



July 25, 2025

Mr. Doug Anderson
Executive Director
Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103

Re: PERA – Creating a New Plan for Certain Members of GERP

Dear Mr. Anderson:

Enclosed is a supplemental actuarial valuation showing the estimated valuation results for both a potential new plan containing 911 telecommunicators, probation officers, and parole officers who are currently members of the General Employees Retirement Plan of the Public Employees Retirement Association of Minnesota (PERA GERP) as well as the estimated impact to PERA GERP. Unless noted otherwise and to the best of our knowledge and belief, the calculations were completed in accordance with the requirements of Minnesota Statutes, Section 356.215, and the requirements of the Standards for Actuarial Work established by the Legislative Commission on Pensions and Retirement (LCPR).

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

The purpose of this report is to show the impact of the proposed changes on the July 1, 2024 valuation results. This report should not be relied on for any purpose other than the purpose described herein. Determinations of the financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for the unauthorized use of this report.

The valuation was based upon information furnished by PERA, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries.

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This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

The signing actuaries are independent of the plan sponsor.

Please call if you have any questions regarding the calculations enclosed.

Sincerely,
Gabriel, Roeder, Smith & Company



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



Sheryl L. Christensen, FSA, EA, FCA, MAAA

BJW/SLC:rmn

Enclosures



General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Requested By: Mr. Doug Anderson, Executive Director
Date: July 25, 2025
Submitted By: Bonita J. Wurst, ASA, EA, FCA, MAAA and
Sheryl L. Christensen, FSA, EA, FCA, MAAA
Gabriel, Roeder, Smith & Company

This report contains an actuarial valuation of a potential new plan.

Bonita J. Wurst and Sheryl L. Christensen are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The date of the valuation was June 30, 2024. This means that the results of the supplemental valuations indicate what the June 30, 2024 valuation would have shown if the proposed changes had been in effect on that date. Supplemental valuations do not predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the probable long-term cost of the **plan changes only** without comment on the complete end result of the future valuations.

Unless noted otherwise, actuarial assumptions and methods were consistent with those used in the regular actuarial valuation of the PERA GERP on the valuation date as prescribed by Minnesota Statutes Section 356.215, the requirements of the Standards for Actuarial Work established by the Legislative Commission on Pensions and Retirement (LCPR) and the Board of Trustees for the June 30, 2024 PERA GERP Valuation. Other assumptions utilized (described in detail on pages 5-10) can be found in the Local Government Correctional State Retirement Plan (LGCSR) experience study dated July 31, 2024 and the Public Employee Police and Fire Plan (PEPFP) experience study dated July 31, 2024.

General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Eligible employees of the proposed New Plan are currently active members in the General Employees Retirement Plan (GERP). If the New Plan is created, these members will terminate active participation in the GERP and commence participation in the New Plan.

From the data file of 2,638 total employees that PERA provided, we identified 2,248 active members in the PERA General Employees Retirement Plan as of July 1, 2024. The remaining 390 employees were not included in the active data supplied for the 2024 GERP valuation. Consequently, they were not included in the 2024 GERP valuation and were excluded from this study. If the New Plan is established on a future date and the excluded employees have accrued service in the PERA GERP as of the date the New Plan is established, these employees (and potentially other employees) may be entitled to a benefit from either the PERA GERP and/or the New Plan. This potential liability is not reflected in this study.

A brief summary of that data is provided below and on the next page.

	Active Members – as of July 1, 2024			
Group	Number	Projected Annual Earnings^	Average in Years	
			Age	Service
911	814	\$64,801,000	40.9	9.6
Parole	126	\$9,804,000	43.5	11.6
Probation	1,308	\$116,911,000	44.7	14.6
Total	2,248	\$191,516,000	43.2	12.6

^ Based on GERP salary assumptions.

Note all impacted members are GERP Coordinated Members.

