the physical or electronic report or other written work product produced by the Actuary under this Agreement.

### 1.2 “Executive Director”

“Executive Director” means the executive director of the Commission.

### 1.3 “Fixed Fee Services”

“Fixed Fee Services” means the services detailed in Section 3.5 and [Exhibit 1](#) for which the Commission will pay a single fixed fee that is not contingent on the number of hours actually worked by the Actuary to provide the services.



## 1.4 “Requested Services”

“Requested Services” means the services detailed in Section 3.6 and 3.7, for which the Commission will pay the Actuary based on the number of hours worked to provide the services.

## 1.5 “Retirement Systems”

“Retirement Systems” means the Minnesota State Retirement System (MSRS), the Minnesota Public Employees Retirement Association (PERA), the Minnesota Teachers Retirement Association (TRA), and the St. Paul Teachers’ Retirement Fund Association.

## 1.6 “Standards for Actuarial Work”

“Standards for Actuarial Work” means the document so titled, adopted by the Commission under [Minnesota Statutes, section 3.85, subdivision 10](#), and containing the standards and rules governing actuarial work performed for public pension plans in Minnesota.

# 2. TERM OF CONTRACT

## 2.1 Effective Date

The Effective Date of the Agreement is the date set forth in the first paragraph of this Agreement. The Actuary must not begin work under this Agreement until this Agreement is fully executed and the Actuary has been notified by the Executive Director to begin work.

## 2.2 Expiration Date

This Agreement expires on January 20, 2028, or 36 months after the Effective Date, whichever occurs later (the “Expiration Date”).

## 2.3 Term

The term of the Agreement begins on the Effective Date and terminates on the Expiration Date, unless terminated earlier pursuant to Section 10. The parties may choose to extend the term of this Agreement by up to two (2) years by mutual written consent. Under no circumstances may the term of this Agreement, including extensions, exceed five (5) years.

# 3. ACTUARY SERVICES

## 3.1 Services provided

The Actuary shall provide the actuarial services described in Subsection 3.5 and [Exhibit 1](#) (“Fixed Fee Services”) and Subsection 3.6 (“Requested Services”), in a manner consistent with the terms of this Agreement. The services shall be provided by one or more of the individuals assigned by the Actuary to perform services under this Agreement and listed in [Exhibit 3](#), with the assistance of the Actuary’s internal staff.

## 3.2 Communication

All final reports, testimony, advice, presentations, or other communication made by the Actuary to the Commission must be made in a manner that is understandable by a person lacking expertise in actuary science. Communication must be clear, concise, and contain minimal jargon.

## 3.3 Time

The Actuary shall comply with the time requirements described in [Exhibit 1](#) for Fixed Fees Services and shall complete Requested Services by due dates agreed upon with the Executive Director. In the performance of this Agreement, time is of the essence.

## 3.4 Standard for reviews

When conducting a review under Subsections 3.5 or 3.6, the Actuary must evaluate whether the reviewed product is free of technical inaccuracies, is generally clear, conforms with actuarial best practices, and was prepared in accordance with:

- (a) Applicable state statutes, including [Minnesota Statutes, Chapter 356](#);
- (b) The [Standards for Actuarial Work](#); and
- (c) Applicable actuarial standards of practice.

## 3.5 Fixed Fee Services

Fixed Fee Services are the following:

- (a) Replication of annual actuarial valuations. The Actuary shall perform a replication of the actuarial valuation of a pension plan, in accordance with the schedule in [Exhibit 1](#), by independently performing its own valuation using the same input data as used by the plan's actuary. The Actuary shall compare the Actuary's results to the pension plan actuary's results. The Actuary shall prepare a written report on the replication and its findings resulting from the comparison of its valuation to the pension plan actuary's valuation.
- (b) Review of experience studies. The Actuary shall review the experience study of a pension plan in accordance with the schedule in [Exhibit 1](#) and prepare a written report on the review.
- (c) Delivery dates. The written reports prepared by the Actuary under paragraphs (a) and (b) of this subsection are due to the Commission by the delivery dates set forth in [Exhibit 1](#), unless other delivery dates are agreed to with the Executive Director.

