



YEAR OF RENEWAL

Popular Annual Financial Report

For Fiscal Year Ended June 30, 2020



Public Employees Retirement Association of Minnesota
Pension Trust Fund of the State of Minnesota



PERA's mission is to administer and promote sustainable retirement plans and provide services that our members value. PERA's vision: PERA will be a recognized leader in efficient and excellent service delivery and plan management.

A Message from the Executive Director

Dear members and stakeholders:

The fiscal year ended June 30, 2020 included the beginning of the COVID-19 pandemic as well as significant civil unrest. These events roiled the investment markets and undoubtedly had an impact on the lives of many of our members. The full impact on our members lives, both while working and while retired, may not be known for many years.

While we may be challenged to measure the effects on the liabilities of the plans, we will always know the current asset levels. Fortunately, the Combined Funds, which hold the assets for our largest plans, was able to rebound from a significant market decline in the spring to post a 4.2 percent investment return for the fiscal year.

This Popular Annual Financial Report (PAFR) is a summary of the key measurements of our plans including membership data, assets, investment performance, liabilities, and contribution rate requirements. While fiscal year 2020 was very

challenging, the plans have been able to demonstrate their resiliency. The funding ratios for the plans were only down about 2 percent each from their previous year measurement.

Be assured that the PERA retirement system is financially sound and can withstand volatility and change. The plans benefit from the professional investment leadership provided by the State Board of Investment and by a Board with a proven record of suggesting legislative changes to preserve plan sustainability when necessary. Participants can be confident that their pension benefits are secure today and 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	\$1,007	\$403	\$35
Investments	21,628	8,577	753
Securities Lending Collateral	1,590	630	55
Capital Assets & Other	6	0	0
Total Assets	\$24,231	\$9,610	\$843
Liabilities			
Accounts Payable	\$6	\$6	\$1
Accrued Compensated Absences	1	0	0
Securities Lending Collateral	1,590	630	55
Bonds Payable	3	0	0
Total Liabilities	\$1,600	\$636	\$56
Total Net Position	\$22,631	\$8,974	\$787

PERA Membership— Defined Benefit Plans

	General Employees	Police & Fire	Correctional	Total
Retirees and beneficiaries receiving benefits	108,492	11,201	1,443	121,136
Vested and non-vested terminated employees not yet receiving benefits	143,741	2,580	5,821	152,142
Current, active vested and non-vested employees	153,741	12,025	3,855	169,621
Total	405,974	25,806	11,119	442,899

2019 Contribution Rates (percentages applied to pensionable wages)

Effective Date	Contributor	General Fund	Police & Fire	Correctional
Jan. 1, 2019	Member	6.50%	11.30%	5.83%
	Employer	7.50%	16.95%	8.75%
Jan. 1, 2020	Member	6.50%	11.80%	5.93%
	Employer	7.50%	17.70%	8.75%

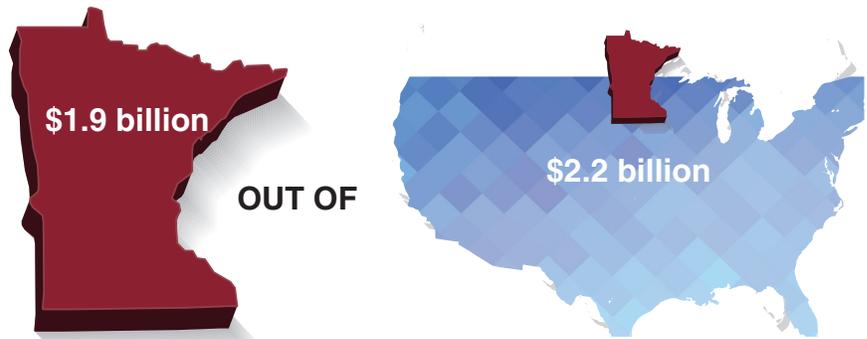
Changes in Fiduciary Net Position— Defined Benefit Plans (in millions)

Additions	General Employees	Police & Fire	Correctional
Employer Contributions	\$510	\$194	\$19
State Contributions	16	13	0
Member Contributions	435	124	13
Investment Income (Loss)	931	369	32
Total Additions	\$1,892	\$700	\$64
Deductions			
Retirement Benefits	\$1,605	\$567	\$17
Refunds of Contributions	85	3	3
Administrative Expenses	12	1	1
Total Deductions	\$1,702	\$571	\$21
Increase (Decrease) in Net Position	\$190	\$129	\$43

Giving Back to Minnesota

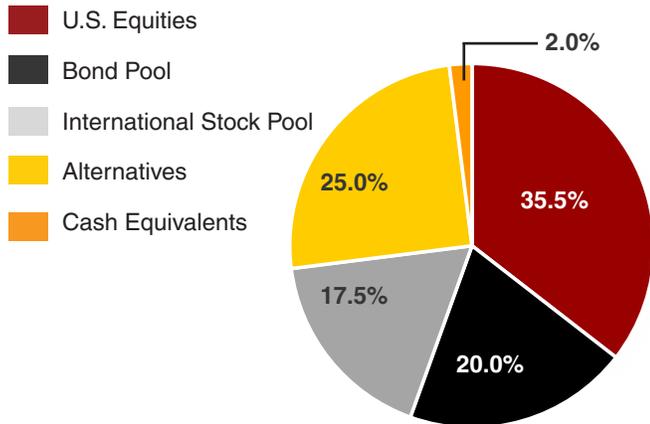
Annual benefits paid to Minnesota residents out of total payments

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



*Estimate based on June 2020 payments

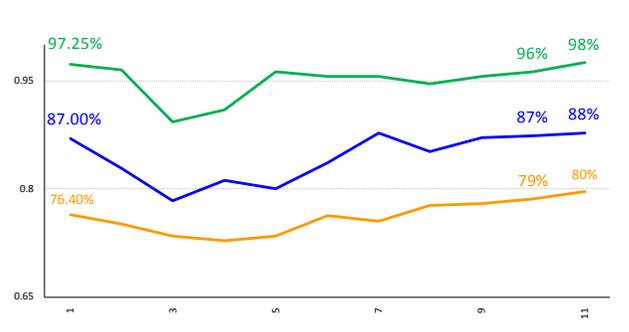
Combined Funds Target Asset Allocation



Actuarial Funding Ratio

(FY2010 - FY2020)

General Plan | Police & Fire | Correctional Plan



Combined Funds Performance

	Rates of Return (Annualized)				
	FY 2020	3-Year	5-Year	10-Year	20-Year
Combined Funds (Active/Retiree)*	4.2%	7.3%	7.3%	9.7%	6.3%

* Percentages are net of all management fees.

About the Popular Annual Financial Report (PAFR)

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



Public Employees Retirement Association

Pension Trust Funds of the State of Minnesota

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