General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Age	Years of Service in the General Plan as of June 30, 2024									Total
	<3*	3 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35+	
< 25	71	6	2							79
Avg. Earnings	\$ 50,198	\$ 68,727	\$ 75,806							\$ 52,253
25 - 29	106	34	25							165
Avg. Earnings	\$ 56,569	\$ 63,741	\$ 65,415							\$ 59,387
30 - 34	103	56	138	10						307
Avg. Earnings	\$ 58,698	\$ 69,404	\$ 77,777	\$ 75,897						\$ 69,787
35 - 39	67	41	143	61	11					323
Avg. Earnings	\$ 62,846	\$ 69,771	\$ 77,660	\$ 89,496	\$ 85,831					\$ 76,099
40 - 44	51	16	99	64	84	14	1			329
Avg. Earnings	\$ 61,886	\$ 67,900	\$ 79,390	\$ 87,448	\$ 93,812	\$ 106,725	\$ 105,260			\$ 82,609
45 - 49	30	17	57	43	75	80	15			317
Avg. Earnings	\$ 67,982	\$ 68,806	\$ 80,661	\$ 88,755	\$ 93,274	\$ 104,195	\$ 99,895			\$ 89,757
50 - 54	21	12	23	36	54	80	98	15		339
Avg. Earnings	\$ 45,641	\$ 80,234	\$ 79,306	\$ 90,290	\$ 96,371	\$ 98,254	\$ 102,410	\$ 93,055		\$ 92,897
55 - 59	9	7	20	15	27	37	64	77	10	266
Avg. Earnings	\$ 77,134	\$ 78,289	\$ 78,317	\$ 90,073	\$ 81,563	\$ 97,474	\$ 99,791	\$ 103,074	\$ 98,853	\$ 95,039
60 - 64	2	1	7	7	10	12	26	16	16	97
Avg. Earnings	\$ 26,158	\$ 62,973	\$ 69,281	\$ 82,696	\$ 85,004	\$ 96,428	\$ 97,231	\$ 102,331	\$ 97,791	\$ 91,920
65 - 69		1		3	2		4	6	4	20
Avg. Earnings		\$ 8,498		\$ 89,538	\$ 101,386		\$ 88,963	\$ 88,328	\$ 103,408	\$ 88,967
70+	1		1			2	2			6
Avg. Earnings	\$ 56,359		\$ 6,747			\$ 89,805	\$ 74,297			\$ 65,218
Total	461	191	515	239	263	225	210	114	30	2,248
Avg. Earnings	\$ 58,078	\$ 68,928	\$ 77,602	\$ 88,202	\$ 92,315	\$ 100,593	\$ 100,281	\$ 100,875	\$ 98,894	\$ 81,594



General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Impact to GERP

Eligible employees of the proposed New Plan are currently active members in the General Employees Retirement Plan (GERP). If the New Plan is created, these members will terminate active participation in the GERP and be entitled to a deferred benefit from the GERP. The impact on the June 30, 2024 GERP results is shown below:

	Valuation Baseline (All Members)	Remove Members Eligible for New Plan	Impact to GERP
A. Projected annual earnings	\$ 8,448,585,000	\$ 8,257,069,000	\$ (191,516,000)
B. Required Contribution			
1. Total normal cost, % of Pay	8.57%	8.60%	0.03%
2. Amortization of Unfunded Accrued Liability, % of Pay [^]	2.83%	2.74%*	(0.09%)
3. Expenses, % of Pay	<u>0.27%</u>	<u>0.27%</u>	<u>0.00%</u>
4. Total Required Contribution, % of Pay (B1+B2+B3) [^]	11.67%	11.61%	(0.06%)
C. Total Required Contribution, Dollar Amount (A x B4) [^]	\$ 985,950,000	\$ 958,646,000	\$ (27,304,000)
Present Value of Future Benefits	\$ 39,400,752,000	\$ 39,189,250,000	\$ (211,502,000)
Actuarial Accrued Liability	\$ 33,858,933,000	\$ 33,774,947,000	\$ (83,986,000)
Present Value of Future Salary	\$ 69,142,475,000	\$ 67,394,168,000	\$ (1,748,307,000)
Present Value of Future Employee Contributions	\$ 4,492,328,000	\$ 4,378,688,000	\$ (113,640,000)

*The decrease in UAAL was amortized over a 15-year benefit change amortization layer; if it were instead amortized to 2048, this amount would be 2.83%.

