________________________ moves that the Legislative Commission on Pensions and Retirement (LCPR) approve the following with respect to Section V ("Valuation Projections") of the LCPR's Standards for Actuarial Work (see, for informational purposes, the excerpt, below):

- The valuation projections for the Minnesota State Retirement System (MSRS) General Plan, the Public Employees Retirement Association (PERA) General Plan, and the Teachers Retirement Association (TRA) that are required to be prepared in conjunction with the July 1, 2017, actuarial valuation and submitted to the LCPR no later than January 31, 2018, are hereby deferred for one year; and

- The valuation projections to be prepared for the MSRS General Plan, PERA General Plan and TRA in conjunction with the July 1, 2018, actuarial valuation and submitted to the LCPR no later than January 31, 2019, shall provide baseline and alternative projections using an "assumed rate of return" of 7.5%, unless Minnesota Statute Section 356.215, Subdivision 8, has been amended to require the use of a different assumption in the actuarial valuations required by Section 356.215 (referred to as the "interest rate assumption" in current law).

Excerpt from the "Standards for Actuarial Work," dated August 11, 2010, page 17 (Section V):

V. Valuation Projections

The valuation results provide information about the plan's funding on a single date, the valuation date, assuming all assumptions are met in future years. In order to provide a longer term perspective on the financial health of the plan and the potential variability of future valuation results, projections shall be prepared every two years by the Actuary for each Plan except for the Legislators Plan and the Elective State Officers Plan, unless this requirement is waived by the Commission.

The projections for MSRS-General, PERA-General and TRA will first be prepared in conjunction with the July 1, 2011 actuarial valuation. Projections for all other plans must first be prepared based on a valuation date not later than July 1, 2012. The projections must be provided to the LCPR executive director and the Commission's Actuary not later than the January 31 following the valuation date used for the projection model.

At a minimum the projections shall show the fixed statutory contribution rate and the actuarial contribution rate, UAAL, Actuarial Liability Funded Ratio, and cash flows (expected benefit payments and total contributions) for each year projected over the next 30 years. At a minimum, the projections provided to the Commission shall include (1) a baseline projection assuming all actuarial assumptions are met in future years including the assumed rate of return, (2) an alternative projection assuming all actuarial assumptions are met in future years other than the assumed rate of return, which shall be assumed to be equal to the assumed rate of return minus 1.5%, (3) a second alternative projection assuming all actuarial assumptions are met in the future other than the assumed rate of return, which shall be assumed to be equal to the assumed rate of return plus 1.5%.

The projections shall assume the number of active members in the Plan remains level during the 30 year projection period (stationary population), payroll increases at the applicable payroll increase assumption, and a constant normal cost percentage equal to the percentage developed in the most recent actuarial valuation unless these are not deemed to be reasonable assumptions by the Actuary. In that case, the projections shall be completed using the assumptions that are deemed to be the most reasonable by the Actuary and such assumptions shall be disclosed with the results of the projections. The projection models shall also permit the analysis by the Actuary of the impact of changing the amortization period and/or the statutory contribution rate.