

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1377

(SENATE AUTHORS: RASMUSSEN, Pappas, Nelson and Howe)

DATE	D-PG	OFFICIAL STATUS
02/08/2023		Introduction and first reading Referred to State and Local Government and Veterans

1.1 A bill for an act

1.2 relating to retirement; Minnesota State Retirement System; Public Employees

1.3 Retirement Association; Teachers Retirement Association; St. Paul Teachers

1.4 Retirement Fund Association; lowering the actuarial assumption for investment

1.5 rate of return to seven percent; amending Minnesota Statutes 2022, section 356.215,

1.6 subdivision 8.

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

1.8 Section 1. Minnesota Statutes 2022, section 356.215, subdivision 8, is amended to read:

1.9 Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable

1.10 following investment return assumption:

	investment return assumption
1.11 plan	
1.12	
1.13 general state employees retirement plan	7.5% <u>7%</u>
1.14 correctional state employees retirement plan	7.5 <u>7</u>
1.15 State Patrol retirement plan	7.5 <u>7</u>
1.16 legislators retirement plan, and for the	0
1.17 constitutional officers calculation of total plan	
1.18 liabilities	
1.19 judges retirement plan	7.5 <u>7</u>
1.20 general public employees retirement plan	7.5 <u>7</u>
1.21 public employees police and fire retirement plan	7.5 <u>7</u>
1.22 local government correctional service retirement	7.5 <u>7</u>
1.23 plan	
1.24 teachers retirement plan	7.5 <u>7</u>
1.25 St. Paul teachers retirement plan	7.5 <u>7</u>
1.26 Bloomington Fire Department Relief Association	6

2.1	local monthly benefit volunteer firefighter relief	5
2.2	associations	
2.3	monthly benefit retirement plans in the statewide	6
2.4	volunteer firefighter retirement plan	

2.5 (b) The actuarial valuation for each of the covered retirement plans listed in section
 2.6 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take
 2.7 into account the postretirement adjustment rate or rates applicable to the plan as specified
 2.8 in section 354A.29, subdivision 7, or 356.415, whichever applies.

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

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

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

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

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

2.21 **EFFECTIVE DATE.** This section is effective June 30, 2023.