[^]Contribution based on market value of assets.

Impacted members were valued as terminating immediately from GERP with a deferred benefit payable at Normal Retirement Age and a 19% Combined Service Annuity load.



General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Summary of Plan Provisions for the New Plan

Below is a summary of proposed plan provisions for the New Plan, along with a comparison to General Plan provisions. **Note that benefits in the New Plan are earned on a prospective basis only.**

	General Plan	New Plan
Normal (Unreduced) Retirement Age	66	60
Earliest Retirement Age	55	50
Early Retirement Reduction	Actuarial Equivalent	Actuarial Equivalent*
Benefit Multiplier	1.7%	2.2%
Disability Eligibility	Unable to perform any occupation	Two scenarios: 1. Unable to perform any occupation 2. Unable to perform current occupation
Disability Benefit	Benefit paid is equal to the member's accrued benefit, payable immediately	Two scenarios: 1. Current GERP eligibility and benefit provisions 2. Eligible if unable to perform current occupation. Benefit paid is equal to 44% of Final Average Salary, with an additional 2.2% of Final Average Salary for each service in excess of 20 years of New Plan service, payable immediately
Vesting	100% after three years	100% after three years. To reflect Combined Service Annuity Provisions, vesting service includes GERP service prior to July 1, 2024.
Post-retirement Increases	50% of CPI, 1.0% minimum 1.5% maximum	100% of CPI, 1.0% minimum 2.5% maximum
Member Contributions	6.5%	TBD [^]

* For purposes of this study, actuarial equivalent factors for the New Plan are determined using the same basis as actuarial equivalent factors for the Local Government Correctional Service Retirement Plan (Pub-2010 Public Safety mortality rates for a member turning age 57 in 2027, reflecting projected mortality improvements using Scale MP-2021 from a base year of 2010, blended 65% male/35% female, 7.0% interest and a post-retirement benefit increase assumption of 2.0%; joint and survivor factors are based on an interest rate of 6.5%, consistent with current statutes)

[^] In order to determine future refund liability, the member contribution was left unchanged at 6.5% for the New Plan. However, if this rate is increased, there would be a slight increase in normal cost to pay for increased refunds which would be offset by the increase in employee contributions, so the net effect would be minimal.

General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Summary of Actuarial Assumptions for the New Plan

The actual cost of the New Plan will be dependent on actual experience. Behavior is likely to be different for the New Plan compared to other PERA plans. For assumptions other than retirement, disability, withdrawal/termination and merit and seniority increases, we used the unadjusted demographic assumptions for the July 2025 valuation of the Local Government Correctional State Retirement Plan (LGCSRP). Note that historical data for former 911 operators, probation officers, and parole officers no longer active in PERA was not available. A summary of the assumptions used in this study follows:

	Assumption Used for this Study	Basis
Benefit Increases after Retirement	2.0%	Local Correctional Plan
Salary Increases	See detail on following pages	Actual experience for eligible members
Retirement	See detail on following pages	Local Correctional Plan (effective with the 2025 valuation), with adjustments for differences in retirement plan provisions
Withdrawal/Termination	General Plan Rates	Based on comparisons of average age, average service, and average age at hire, General Plan termination rates are a better fit for this group than Local Correctional Plan rates.
Disability Incidence	Two scenarios: <ol style="list-style-type: none"> 1. Unable to perform any occupation – same incidence as PERA General 2. Unable to perform current occupation – same incidence as PERA Police & Fire Sample rates are provided on the following pages	<ol style="list-style-type: none"> 1. PERA General plan 2. PERA Police and Fire plan (effective with the 2025 valuation)

For the purpose of this study, all other assumptions were the same as those recommended in the June 30, 2024 LGCSRP Experience Study and effective for the July 1, 2025 LGCSRP valuation. A full description of those assumptions can be found in the experience study report dated July 31, 2024.

Note that withdrawal/termination rates were applied based on total service (GERP service prior to July 1, 2024 and New Plan service after July 1, 2024).

