



March 9, 2021

Ms. Jill Schurtz, Executive Director
St. Paul Teachers Retirement Fund Association
1619 Dayton Avenue, Room 309
St. Paul, Minnesota 55104-6206

Re: Impact of One Year Delay in Member Contribution Increase

Dear Jill:

The member contribution rate for the St. Paul Teachers Retirement Fund Association is currently scheduled to increase from 7.50% to 7.75% on July 1, 2022. The purpose of this letter is to provide the impact of a one-year delay in this change – i.e., the member contribution rate would increase from 7.50% to 7.75% on July 1, 2023 instead of July 1, 2022.

We provided 30-year projections of the fund on January 29, 2021. Assuming 7.50% investment return and based on current plan provisions, the fund is projected to achieve 100% funding in 2043. If the member contribution rate increase is delayed by one year, the fund is still projected to achieve 100% funding in 2043. The following table shows a comparison of projected contribution sufficiencies and funding ratios in future years:

Fiscal Year beginning July 1	Baseline (No Delay)		One-Year Delay	
	Contribution Sufficiency (% of Pay)	Funding Ratio	Contribution Sufficiency (% of Pay)	Funding Ratio
2020	3.58%	64.5%	3.58%	64.5%
2024	3.45%	64.6%	3.43%	64.6%
2029	4.01%	70.7%	3.98%	70.6%
2034	5.26%	79.2%	5.22%	79.1%
2039	8.43%	90.3%	8.36%	90.2%
2044	12.80%	104.1%	12.76%	103.9%
2049	16.92%	118.7%	16.87%	118.5%

The proposed one-year delay results in slightly lower projected contribution sufficiencies and funding ratios over the 30-year period, but the differences are not material.

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Please refer to our letter dated January 29, 2021 for complete detail and disclosures regarding the projections used as the basis for this analysis.

If you have any questions, please don't hesitate to contact us.

Sincerely,

Signature redacted

Bonita J. Wurst, ASA, EA, FCA, MAAA

cc: Christine MacDonald, SPTRFA
Jim Anderson, GRS
Sheri Christensen, GRS