## 3.6 Requested Services

Requested Services are the following:

- (a) Cost estimates for proposed legislation. At the request of the Executive Director, the Actuary shall review, replicate, or independently prepare an actuarial cost estimate for proposed legislation. The Actuary will prepare a written report of the actuarial cost estimate and deliver the report to the Commission by an agreed-upon due date.
- (b) Review of factor tables. At the request of the Executive Director, the Actuary shall review the optional annuity factors, present value factor, and early retirement factors prepared by a pension

plan's consulting actuary. The Actuary will prepare a written report of the review and deliver the report to the Commission by an agreed-upon due date.

- (c) Commission meetings. At the request of the Executive Director, the Actuary shall attend Commission meetings and provide one or more of the actuaries listed in **Exhibit 3** to make in-person presentations to the Commission on a topic requested by the Executive Director or Chair of the Commission. In-person presentations are made at a public meeting of the Commission.
- (d) Advice. At the request of the Executive Director, the Actuary shall provide advice to the Commission or Commission staff on topics within the scope of the Actuary's expertise. The Actuary shall be available to respond quickly to requests for advice given the fast pace of the legislative process. Specifically, the Actuary shall provide cell phone access to one of the actuaries listed in **Exhibit 3** during and after business hours during the legislative session, when notified by the Executive Director that such access is necessary.
- (e) Special projects. At the request of the Executive Director and as further agreed upon by the Parties, the Actuary shall perform studies, research, or other work on pension benefits, pension funding, or other actuarial topics related to the Retirement Systems or Minnesota's firefighter relief associations. If requested by the Executive Director, the Actuary will prepare a written report summarizing the work performed.

## 4. PROVISION OF SERVICES

### 4.1 Requesting services.

- (a) The Actuary shall perform Fixed Fee Services without any request from or action by the Commission or Executive Director.
- (b) The Actuary shall perform Requested Services only upon the written request by the Chair or Executive Director. If requested by the Executive Director, prior to beginning work on a Requested Service, the Actuary shall provide an estimate via email of the fee that it expects to charge to perform the Requested Service and obtain the Executive Director's consent to the estimate via email. If the Actuary later determines that the project cannot be completed within the estimated fee amount, the Actuary shall provide notice to the Executive Director via email describing the additional work needed and providing an estimate of the additional fee it expects to charge to complete the Requested Service. The Actuary shall not continue work on the Requested Service until it has received via email the approval of the Executive Director to complete the service within the revised estimate.

### 4.2 Explanation and clarification

Upon request of a member of the Commission, the Executive Director, or other Commission staff and without additional compensation, the Actuary shall provide an explanation or clarification or respond to relevant questions regarding any previously provided services.

### 4.3 Restrictions on personnel changes

Services performed under this Agreement by the Actuary shall be performed by the professional team listed in **Exhibit 3**, with the assistance of the Actuary's internal staff. The Actuary must obtain the

approval of the Executive Director before substituting other personnel for any of the listed professionals or assigning additional professional personnel to perform services under this Agreement.

#### 4.4 Delivery of reports

The Actuary agrees to delivery electronic copies of final reports produced by the Actuary under this Agreement as directed in [Exhibit 2](#).

#### 4.5 Copies of correspondence

The Actuary must provide a copy to the Executive Director of any written or electronic correspondence the Actuary has with executive directors or staff members of the Retirement Systems or their actuaries or advisors.

#### 4.6 Communication and notice

Unless otherwise stated in this Agreement, the Actuary agrees to communicate with the Commission through the Executive Director or other Commission staff. Any communication that is required to be in writing may be made via email.

Notice requirements under this Agreement are satisfied when (i) made in writing, either in hard copy or via email, and (ii) delivered to representatives of the Parties at the office or email addresses set forth below, unless changed by either party by notice to the other party. Notice is effective upon receipt.