General Employees Retirement Plan of Minnesota
Calculation as of June 30, 2024
Summary of Actuarial Assumptions for the New Plan

Rates of Retirement

Age	Rates of Retirement
50	5%
51	5%
52	5%
53	5%
54	5%
55	5%
56	6%
57	6%
58	6%
59	8%
60	25%
61	20%
62	30%
63	25%
64	25%
65	40%
66	40%
67	40%
68	40%
69	40%
70+	100%

In addition, it was assumed that no members would retire prior to age 60 in the first three years due to low service in the New Plan.

Members receiving deferred annuities are assumed to begin receiving benefits at Normal Retirement (age 60).

General Employees Retirement Plan of Minnesota
Calculation as of June 30, 2024
Summary of Actuarial Assumptions for the New Plan

Rates of Disability Retirement

Age	% Becoming Disabled			
	Scenario 1 (GERP Rates)		Scenario 2 (PEPFP Rates)	
	Male	Female	Male	Female
20	0.0053%	0.0070%	0.1100%	0.1100%
21	0.0053%	0.0070%	0.1100%	0.1100%
22	0.0053%	0.0070%	0.1200%	0.1200%
23	0.0053%	0.0070%	0.1200%	0.1200%
24	0.0053%	0.0070%	0.1300%	0.1300%
25	0.0053%	0.0070%	0.1800%	0.1800%
26	0.0053%	0.0070%	0.2500%	0.2500%
27	0.0053%	0.0070%	0.3200%	0.3200%
28	0.0053%	0.0070%	0.3800%	0.3800%
29	0.0053%	0.0070%	0.4400%	0.4400%
30	0.0053%	0.0070%	0.5100%	0.5100%
31	0.0053%	0.0070%	0.5300%	0.5300%
32	0.0105%	0.0140%	0.6000%	0.6000%
33	0.0105%	0.0140%	0.6500%	0.6500%
34	0.0105%	0.0140%	0.7100%	0.7100%
35	0.0158%	0.0140%	0.9000%	0.9000%
36	0.0210%	0.0140%	1.0800%	1.0800%
37	0.0210%	0.0210%	1.3100%	1.3100%
38	0.0210%	0.0210%	1.3300%	1.3300%
39	0.0263%	0.0210%	1.3300%	1.3300%
40	0.0263%	0.0280%	1.3500%	1.3500%
41	0.0315%	0.0280%	1.3800%	1.3800%
42	0.0368%	0.0280%	1.4100%	1.4100%
43	0.0368%	0.0280%	1.5100%	1.5100%
44	0.0420%	0.0350%	1.5100%	1.5100%
45	0.0420%	0.0350%	1.5500%	1.5500%
46	0.0525%	0.0420%	1.5500%	1.5500%
47	0.0525%	0.0490%	1.6800%	1.6800%
48	0.0578%	0.0560%	1.8400%	1.8400%
49	0.0683%	0.0560%	1.9700%	1.9700%
50	0.0788%	0.0700%	1.9700%	1.9700%
51	0.0945%	0.0770%	2.0200%	2.0200%
52	0.1050%	0.0770%	2.1300%	2.1300%
53	0.1313%	0.0910%	2.1800%	2.1800%
54	0.1523%	0.0980%	2.1900%	2.1900%
55	0.1785%	0.0980%	2.1900%	2.1900%
56	0.2048%	0.1012%	2.1900%	2.1900%
57	0.2258%	0.1131%	2.1900%	2.1900%
58	0.2520%	0.1309%	2.1900%	2.1900%
59	0.2783%	0.1488%	2.5600%	2.5600%
60+	0.0000%	0.0000%	0.0000%	0.0000%

General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Summary of Actuarial Assumptions for the New Plan

Pay Increases Due to Merit and Seniority

We reviewed the merit and seniority pay increases during the five-year period from June 30, 2019 to June 30, 2024 for the members eligible for the New Plan. Note, historical data only includes members still active as of June 30, 2024. For each year, we excluded individual pay increases that were more than 30% and also excluded individual pay increases that were less than -30%. Some occurrences of a negative salary increase are reasonable and expected in a plan that covers part-time employees. While this was a relatively small number of records, the experience distorted the experience of the overall group.

