

150.22

ARTICLE 7

150.23

TEMPORARY POSTRETIREMENT ADJUSTMENTS

150.24 Section 1. **TEMPORARY POSTRETIREMENT ADJUSTMENTS.**

150.25 On January 31, 2023, and January 31, 2024, each pension plan that is a covered retirement
150.26 plan listed in Minnesota Statutes, section 356.32, subdivision 2, the judges retirement plan,
150.27 and the unclassified employees retirement plan must pay to each individual who is receiving
150.28 an annuity from the plan a lump sum payment equal to 2.5 percent of the annual amount
150.29 received by the individual for the prior calendar year. If the lump sum payment is an eligible
150.30 rollover distribution, as defined in Minnesota Statutes, section 356.635, subdivisions 4 and
150.31 5, the plan must permit the individual to elect a direct rollover, as provided under Minnesota
150.32 Statutes, section 356.635, subdivisions 3 to 7.

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

151.2

ARTICLE 8

151.3

ACTUARIAL ASSUMPTION FOR INVESTMENT RATE OF RETURN

151.4 Section 1. Minnesota Statutes 2020, section 356.215, subdivision 8, is amended to read:

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

151.7		investment return
151.8	plan	assumption
151.9	general state employees retirement plan	7.5% 7%
151.10	correctional state employees retirement plan	7.5 7
151.11	State Patrol retirement plan	7.5 7
151.12	legislators retirement plan, and for the	0
151.13	constitutional officers calculation of total plan	
151.14	liabilities	
151.15	judges retirement plan	7.5 7
151.16	general public employees retirement plan	7.5 7
151.17	public employees police and fire retirement plan	7.5 7
151.18	local government correctional service retirement	7.5 7
151.19	plan	

151.20	teachers retirement plan	7.5 <u>7</u>
151.21	St. Paul teachers retirement plan	7.5 <u>7</u>
151.22	Bloomington Fire Department Relief Association	6
151.23	local monthly benefit volunteer firefighter relief	5
151.24	associations	
151.25	monthly benefit retirement plans in the statewide	6
151.26	volunteer firefighter retirement plan	

151.27 (b) The actuarial valuation for each of the covered retirement plans listed in section
151.28 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take
151.29 into account the postretirement adjustment rate or rates applicable to the plan as specified
151.30 in section 354A.29, subdivision 7, or 356.415, whichever applies.

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

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

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

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

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

152.8 **EFFECTIVE DATE.** This section is effective June 30, 2022.

152.9 **ARTICLE 9**

152.10 **DIRECT STATE AID**

152.11 Section 1. Minnesota Statutes 2020, section 353.65, subdivision 3b, is amended to read:

152.12 Subd. 3b. **Direct state aid.** (a) ~~The state shall pay \$4,500,000 on October 1, 2018, and~~
152.13 ~~October 1, 2019, to the public employees police and fire retirement plan.~~ By October 1 of
152.14 each year ~~after 2019~~, the state shall pay ~~\$9,000,000~~ \$13,500,000 to the public employees
152.15 police and fire retirement plan. The commissioner of management and budget shall pay the
152.16 aid specified in this subdivision. The amount required is annually appropriated from the
152.17 general fund to the commissioner of management and budget.

152.18 (b) The aid under paragraph (a) continues until the earlier of:

152.19 (1) the first day of the fiscal year following the fiscal year in which the actuarial value
152.20 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as
152.21 reported by the actuary retained under section 356.214 in the annual actuarial valuation
152.22 prepared under section 356.215; or

152.23 (2) July 1, ~~2048~~ 2068.

152.24 Sec. 2. Minnesota Statutes 2020, section 354A.12, subdivision 3a, is amended to read:

152.25 Subd. 3a. **Direct state aid to first class city teachers retirement fund associations.** (a)
152.26 The state shall pay \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

152.27 (b) In addition to other amounts specified in this subdivision, the state shall pay
152.28 \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

152.29 (c) In addition to the amounts specified in paragraphs (a) and (b), the state shall pay
152.30 ~~\$5,000,000~~ \$7,500,000 as state aid to the St. Paul Teachers Retirement Fund Association.