If to the Commission:

Executive Director  
Legislative Commission on Pensions and Retirement  
Centennial Office Building, 1st Floor  
658 Cedar St.  
St. Paul, MN 55155  
Email: [susan.lenczewski@lcpr.mn.gov](mailto:susan.lenczewski@lcpr.mn.gov)

Copy to:

Commission Assistant  
Same address, above  
Email: [lisa.diesslin@lcpr.mn.gov](mailto:lisa.diesslin@lcpr.mn.gov)

If to the Actuary:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### 4.7 Commission responsibilities

The Commission shall cooperate with the Actuary, including providing the Actuary with timely access to data, information, and Commission staff. The Commission is solely responsible for the performance of its staff and agents. Except as provided in Section 5, the Commission is responsible for timely payment for services rendered under this Agreement.

## 4.8 Commission's authorized agents

The Commission has authorized two agents, each of whom, acting individually, may direct the work of the Actuary. These authorized agents are the Chair of the Legislative Commission on Pension and Retirement and the Executive Director of the Legislative Commission on Pension and Retirement.

## 4.9 Independence of Actuary

The Actuary agrees that it is independent of the Commission, that the Actuary's employees are not employees of the Commission or the legislature, and that neither the Actuary nor the Actuary's employees have authority to bind or act as an agent of the Commission or the legislature. The Actuary will have sole authority for the supervision, daily direction and control, and payment of salary and benefits to its personnel.

# 5. PAYMENT FOR SERVICES

## 5.1 Compensation

The Commission shall pay the Actuary for Fixed Fee Services as described in in Section 3.5 and [Exhibit 1](#). The Commission will pay the Actuary for Requested Services as described in Section 3.6. Services provided on an hourly basis will be paid for at the hourly rates set forth in [Exhibit 3](#), based on the hourly rates and time actually spent.

## 5.2 Invoices

The Commission will promptly pay the Actuary after the Actuary presents an itemized invoice to the Executive Director for the services performed and the Executive Director determines that the services have been satisfactorily performed. Invoices must provide a detailed description of the services performed and supporting documentation for any out-of-pocket expenses. For services performed on an hourly basis, the invoice must also include the name of each actuary who rendered services, the date or dates that the services were rendered, and the number of hours rendered by the actuary to perform the service.

Invoices must be submitted monthly to the Executive Director for services performed during the previous month. Each payment is subject to the approval of the Executive Director or Chair of the Commission, who have the right to withhold payment if services or the Deliverable are unacceptable. In exercising the right to withhold payment, the Executive Director will provide written notice of such action to the Actuary within five (5) working days prior to the payment due date.

## 5.3 Retainage

In accordance with [Minnesota Statutes, section 3.225, subdivision 6, paragraph \(b\)](#), no more than 90% of the amount due for any Fixed Fee Service may be paid until the final product has been reviewed by the Executive Director and the Executive Director determines that the final product is satisfactory. The Commission will pay the balance due promptly upon the determination that the Actuary has satisfactorily fulfilled all the terms of the fixed fee project.

## 5.4 Condition of payment

All services provided by the Actuary under this Agreement must be performed to the Commission's satisfaction as determined at the sole discretion of the Executive Director and in accordance with all applicable federal, state, and local laws, ordinances, rules and regulations. The Actuary will not receive payment for work found by the Commission to be unsatisfactory or performed in violation of federal, state, or local law.

## 6. DATA AND INFORMATION

### 6.1 Data acquisition

As required to perform services under this Agreement, the Actuary must make all commercially reasonable efforts, including entering into an agreement with a Retirement System to obtain from the Retirement System the demographic or other data necessary to perform the required service. If the Actuary is unable to obtain required data from a Retirement System, the Actuary must notify the Commission.