In order to study the merit and seniority portion of the salary increase assumption, it is necessary to separate out the portion attributable to wage inflation. Based on our review of salary experience for the New Plan members for the period July 1, 2019 through June 30, 2024, we observed that members with longer service averaged approximately a 4.0% annual increase for this period. However, we note average salary for this group of members varied, from 2.8% in 2020 to 5.8% in 2024. For our analysis of the merit and seniority portion of total salary increase, we assumed that the salary increase amount in excess of the total salary increase for the longer-service members (i.e., those with 20 or more years of service) was attributable to wage inflation only. This assumes that once members reach a certain length of service, merit and seniority increases are much less common.

Findings

- The assumed wage inflation was 3.00% during the study period. During the five years of the study, we estimate the average actual wage inflation component of pay increases was around 4.0% for members of GERP eligible for the New Plan (based on the average increase for members with 20 or more years of service, as described above). This estimated actual wage inflation of 4.0% was subtracted from the actual pay increases to obtain the estimated merit/seniority portion of the pay increases. It should be noted that the results of the analysis are very sensitive to the estimated wage inflation component.
- Gross actual salary increases averaged 5.92% over the five-year period, ranging from 4.64% in 2020 to 7.64% in 2024. After adjusting for the 4.00% average wage inflation for this period, the average net salary increases (i.e., merit and seniority) averaged 1.92, ranging from 0.64% to 3.64%.

Fiscal Year Ending	Count	Gross		Net*	
		Expected**	Actual	Expected*	Actual
2020	1,461	4.63%	4.64%	1.63%	0.64%
2021	1,577	4.70%	5.34%	1.70%	1.34%
2022	1,634	4.53%	5.24%	1.53%	1.24%
2023	1,702	4.50%	6.33%	1.50%	2.33%
2024	1,843	4.62%	7.64%	1.62%	3.64%
Total	8,217	4.59%	5.92%	1.59%	1.92%

* Net Expected increases are equal to Gross Expected increases minus the current assumed wage inflation assumption of 3.00%. Net Actual increases are equal to Gross Actual increases minus the estimated actual wage inflation for the period of 4.00%.

** Based on the GERP salary increase assumption for the July 2024 valuation.



General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Summary of Actuarial Assumptions for the New Plan

