

16A.106 ADEQUACY OF BUDGETED AND FORECASTED DEFINED BENEFIT PLAN RETIREMENT CONTRIBUTIONS.

(a) On or before May 30 or the date occurring 30 days after the conclusion of the regular legislative session, whichever is later, in each odd-numbered year, the commissioner shall prepare a report to the legislature on the adequacy of the budgeted appropriations, including retirement-related state aids, and forecasted member and employer retirement contributions to meet the total calculated actuarial funding requirements of the statewide and major local defined benefit retirement plans.

(b) The total calculated actuarial funding requirements are the sum of:

- (1) the normal cost;
- (2) the administrative expenses as defined in section 356.20, subdivision 4, paragraph (c); and
- (3) the supplemental amortization contribution requirement using the amortization target date specified in section 356.215, subdivision 11.

The total calculated actuarial funding requirements must be as determined in the most recent actuarial valuation of the retirement plan prepared by an approved actuary under section 356.215 and the most recent standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

(c) The statewide and major local retirement plans are the defined benefit retirement plans listed in section 356.20, subdivision 2, clauses (1) to (6), (9), (12), (13), and (14).

(d) The report must also include as an exhibit as of the start of the most recent fiscal year, the following information for each statewide and major local retirement plan in a single comparative table:

- (1) the year the retirement plan was enacted or established;
- (2) the number of active members of the retirement plan;
- (3) the number of retirement annuitants and retirement benefit recipients;
- (4) whether or not the retirement plan supplements the federal Old Age, Survivors and Disability Insurance program;
- (5) the complete schedule of accrued benefit obligations and projected benefit obligations from the latest actuarial valuation reports;
- (6) whether or not the retirement plan permits the purchase of service credit for out-of-state service or time;
- (7) the percentage of covered salary employer contributions;
- (8) the percentage of covered salary member contributions;
- (9) the amount of unfunded actuarial accrued liability calculated using the actuarial value of assets and the market value of assets;
- (10) the percentage that assets, at actuarial value and at market value, represent of the actuarial accrued liability;
- (11) the normal retirement age or ages;

- (12) the salary base definition and the percentage of salary base benefit accrual rate per year of service credit formula for a normal retirement annuity;
 - (13) the amount of automatic postretirement adjustment;
 - (14) whether or not service credit is available for military service and any limitation on its acquisition;
 - (15) the vesting period for a disability benefit and the definition of a disability qualifying for a disability benefit;
 - (16) investment performance and interest rate actuarial assumptions;
 - (17) the amortization target date;
 - (18) four fiscal years running statistics of active retirement plan members;
 - (19) four fiscal years running statistics of retirement annuitants and retirement benefit recipients;
 - (20) four fiscal years running statistics of deferred annuitants;
 - (21) four fiscal years running statistics of unfunded actuarial accrued liability determined on an actuarial value of assets basis and on a market value of assets basis;
 - (22) four fiscal years running statistics of the percentage that assets, at actuarial value and at market value, represent of the actuarial accrued liability;
 - (23) four fiscal years running statistics of actuarial value of assets; and
 - (24) four fiscal years running statistics of market value of assets.
- (e) The report under this section also must be included on the Web site of the department.

History: 2012 c 286 art 2 s 1