

# 2019 Popular Annual Financial Report



Public Employees Retirement Association of Minnesota

Pension Trust Fund of the State of Minnesota

## MOVING FORWARD

*Measuring  
Our Progress*

### Dear members and stakeholders:

Each year we provide a significant amount of information in our Comprehensive Annual Financial Report (CAFR). In our Popular Annual Financial Report (PAFR) we provide a summary of the key measurements of our plans including membership data, assets, investment performance, liabilities, and contribution rate requirements.

The fiscal year ended June 30, 2019, provided another positive year of investment returns positively impacting our plans. The Combined Funds, which hold the assets for our three largest plans, experienced a 7.3 percent investment return. Because of uncertainty during the year, stock market returns this year were not as hearty as the past two years. However, our returns were close to our long-term assumed rate of return. PERA has grown its assets and improved its funded status. All three of PERA's pension plans are on paths to full funding before their State-mandated full funding dates.

As we look to the future, we are working to refine our values about plan design. The goal is to move the plans forward to provide intergenerational equity for both members and taxpayers.

Be assured that the PERA retirement system is financially sound. Participants can be confident that their pension benefits are secure today and will continue to provide an equitable benefit in the future.

Sincerely,

Doug Anderson  
Executive Director



## Condensed Financial Statements

### Fiduciary Net Position— Defined Benefit Plans (in millions)

Assets	General Employees	Police & Fire	Correctional
Cash & Receivables	\$678	\$266	\$22
Investments	21,768	8,585	723
Securities Lending Collateral	1,666	657	55
Capital Assets & Other	7	0	0
<b>Total Assets</b>	<b>\$24,119</b>	<b>\$9,508</b>	<b>\$800</b>
Liabilities			
Accounts Payable	\$7	\$6	\$1
Accrued Compensated Absences	1	0	0
Securities Lending Collateral	1,666	657	55
Bonds Payable	4	0	0
<b>Total Liabilities</b>	<b>\$1,678</b>	<b>\$663</b>	<b>\$56</b>
<b>Total Net Position</b>	<b>\$22,441</b>	<b>\$8,845</b>	<b>\$744</b>

### Changes in Fiduciary Net Position— Defined Benefit Plans (in millions)

Additions	General Employees	Police & Fire	Correctional
Employer Contributions	\$515	\$175	\$19
State Contributions	16	13	0
Member Contributions	424	112	12
Investment Income (Loss)	1,547	609	51
<b>Total Additions</b>	<b>\$2,502</b>	<b>\$909</b>	<b>\$82</b>
Deductions			
Retirement Benefits	\$1,536	\$548	\$15
Refunds of Contributions	66	3	2
Administrative Expenses	13	1	1
<b>Total Deductions</b>	<b>\$1,615</b>	<b>\$552</b>	<b>\$18</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$887</b>	<b>\$357</b>	<b>\$64</b>

## About Our Popular Annual Financial Report

This Popular Annual Financial Report (PAFR) is derived from the information contained in PERA's Comprehensive Annual Financial Report (CAFR), but does not include all funds administered by PERA or certain other information required to be presented in accordance with Generally Accepted Accounting Principles. Unlike the CAFR, this report does not include information about PERA's Defined Contribution Fund, Statewide Volunteer Firefighter Fund, or its Agency Fund, and presents funded status based on actuarial funding valuations (and not valuations required by accounting standards). Also, the PAFR does not include footnotes which can be found in the more comprehensive report. For a copy of PERA's CAFR, visit [mnpera.org/CAFR](http://mnpera.org/CAFR)

### PERA Membership — Defined Benefit Plans

	General Employees	Police & Fire	Correctional	Total
Retirees and beneficiaries receiving benefits	105,243	11,031	1,318	117,592
Vested and non-vested terminated employees not yet receiving benefits	189,427	2,765	6,164	198,356
Current, active vested and non-vested employees	154,130	11,763	3,965	169,858
<b>Total</b>	<b>448,800</b>	<b>25,559</b>	<b>11,447</b>	<b>485,806</b>

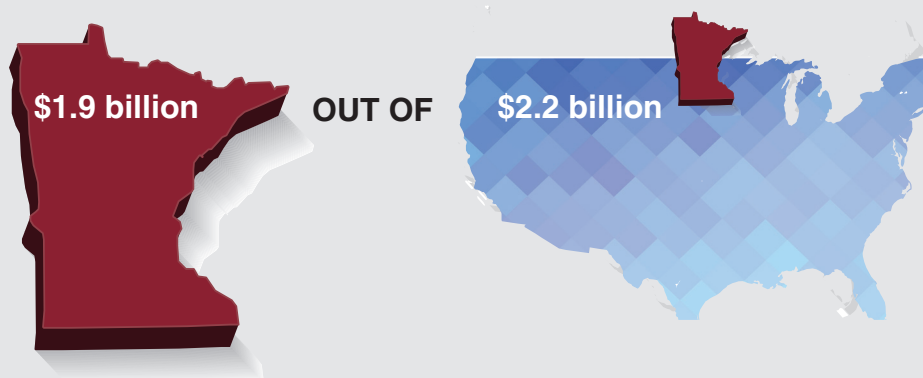
### 2019 Contribution Rates (percentages applied to pensionable wages)

