

2023 Pensions Budget Omnibus, 4/10/2023 Update

*All benefit increase estimates calculated using 7% Rate of Return Assumption and Amortization End Date of 2048.

		MSRS					PERA			TRA	SPTRFA	Total	Additional Comments
		General	Correctional	State Patrol	Judges	Legislators	General	Local Gov/ Correctional	Police & Fire				
Amount Allocated for Distribution to Pension Plans		\$ 84,376,743	\$ 10,446,018	\$ 4,033,441	\$ 293,032	\$ 90,714	\$ 170,093,422	\$ 5,255,535	\$ 19,397,371	\$ 176,166,838	\$ 15,746,887	\$ 485,900,000	<i>All allocation percentages determined using Accrued Liability as the distribution standard.</i>
Retiree Direct Benefits	Governor's Cost of Living Adjustment for up to 2.5%	\$ 10,106,344	\$ 910,608	\$ 1,003,869	\$ 293,032	\$ 90,714	\$ 18,168,928		\$ 9,881,628	\$ 28,735,816	\$ 1,883,463	\$ 71,074,402	
	1.45% Cost of Living Adjustment for Basic Plan Members			\$ 966,700			\$ 3,635,630		\$ 9,515,743	\$ 2,384,222	\$ 1,014,304	\$ 17,516,598	
MSRS	Buydown of Employee Contributions 0.5% Buydown for 2 Years (FY24 & FY25)	\$ 34,300,000										\$ 34,300,000	<i>Benefits active members.</i>
	One-Time Cash Infusion for State Patrol Plan \$10,000,000 for Duty Disability	(\$7,937,128) * \$ 10,000,000										\$ 10,000,000	<i>Requested lump sum payment to shore up State Patrol Plan Duty Disability incurred liabilities.</i>
	MSRS Increase of Direct State Aids One-Time Lump Sum Payment	\$ 32,033,271	\$ 9,535,410										\$ 41,568,681
PERA	PERA Increase of Direct State Aids One-Time Lump Sum Payment	\$ 148,288,864 \$ 5,255,535										\$ 153,544,399	<i>Pays down general liabilities.</i>
SPTRFA	Age 62 and 30 Years-of-Service & Buy-Down of Employee Contributions										\$ 7,849,120	\$ 7,849,120	<i>Increases Employee Contribution Rate for Benefit Improvement Costs. 1% ongoing employee increase for SPTRFA. Lump sum payments will be delivered to reduce</i>
	Increase of Direct State Aids One-Time Lump Sum Payment										\$ 5,000,000	\$ 5,000,000	<i>Pays down general liabilities.</i>
TRA	Increase of Direct State Aids One-Time Lump Sum Payment										\$ 145,046,800	\$ 145,046,800	<i>Pays down general liabilities.</i>

*This amount was moved from MSRS General Allocation to MSRS State Patrol to sum \$10M, sums on top not changed.

Other Bills Category	HF1234/SF1959 PTSD Duty Disability Bill		\$ 100,000,000	Funds will impact members of the MSRS State Patrol Plan & PERA Police and Fire Plan Directly for Benefits
	HF1234/SF1959 PERA & MSRS Administration Fund		\$ 4,000,000	PERA & MSRS cannot administer HF1234/SF1959 plan changes with plan assets, this pre-funding will ensure continued administration for the foreseeable future.
	HF782/SF413 Secure Choice Retirement Program		\$ 5,000,000	Funds distributed for start-up costs for the Secure Choice Retirement Program
Other Funding within Pensions Budget Omnibus	Incentives to Join PERA Statewide Volunteer Firefighter Plan		\$ 5,000,000	Funds will be used to incentivize volunteer firefighter relief associations to join the Statewide Plan; to be paid as a "signing bonus" to fund retirement benefits for volunteer firefighters when their fire department joins the Statewide Plan.
	Actuarial Costs for LCPR		\$ 100,000	For additional, independent actuarial cost assessments for the Legislative Commission on Pensions and Retirement to make informed policy-making decisions.

No Cost or Absorbable Cost, Fiscal-Related Benefit Improvements:

- *Adjustment to 7% Rate-of-Return Assumption for All Pensions Plans
- *Remove Delay in Start of COLAs Scheduled to Begin on January 1st, 2024 for MSRS General and PERA General
- *Extend Sunset Date by 3 Years for Supplemental Contributions to the MSRS Correctional Plan and State Patrol Plan and the Annual State Aid for the Judges Plan
- *Revise COLA for PERA Correctional Plan to Restore the 2.5% Cap if the Funded Status Improves
- *Reduce Vesting from 5 years to 3 years to match the Teacher Plans for MSRS General Plan and PERA General Plan

\$ 600,000,000 Full Budget Target allocated.