

**354A.27 DULUTH TEACHERS RETIREMENT FUND ASSOCIATION;
POSTRETIREMENT ADJUSTMENT MECHANISM.**

Subdivision 1. **Postretirement adjustment modification.** Any postretirement adjustment payable from the Duluth Teachers Retirement Fund Association must be computed and paid according to this section.

Subd. 2. [Repealed, 1995 c 262 art 2 s 14]

Subd. 3. [Repealed, 1995 c 262 art 2 s 14]

Subd. 4. [Repealed, 1995 c 262 art 2 s 14]

Subd. 5. **Calculation of postretirement adjustments.** (a) Annually, after June 30, the board of trustees determines the amount of any postretirement adjustment using the procedures in this subdivision and subdivision 6.

(b) Each person who has been receiving an annuity or benefit under the articles of incorporation, bylaws, or under this section for at least 12 months as of the date of the postretirement adjustment shall be eligible for a postretirement adjustment. The postretirement adjustment shall be payable each January 1. The postretirement adjustment shall be equal to two percent of the annuity or benefit to which the person is entitled one month prior to the payment of the postretirement adjustment.

Subd. 6. **Additional increase.** (a) In addition to the postretirement increases granted under subdivision 5, an additional percentage increase must be computed and paid under this subdivision.

(b) The board of trustees shall determine the number of annuitants or benefit recipients who have been receiving an annuity or benefit for at least 12 months as of the current June 30. These recipients are entitled to receive the surplus investment earnings additional postretirement increase.

(c) Annually, as of each June 30, the board shall determine the five-year annualized rate of return attributable to the assets of the Duluth Teachers Retirement Fund Association under the formula or formulas specified in section 11A.04, clause (11).

(d) The board shall determine the amount of excess five-year annualized rate of return over the preretirement interest assumption as specified in section 356.215.

(e) The additional percentage increase must be determined by multiplying the quantity one minus the rate of contribution deficiency, as specified in the most recent actuarial report of

the actuary retained under section 356.214, times the rate of return excess as determined in paragraph (d).

(f) The additional increase is payable to all eligible annuitants or benefit recipients on the following January 1.

History: *1992 c 403 s 1; 1995 c 262 art 2 s 3-5; 2006 c 271 art 3 s 47*