

# **4Q2014 IAC Meeting Materials**

**IAC Meeting – February 17, 2015**

**Statewide Retirement Plans Presentation**



# Retirement Systems of Minnesota

Minnesota State Retirement System • Public Employees Retirement Association • Teachers Retirement Association

## Statewide Pension Fund Update

February 17, 2015

Dave Bergstrom, MSRS  
Dave DeJonge, PERA  
Laurie Fiori Hacking, TRA

## Investment returns critical to funding

**Pensions are a shared responsibility.**  
Every dollar paid to retirees comes from three sources:



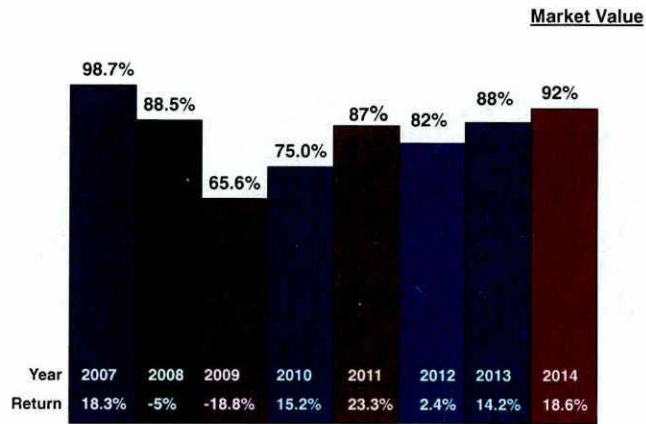
Sources of MN public pension fund revenue, 1990-2013 (PERA, MSRS, TRA)

**National public pension average:**  
(Source: National Association of State Retirement Administrators)

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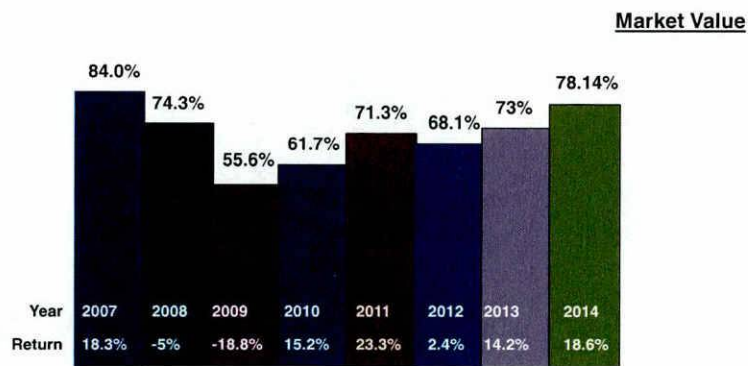


## MSRS General Plan funding history



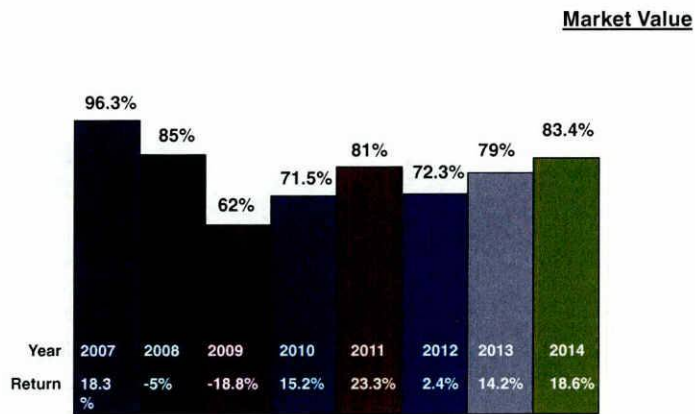
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## MSRS Correctional Plan funding history