### 6.2 Deliverables property of Commission

Deliverables delivered to the Commission by the Actuary under this Agreement are the property of the Commission. Except as otherwise stated in this Agreement, only the Commission may distribute, copy, or otherwise make public Deliverables. The Actuary may not use the Deliverables for any purpose other than for the performance of its obligations under this Agreement, unless it has obtained the prior written consent of the Executive Director or as may be required by court order, the State Auditor, or the Legislative Auditor. The Actuary may retain copies of the Deliverables for archival purposes.

### 6.3 Non-disclosure

Unless otherwise authorized by the Commission, the Actuary shall keep confidential:

- (a) Correspondence between the Commission and the Actuary regarding services under this Agreement;
- (b) Deliverables or other work product prepared for the Commission which has not been made public by the Commission; and
- (c) Information regarding proposed legislation.

In addition, the Actuary agrees not to disclose to third parties any confidential documents or information obtained in connection with work performed under this Agreement. "Confidential documents or information" includes, but is not limited to, all non-public information disclosed by the Commission or Executive Director to the Actuary in any form that: (i) is designated as "Confidential"; (ii) a reasonable person knows or reasonably should understand to be confidential; or (iii) includes the Commission's or any related political entity's or subdivision's products, constituents, draft documents and work product, internal communications, marketing and promotions, know-how, or the Agreement; and is not independently developed by the Actuary without reference to the Confidential Documents or Information or otherwise known to the Actuary on a non-confidential basis prior to disclosure. The duration of the Actuary's obligation under this Section 6.3 begins on the Effective Date and terminates ten (10) years following expiration or termination of this Agreement.

## 6.4 State audits

In accordance with [Minnesota Statutes, section 16C.05, subdivision 5](#), the books, records, documents, accounting procedures, and practices of the Actuary relevant to this Agreement are subject to examination by the Commission, the State Auditor, or the Legislative Auditor during the term of this Agreement and for a minimum of six years following the expiration or termination of this Agreement.

## 7. COMPLIANCE WITH STATE LAW

### 7.1 No discrimination in employment

The Actuary agrees to comply with the labor laws of the State of Minnesota, and to all other laws, ordinances and legal requirements affecting the work in this state. The Actuary agrees to comply with [Minnesota Statutes, section 181.59](#), which prohibits discrimination in employment by reason of race, creed, or color. Section 181.59 states:

***181.59 DISCRIMINATION ON ACCOUNT OF RACE, CREED, OR COLOR  
PROHIBITED IN CONTRACT.***

*Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees:*

*(1) that, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;*

*(2) that no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color;*

*(3) that a violation of this section is a misdemeanor; and*

*(4) that this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.*

### 7.2 Workers' compensation insurance

In accordance with [Minnesota Statutes, section 176.182](#), the Actuary agrees to provide to the Commission, no later than the date on which the Actuary signs this Agreement, acceptable evidence of compliance with the workers' compensation insurance coverage requirement of [Minnesota Statutes, section 176.181, subdivision 2](#). Evidence of compliance is attached as **Exhibit 5**.

### 7.3 Affirmative action plan

If the Actuary (i) has more than 40 full-time employees within the State of Minnesota on a single working day during the 12 months immediately prior to the Effective Date, or (ii) has more than 40 full-time employees on a single working day during the 12 months immediately prior to the Effective Date in the state where the Actuary has its primary place of business, the Actuary agrees to comply with the affirmative action plan requirements of [Minnesota Statutes, section 363A.36](#), as follows:

- 1) If the 40 full-time employees were employed in Minnesota, the Actuary must have a certificate of compliance issued by the Minnesota Commissioner of Human Rights and provide a copy of the certificate to the Executive Director no later than the date on which the Actuary signs this Agreement; or
- 2) If the consultant did not have more than 40 full-time employees in Minnesota but did have that number in another state in which the consultant has its primary place of business, the Actuary must have a certificate of compliance issued by the Minnesota Commissioner of Human Rights or certify that the Actuary is in compliance with federal affirmative action requirements and provide a copy of the certificate to the Executive Director no later than the date on which the Actuary signs this Agreement.

