

SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION

S.F. No. 4071

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DATE  
03/16/2022

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Introduction and first reading  
Referred to State Government Finance and Policy and Elections

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to retirement; Minnesota State Retirement System; reducing the investment  
1.3 rate of return assumption; amending Minnesota Statutes 2020, section 356.215,  
1.4 subdivision 8.

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

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

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

1.9	plan	investment return 1.10 assumption
1.11	general state employees retirement plan	<del>7.5%</del> <u>7%</u>
1.12	correctional state employees retirement plan	<del>7.5</del> <u>7</u>
1.13	State Patrol retirement plan	<del>7.5</del> <u>7</u>
1.14	legislators retirement plan, and for the	0
1.15	constitutional officers calculation of total plan	
1.16	liabilities	
1.17	judges retirement plan	<del>7.5</del> <u>7</u>
1.18	general public employees retirement plan	7.5
1.19	public employees police and fire retirement plan	7.5
1.20	local government correctional service retirement	7.5
1.21	plan	
1.22	teachers retirement plan	7.5
1.23	St. Paul teachers retirement plan	7.5
1.24	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, 2022.