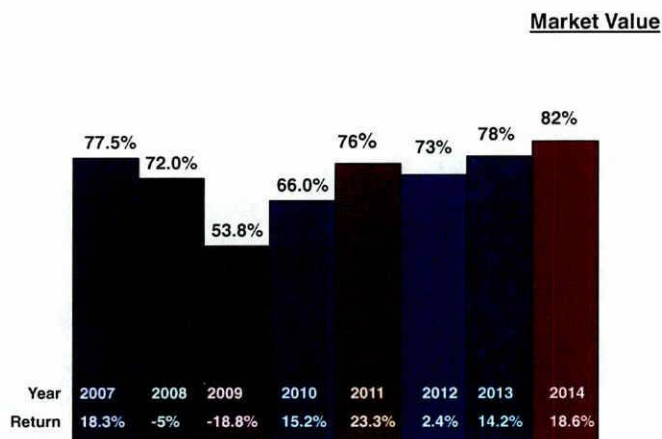
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## MSRS State Patrol Plan funding history



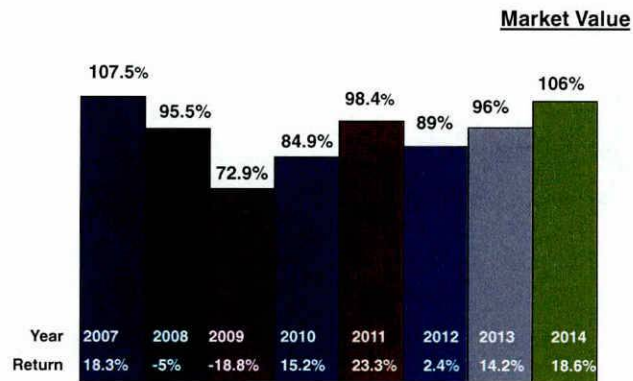
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## PERA General Plan funding history



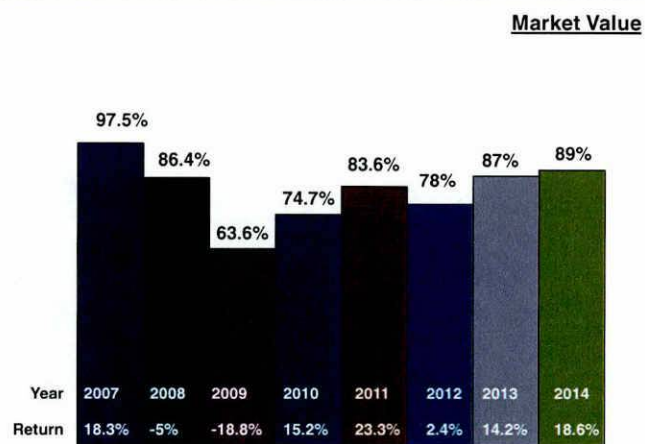
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## PERA Correctional Plan funding history



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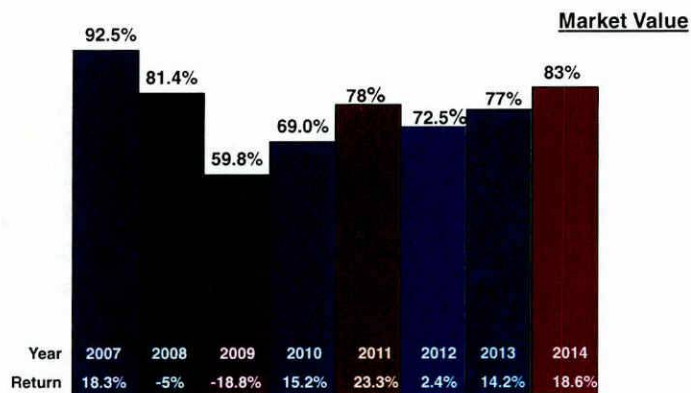
## PERA Police + Fire Plan funding history



\* Not covered by Social Security 8



## TRA funding history



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## How Minnesota compares to other states

- Minnesota was one of the first states to pass bipartisan sustainability legislation in 2010 and 2013, **saving the state \$6.44 billion in benefit liabilities**. Pension reform featured **shared sacrifice** by actives, retirees and employers.
  - Lowered/froze annual COLAs
  - Lowered interest paid on refunds and deferred benefits
  - Increased vesting requirements
  - Increased contribution rates
- Minnesota raised its normal retirement age in 1989 – it is age 66. **Many states are just now raising their normal retirement age.**
- Employer contributions are 2 percent of state and local government spending in Minnesota, compared to 3.7 percent in other states. (Census Bureau)

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## How Minnesota compares to other states