	General Fund	Police & Fire	Correctional
Member	6.50%	11.30%	5.83%
Employer	7.50%	16.95%	8.75%

### Giving Back to Minnesota

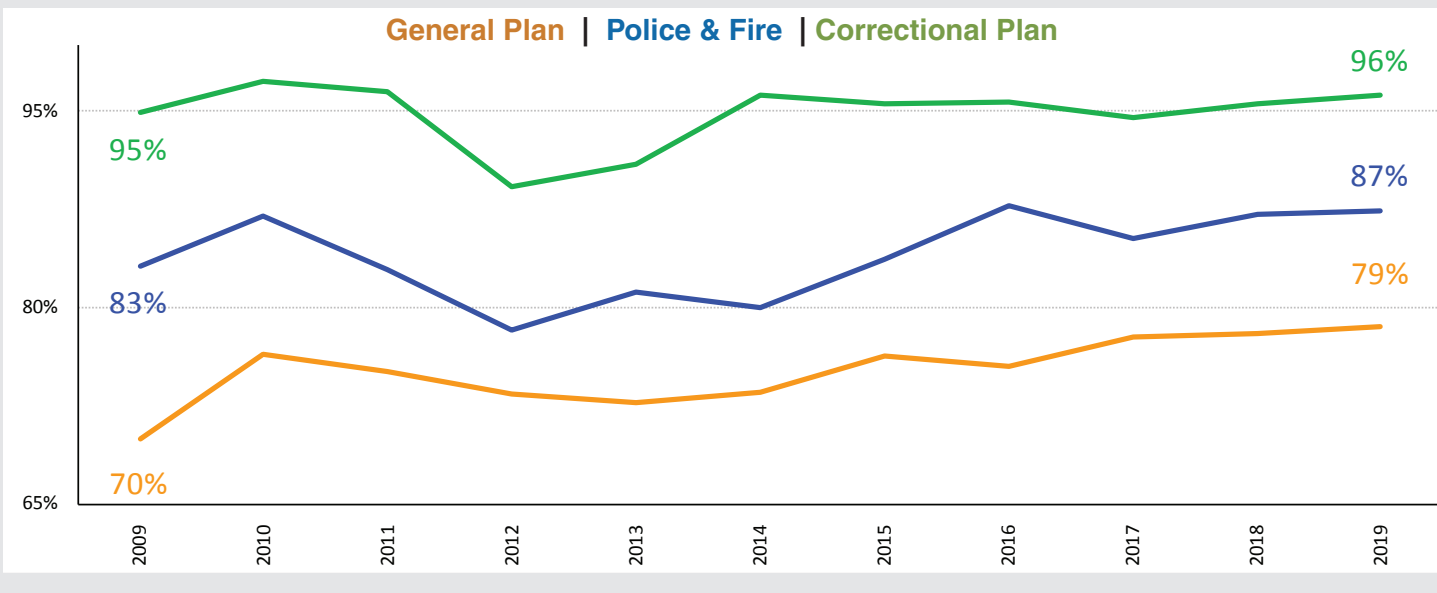
*89 percent of benefit payments\* are made to Minnesota residents. Out of \$2.2 billion in benefit payments, \$1.9 billion stay in Minnesota.*

#### Annual benefits paid to Minnesota residents out of total payments

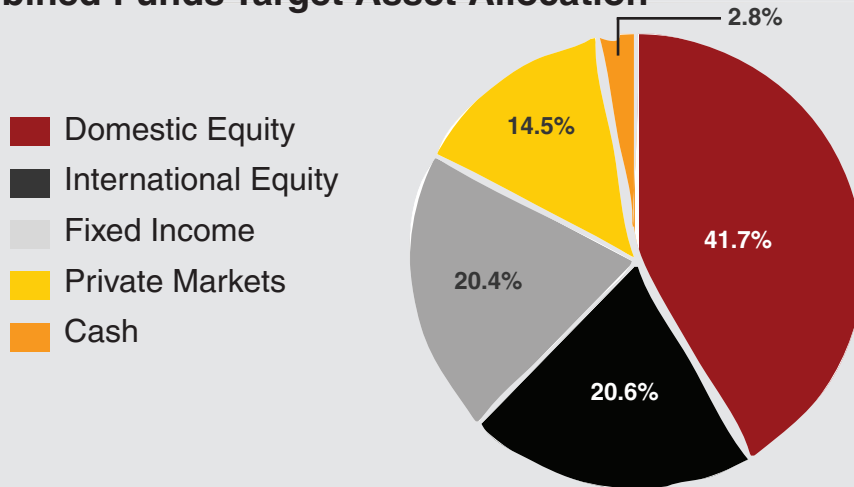


\*Estimate based on June 2019 payments

## Actuarial Funding Ratio (FY2009 - FY2019)



## Combined Funds Target Asset Allocation



## Combined Funds Performance

### Rates of Return (Annualized)

	FY 2019	3-Year	5-Year	10-Year	20-Year
Combined Funds (Active/Retiree)*	7.3%	10.9%	7.3%	10.9%	6.5%

\* Percentages are net of all management fees.



## Public Employees Retirement Association

Pension Trust Funds of the State of Minnesota

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