Alternatively, if neither paragraph (1) or (2) apply, the Actuary shall provide a statement to that effect. The Actuary's certificate of compliance or, if applicable, statement that the Actuary is not subject to the affirmative action plan requirements is attached as **Exhibit 6**.

As required under [Minnesota Rules, part 5000.3600, subpart 9](#), the Parties agree that [Minnesota Statutes, section 363A.36](#), and [Minnesota Rules, parts 5000.3400 to 5000.3600](#), are incorporated into this Agreement or any modification of it. A copy of [Minnesota Statutes, section 363A.36](#), and [Minnesota Rules, parts 5000.3400 to 5000.3600](#), are available upon request from the Commission.

### 7.4 Federal taxpayer identification number

As required by [Minnesota Statutes, section 270C.65, subdivision 3](#), the Actuary has provided to the Executive Director, no later than the date on which the Actuary signs this Agreement, its federal taxpayer identification number, Social Security number, or Minnesota tax identification number.

### 7.5 Compliance with Minnesota Statutes, Chapter 3

As required by [Minnesota Statutes, section 3.227](#), the Actuary has provided to the Executive Director a certification that it complies with [Minnesota Statutes chapter 3](#), including the non-discrimination provisions of [Minnesota Statutes, section 3.226](#). The certificate of compliance is attached as **Exhibit 7**.

## 8. INDEMNIFICATION

The Actuary agrees to indemnify, defend, and hold harmless the Commission, the Minnesota legislature, and their agents and employees from any claims, lawsuits, or liability, including attorney's fees incurred by the Commission or the legislature, arising out of the Actuary's negligence or willful or intentional wrongdoing in the performance of services under the terms of this Agreement. This section will not be construed to bar any legal remedies the Actuary may have for the Commission's failure to fulfill its obligations under this Agreement.



## 9. CONFLICT OF INTEREST

### 9.1 Disclosure of current and future Minnesota public sector clients

The Actuary represents that it has provided to the Commission an accurate and complete list of the Actuary's clients that are public entities located in Minnesota and the type of work the Actuary performs for each, as of the date on which the Actuary signs this Agreement. The Actuary shall provide notice to the Commission regarding any new client that is a public entity located in Minnesota within a reasonable period of time after being retained by such new client. The notice shall identify the new client and the type of work the Actuary will be performing for the new client.

### 9.2 Actual, potential, or perceived conflict of interest

The Parties acknowledge that the Actuary's work for Minnesota public entities and its work for the Commission may result in an actual or potential conflict of interest or the perception that a conflict of interest exists.

- (a) The Actuary shall comply with Precept 7 of the American Academy of Actuaries' Code of Professional Conduct, which may require the Actuary to disclose the conflict and seek the express agreement of the Commission regarding services that are the source of the conflict.
- (b) For the list of clients referred to in subsection 9.1, the Commission gives its agreement to the services rendered for each such client.
- (c) In its discretion, acting reasonably, the Commission may give its agreement to future services rendered by the Actuary for Minnesota public sector clients, notwithstanding an actual, potential, or perceived conflict of interest, or may request that the Actuary cease work for the Minnesota public entity.

## 10. TERMINATION

### 10.1 Termination with 30 days' notice

Either party may, at its option, terminate this Agreement upon 30-day written notice. Upon the effective date of such notice, the Actuary will inform the Executive Director of the extent to which performance is completed through such date and deliver to the Executive Director any work in progress. The Commission will pay the Actuary for all goods delivered and services performed through the date of termination.

### 10.2 Termination due to legislative action

The Commission may immediately terminate this Agreement if the Minnesota legislature does not appropriate sufficient funds to allow for payment for the services contemplated by this Agreement or the Minnesota legislature takes other action limiting the Commission's authority to contract for actuary services. If this occurs, termination will occur upon delivery of written notice of termination to the Actuary. The Commission is not obligated to pay for services provided after delivery of the notice. The Commission shall pay the Actuary for services satisfactorily performed to the extent that the funds are available.

