

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 1286

(SENATE AUTHORS: PAPPAS)

DATE
02/06/2023

D-PG

Introduction and first reading
Referred to State and Local Government and Veterans

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to retirement; St. Paul Teachers Retirement Fund Association; reducing
1.3 the investment rate of return assumption and providing funding; amending
1.4 Minnesota Statutes 2022, sections 354A.12, subdivision 3a; 356.215, subdivision
1.5 8.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2022, section 354A.12, subdivision 3a, is amended to read:

1.8 Subd. 3a. **Direct state aid to first class city teachers retirement fund associations.** (a)

1.9 The state shall pay \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

1.10 (b) In addition to other amounts specified in this subdivision, the state shall pay

1.11 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

1.12 (c) In addition to the amounts specified in paragraphs (a) and (b), the state shall pay

1.13 \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

1.14 (d) In addition to the amounts specified in paragraphs (a) to (c), the state shall pay

1.15 \$6,651,000 as state aid to the St. Paul Teachers Retirement Fund Association beginning in

1.16 2023.

1.17 ~~(d)~~ (e) The aid under this subdivision is payable October 1 annually. The commissioner

1.18 of management and budget shall pay the aid specified in this subdivision. The amount

1.19 required is appropriated annually from the general fund to the commissioner of management

1.20 and budget.

1.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2022, section 356.215, subdivision 8, is amended to read:

2.2 Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable
2.3 following investment return assumption:

| 2.4 | plan | investment return 2.5 assumption |
|------|--|-------------------------------------|
| 2.6 | general state employees retirement plan | 7.5% |
| 2.7 | correctional state employees retirement plan | 7.5 |
| 2.8 | State Patrol retirement plan | 7.5 |
| 2.9 | legislators retirement plan, and for the | 0 |
| 2.10 | constitutional officers calculation of total plan | |
| 2.11 | liabilities | |
| 2.12 | judges retirement plan | 7.5 |
| 2.13 | general public employees retirement plan | 7.5 |
| 2.14 | public employees police and fire retirement plan | 7.5 |
| 2.15 | local government correctional service retirement | 7.5 |
| 2.16 | plan | |
| 2.17 | teachers retirement plan | 7.5 |
| 2.18 | St. Paul teachers retirement plan | 7.5 |
| 2.19 | Bloomington Fire Department Relief Association | 6 |
| 2.20 | local monthly benefit volunteer firefighter relief | 5 |
| 2.21 | associations | |
| 2.22 | monthly benefit retirement plans in the statewide | 6 |
| 2.23 | volunteer firefighter retirement plan | |

2.24 (b) The actuarial valuation for each of the covered retirement plans listed in section
2.25 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take
2.26 into account the postretirement adjustment rate or rates applicable to the plan as specified
2.27 in section 354A.29, subdivision 7, or 356.415, whichever applies.

2.28 (c) The actuarial valuation must use the applicable salary increase and payroll growth
2.29 assumptions found in the appendix to the standards for actuarial work adopted by the
2.30 Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision
2.31 10. The appendix must be updated whenever new assumptions have been approved or
2.32 deemed approved under subdivision 18.

2.33 (d) The assumptions set forth in the appendix to the standards for actuarial work continue
2.34 to apply, unless a different salary assumption or a different payroll increase assumption:

2.35 (1) has been proposed by the governing board of the applicable retirement plan;

3.1 (2) is accompanied by the concurring recommendation of the actuary retained under
3.2 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most
3.3 recent actuarial valuation report if section 356.214 does not apply; and

3.4 (3) has been approved or deemed approved under subdivision 18.

3.5 **EFFECTIVE DATE.** This section is effective July 1, 2023.