

# Minnesota Public Pension Plan Basics<sup>1</sup>

Coordinated Members <sup>2</sup>	MSRS General	PERA General	TRA	St. Paul Teachers
Accrual Rate <i>multiplied by high-five salary &amp; years of service</i>	1.7%	1.7%	1.9%	1.9%
Average Earnings	\$58,136	\$39,654	\$58,865	\$73,981
Average Annual Pension	\$20,306	\$12,840	\$26,553	\$19,049
Vesting Period	5 years	5 years	3 years	3 years
Active Membership	51,223	153,047	82,493	3,576
Retiree Membership	34,937	83,364	57,250	2,043
Disability Recipients	1,826	3,596	500	24
Inactive Membership <sup>3</sup> ( <i>deferred vested</i> )	17,109	61,034	14,931	2,031
Employer Contribution Rate <sup>4</sup>	5.875%	7.5%	7.71% <sup>5</sup>	11.175%
Employee Contribution Rate <sup>4</sup>	5.75%	6.5%	7.5%	7.5%
Post Retirement Increase ( <i>COLA</i> )	1%	1% <sup>6</sup>	1%	0%

Basic Members <sup>2</sup>	MERF (PERA) <sup>7</sup>	PERA General	TRA	St. Paul Teachers
Accrual Rate <i>multiplied by high-five salary &amp; years of service</i>	2% 1 <sup>st</sup> 10 yrs 2.5% 11+ yrs	2.7%	2.7%	2.5%
Average Earnings	\$73,150	\$66,347	\$90,848	\$155,772
Average Annual Pension	\$38,462	\$40,641	\$58,921	\$43,498
Vesting Period	3 years	3 years	3 years	5 years
Active Membership	9	3	2	1
Retiree Membership	2,416	3,533	2,878	1,504
Disability Recipients	80	82	0	1
Inactive Membership <sup>3</sup> ( <i>deferred vested</i> )	14	18	5	3
Employer Contribution Rate <sup>4</sup>	9.75%	11.78%	15.35%	14.475%
Employee Contribution Rate <sup>4</sup>	9.75%	9.1%	11%	10%
Post Retirement Increase ( <i>COLA</i> )	1% <sup>6</sup>	1% <sup>6</sup>	1%	0%

<sup>1</sup> Sources: relevant sections of Minnesota Statutes and plan actuarial valuation reports. Membership data is as of June 30, 2018.

<sup>2</sup> Coordinated members **do** receive Social Security. Basic members **do not** receive Social Security.

<sup>3</sup> Members who have left public employment, are vested in a pension, but haven't reached retirement age.

<sup>4</sup> Rates in effect as of July 1, 2018. Many plans have contribution increases scheduled to go into effect in future years.

<sup>5</sup> The employer contribution rate for members employed by Special School District #1 (Minneapolis) is 11.35%.

<sup>6</sup> Beginning January 1, 2019, 50% of the Social Security COLA, but not less than 1% or more than 1.5%.

<sup>7</sup> The Minneapolis Employees Retirement Fund (MERF) was fully merged into PERA in 2015.

Public Safety Plans <sup>8</sup>	MSRS State Patrol	MSRS Correctional	PERA Police & Fire	PERA Correctional
Accrual Rate <i>multiplied by high-five salary &amp; years of service</i>	3%	2.2%	3%	1.9%
Average Earnings	\$80,187	\$54,750	\$81,680	\$51,951
Average Annual Pension	\$59,926	\$21,824	\$54,890	\$10,809 <sup>9</sup>
Vesting Period	10 years <sup>10</sup>	Vested 50% after 5 years, increasing 10% each year thereafter	Vested 50% after 10 years, increasing 5% each year thereafter	Vested 50% after 5 years, increasing 10% each year thereafter
Active Membership	921	4,650	11,669	3,981
Retiree Membership	862	2,736	7,534	942
Disability Recipients	59	297	1,347	190
Inactive Membership <sup>11</sup> ( <i>deferred vested</i> )	56	1,347	1,580	3,165
Employer Contribution Rate <sup>12</sup>	22.35%	14.4%	16.95%	8.75%
Employee Contribution Rate <sup>12</sup>	14.9%	9.6%	11.3%	5.83%
Post Retirement Increase (COLA)	1%	1.5%	1%	1% <sup>13</sup>

Small Group Plans	MSRS Judges <sup>14</sup>	MSRS Legislators <sup>15</sup>
Accrual Rate <i>multiplied by high-five salary &amp; years of service</i>	Tier I Judges: 3.2% Tier II Judges: 2.5%	2.5%
Average Earnings	\$153,339	\$51,657
Average Annual Pension	\$69,411	\$24,251
Vesting Period	5 years	6 full years or 4 regular legislative sessions
Active Membership	317	19
Retiree Membership	272	293
Disability Recipients	16	0
Inactive Membership <sup>11</sup> ( <i>deferred vested</i> )	15	39
Employer Contribution Rate	22.5%	<i>Plan is funded by an annual appropriation to fund benefits</i>
Employee Contribution Rate	Tier I Judges: 9% Tier II Judges: 7%	9%
Post Retirement Increase (COLA)	1.75%	1%

<sup>8</sup> The State Patrol and PERA Police & Fire plan members **do not** receive Social Security. MSRS and PERA Correctional plan members **do** receive Social Security.

<sup>9</sup> This is a relatively new plan: members have not accrued much service credit so their benefits are smaller.

<sup>10</sup> Vesting is three years if hired before July 1, 2013.

<sup>11</sup> Members who have left public employment, are vested in a pension, but haven't reached retirement age.

<sup>12</sup> Rates in effect as of July 1, 2018. PERA Police & Fire rates in effect as of January 1, 2019. Many plans have contribution increases scheduled to go into effect in future years.

<sup>13</sup> Beginning January 1, 2019, 100% of the Social Security COLA, but not less than 1% or more than 2.5%.

<sup>14</sup> Tier I: judges appointed/elected before July 1, 2013. Tier II: judges appointed/elected after June 30, 2013.

<sup>15</sup> The Legislators Plan was closed to new members in 1997. Legislators Plan members **do not** receive Social Security.