### **10.3 Unilateral right to terminate**

Pursuant to [Minnesota Statutes, section 3.225, subdivision 6](#), the Commission may unilaterally terminate this Agreement prior to completion, upon payment of just compensation, if the Commission determines that further performance under this Agreement would not serve the purposes of the Commission or the legislature.

### **10.4 Effect of termination**

Upon termination under any of the provisions in this Section 10, the Actuary must deliver to the Commission all Deliverables and work in progress. The Commission shall pay the Actuary for services satisfactorily performed to the termination date, unless the last sentence of Subsection 10.2 applies.

## **11. GENERAL PROVISIONS**

### **11.1 Assignment**

Neither Party may sell, transfer, or assign any right or obligations as set forth in this Agreement without prior written consent of the other Party. Any act in derogation of the foregoing shall be null and void.

### **11.2 Amendments**

This Agreement may be amended by mutual written consent of the Parties. Any amendment must be in writing and will not be effective until it has been executed and approved by the Parties.

### **11.3 Entire agreement**

This Agreement and the attached exhibits contain all negotiations and agreements between the Commission and the Actuary. No other understanding regarding this Agreement, whether written or oral, may be used to bind either Party.

### **11.4 Force majeure**

Neither Party shall be liable for any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including fire, epidemic, or other casualty, act of God, strike or labor dispute, war or other violence, or any law order or requirement of any governmental agency or authority.

### **11.5 Governing law, jurisdiction, and venue**

Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state court with competent jurisdiction in Ramsey County, Minnesota.

### **11.6 Severability**

If any portion of this Agreement is found to be illegal or unenforceable, the illegal or unenforceable provision will be deleted from the Agreement and the Agreement will remain fully enforceable minus the deleted provision.

### 11.7 Survival of terms

All subsections which are intended by their nature to survive the expiration or termination of this Agreement shall survive to the extent so indicated.

### 11.8 Waiver

If the Commission fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.

### 11.9 Signed separately

This Agreement may be signed at separate times and in separate locations by the Parties and takes effect on the date both Parties have executed the Agreement, or the Effective Date, whichever is later.

The Parties hereby accept the terms of this Agreement as of the date this Agreement has been signed by each Party's duly authorized representative:

#### **For the Actuary:**

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_

#### **For the Commission:**

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibits

Exhibit	Responsible Party	Title
1	Commission	Schedule of Fixed Fee Projects and delivery dates
2	Commission	Delivery of Final Reports
3	Actuary	Fees for the Fixed Fee Projects
4	Actuary	Professionals assigned to perform work under this Agreement, with each individual's hourly rate
5	Actuary	Certificate of compliance with workers compensation insurance requirements
6	Actuary	Certificate of compliance with affirmative action requirements or statement that such requirements do not apply
7	Actuary	Certificate of compliance with Minnesota Statutes, Chapter 3.

# EXHIBIT 1

## Schedule of Fixed Fee Projects

### Replication Valuations

Pension Plan	Valuation Date	Delivery Date <sup>1</sup>
Teachers Retirement Association	July 1, 2024	FY 2025
St. Paul Teachers Retirement Fund Association	July 1, 2024	FY 2025
MSRS General State Employees Retirement Plan	July 1, 2025	FY 2026
State Patrol Plan	July 1, 2025	FY 2026
MSRS Correctional Plan	July 1, 2025	FY 2026
Judges Plan	July 1, 2025	FY 2026
PERA General Employees Retirement Plan	July 1, 2026	FY 2027
Public Employees Police and Fire Retirement Plan	July 1, 2026	FY 2027
PERA Correctional Plan	July 1, 2026	FY 2027
Teachers Retirement Association	July 1, 2027	FY 2028
St. Paul Teachers Retirement Fund Association	July 1, 2027	FY 2028
MSRS General State Employees Retirement Plan	July 1, 2028	FY 2029
State Patrol Plan	July 1, 2028	FY 2029
MSRS Correctional Plan	July 1, 2028	FY 2029
Judges Plan	July 1, 2028	FY 2029

<sup>1</sup>“Delivery Date” means as early as possible during the fiscal year (July 1 to June 30) that begins with the valuation date. The pension plans’ actuaries do not complete the annual valuations until about during the month of December following the valuation date. Delivery during the fiscal year provided in this column is intended to give the Retained Actuary time to perform the replication valuation and produce a report before the end of the legislative session (mid-May), if possible, but no later than the end of that fiscal year (June 30).