153.1 (d) The aid under this subdivision is payable October 1 annually. The commissioner of
153.2 management and budget shall pay the aid specified in this subdivision. The amount required
153.3 is appropriated annually from the general fund to the commissioner of management and
153.4 budget.

153.5 Sec. 3. Minnesota Statutes 2020, section 354A.12, subdivision 3c, is amended to read:

153.6 Subd. 3c. **Termination of supplemental contributions and direct matching and state**
153.7 **aid.** (a) The supplemental contributions payable to the St. Paul Teachers Retirement Fund
153.8 Association by Independent School District No. 625 under section 423A.02, subdivision 3,
153.9 and the aid under subdivision 3a, paragraphs (a) and (b), continue until the earlier of:

153.10 (1) the first day of the fiscal year following the year in which the actuarial value of assets
153.11 of the fund equals or exceeds 100 percent of the actuarial accrued liability as reported by
153.12 the actuary retained under section 356.214 in the most recent annual actuarial valuation
153.13 prepared under section 356.215; or

153.14 (2) July 1, 2048.

153.15 (b) The aid under subdivision 3a, paragraph (c), continues until the earlier of:

153.16 (1) the first day of the fiscal year following the fiscal year in which the actuarial value
153.17 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as
153.18 reported by the actuary retained under section 356.214 in the annual actuarial valuation
153.19 prepared under section 356.215; or

153.20 (2) July 1, ~~2048~~ 2068.

153.21 Sec. 4. Minnesota Statutes 2020, section 490.123, subdivision 5, is amended to read:

153.22 Subd. 5. **Direct state aid.** (a) The state shall pay ~~\$6,000,000~~ \$9,000,000 annually to the
153.23 judges' retirement fund. The aid is payable each July 1. The amount required is annually
153.24 appropriated from the general fund to the judges' retirement fund.

153.25 (b) The aid under paragraph (a) continues until the earlier of:

153.26 (1) the first day of the fiscal year following the fiscal year in which the actuarial value
153.27 of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as
153.28 reported by the actuary retained under section 356.214 in the annual actuarial valuation
153.29 prepared under section 356.215; or

153.30 (2) July 1, ~~2048~~ 2068.

154.1 Sec. 5. **EFFECTIVE DATE.**

154.2 Sections 1 to 4 are effective June 30, 2022.

154.3 **ARTICLE 10**

154.4 **PENSION PLANS APPROPRIATION**

154.5 Section 1. **APPROPRIATION.**

154.6 (a) \$390,000,000 in fiscal year 2023 is appropriated from the general fund to the pension
154.7 plans specified in paragraph (b), to be allocated by the commissioner of management and
154.8 budget among the pension plans in the same ratio that the market value of assets as of the
154.9 most recent June 30 for each pension plan bears to the sum of the market value of assets
154.10 for all specified pension plans as of the most recent June 30. This is a onetime appropriation.

154.11 (b) The amount appropriated under paragraph (a) shall be allocated among the following
154.12 pension plans:

154.13 (1) the general state employees retirement plan of the Minnesota State Retirement System;

154.14 (2) the general employees retirement plan of the Public Employees Retirement
154.15 Association;

154.16 (3) the Teachers Retirement Association;

154.17 (4) the St. Paul Teachers Retirement Fund Association;

154.18 (5) the State Patrol retirement plan;

154.19 (6) the public employees police and fire plan of the Public Employees Retirement
154.20 Association;

154.21 (7) the correctional state employees retirement plan of the Minnesota State Retirement
154.22 System;

- 154.23 (8) the local government correctional service retirement plan of the Public Employees
154.24 Retirement Association; and
- 154.25 (9) the judges' retirement plan.
- 154.26 (c) The commissioner of management and budget must determine the amount of the
154.27 allocation under paragraph (a) for each pension plan specified in paragraph (b). Each
154.28 allocation is directly appropriated to the pension fund for each pension plan by the
154.29 commissioner. The commissioner must report the amounts appropriated under this section
155.1 to the chairs and ranking minority members of the house of representatives Ways and Means
155.2 Committee and the senate Finance Committee by August 15, 2022.
- 155.3 **EFFECTIVE DATE.** This section is effective June 30, 2022.