## Experience Study Reviews

Pension Plan	Study Period	Delivery Date <sup>2</sup>
State Patrol Plan	July 1, 2019-June 30, 2023	FY2025
MSRS Correctional Plan	July 1, 2019-June 30, 2023	FY2025
Judges Plan	July 1, 2019-June 30, 2023	FY2025
Public Employees Police and Fire Plan	July 1, 2019-June 30, 2023	FY2025
PERA Correctional Plan	July 1, 2019-June 30, 2023	FY2025
St. Paul Teachers Retirement Fund Association	July 1, 2021-June 30, 2026	FY2028
MSRS General State Employees Retirement Plan	July 1, 2022-June 30, 2026	FY2028
PERA General Employees Retirement Plan	July 1, 2022-June 30, 2026	FY2028
Teachers Retirement Association	July 1, 2022-June 30, 2026	FY2028
State Patrol Plan	July 1, 2023-June 30, 2027	FY2029
MSRS Correctional Plan	July 1, 2023-June 30, 2027	FY2029
Judges Plan	July 1, 2023-June 30, 2027	FY2029
Public Employees Police and Fire Plan	July 1, 2023-June 30, 2027	FY2029
PERA Correctional Plan	July 1, 2023-June 30, 2027	FY2029

<sup>2</sup>“Delivery Date” means as early as possible during the fiscal year (July 1 to June 30) that includes the date the plan’s actuary issued the experience study. The pension plans’ actuaries do not complete the experience study until late in the fiscal year that is the first fiscal year following the last fiscal year in the study period (i.e., June) or early in the fiscal year that is the second fiscal year following the last fiscal year in the study period (i.e., July or August). Delivery during the fiscal year provided in this column is intended to give the Retained Actuary time to perform the review and produce a report before the end of the legislative session (mid-May), if possible, but no later than the end of that fiscal year (June 30).

## EXHIBIT 2

### Delivery of Final Reports

The Retained Actuary must deliver final reports electronically, as a pdf document attached to an email, to the following entities:

**(1) To the Commission:**

Email to the Executive Director and copy to the Commission Assistant:

[susan.lenczewski@lcpr.mn.gov](mailto:susan.lenczewski@lcpr.mn.gov)  
copy to: [lisa.diesslin@lcpr.mn.gov](mailto:lisa.diesslin@lcpr.mn.gov)

**(2) To the public pension plan or plans covered by the report:**

Email to the applicable plan's Executive Director:

MSRS: [erin.leonard@msrs.us](mailto:erin.leonard@msrs.us)  
PERA: [doug.anderson@mnpera.org](mailto:doug.anderson@mnpera.org)  
TRA: [tmaurer@minnesotatra.org](mailto:tmaurer@minnesotatra.org)  
SPTRFA: [ptencick@sptrfa.org](mailto:ptencick@sptrfa.org)

**(3) To Minnesota Management and Budget:**

Email to Executive Budget Officer for Taxes, Local Aid, and Pensions and copy to the general MMB email:

[thomas.carr@state.mn.us](mailto:thomas.carr@state.mn.us)  
copy to: [info.mmb@state.mn.us](mailto:info.mmb@state.mn.us)

**(4) To the Legislative Reference Library:**

Email to the Director:

[elizabeth@lrl.mn.gov](mailto:elizabeth@lrl.mn.gov)

**(5) To the Legislative Auditor:**

Email to the Legislative Auditor:

[judy.randall@state.mn.us](mailto:judy.randall@state.mn.us)