Pay Increases Due to Merit and Seniority

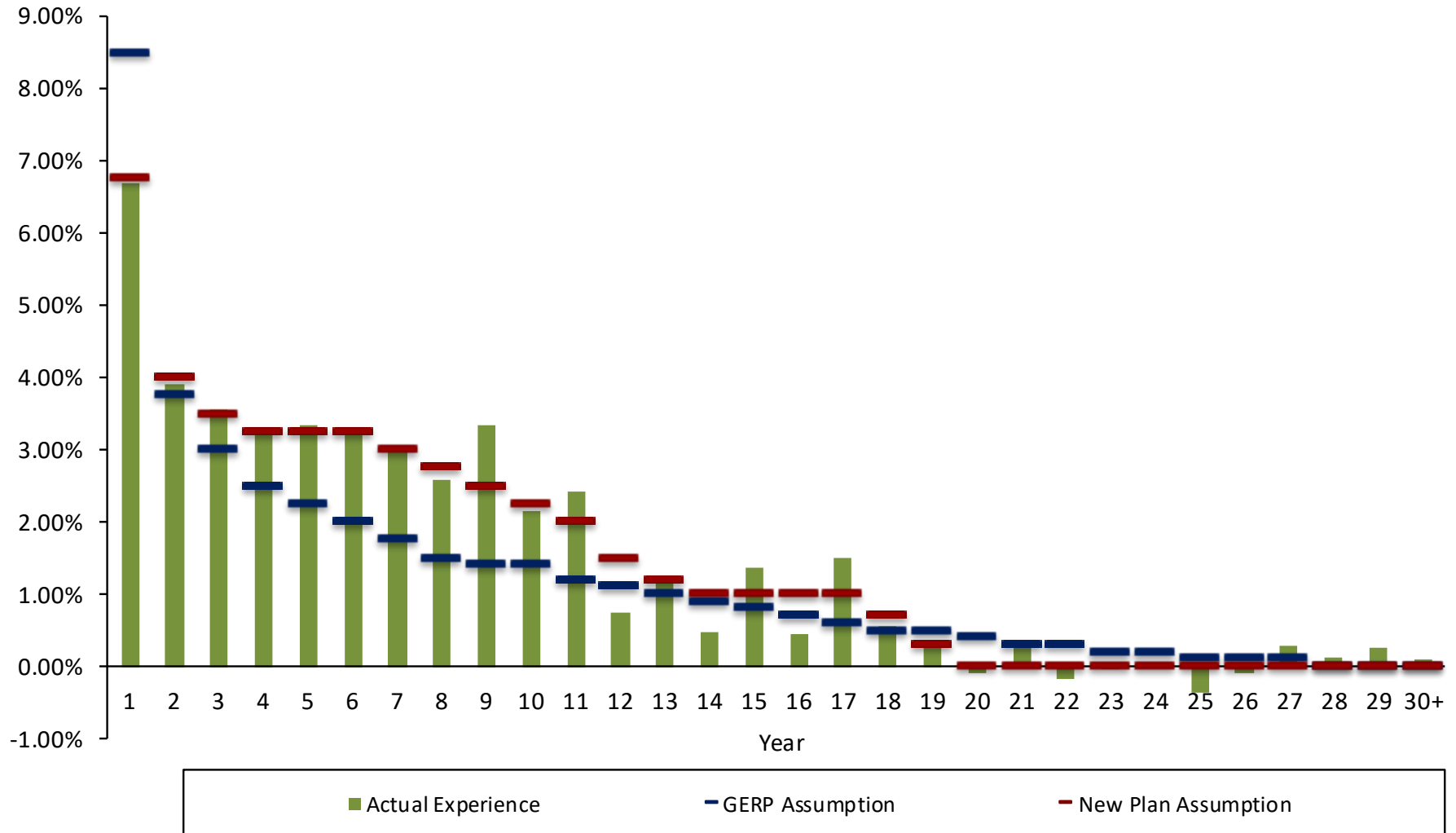
Using the techniques described on the previous page, observed merit and seniority pay increases were lower than expected (based on the GERP merit and seniority increase assumption) during the first three years and higher than expected in the last two years.

Findings and Rates Used

Below is a summary of our findings and the rates used for this study. Note that these rates were applied based on total service (GERP service prior to July 1, 2024 and New Plan service after July 1, 2024).

Year	Exposures	Total Salary % Increase			Merit & Seniority % Increase		
		Actual	GERP	New Plan	Actual	GERP	New Plan
1	366	10.70%	11.50%	9.75%	6.70%	8.50%	6.75%
2	423	7.90%	6.75%	7.00%	3.90%	3.75%	4.00%
3	453	7.55%	6.00%	6.50%	3.55%	3.00%	3.50%
4	492	7.24%	5.50%	6.25%	3.24%	2.50%	3.25%
5	462	7.33%	5.25%	6.25%	3.33%	2.25%	3.25%
6	454	7.23%	5.00%	6.25%	3.23%	2.00%	3.25%
7	400	6.98%	4.75%	6.00%	2.98%	1.75%	3.00%
8	335	6.58%	4.50%	5.75%	2.58%	1.50%	2.75%
9	265	7.34%	4.40%	5.50%	3.34%	1.40%	2.50%
10	210	6.14%	4.40%	5.25%	2.14%	1.40%	2.25%
11	186	6.43%	4.20%	5.00%	2.43%	1.20%	2.00%
12	193	4.75%	4.10%	4.50%	0.75%	1.10%	1.50%
13	214	5.18%	4.00%	4.20%	1.18%	1.00%	1.20%
14	251	4.48%	3.90%	4.00%	0.48%	0.90%	1.00%
15	271	5.37%	3.80%	4.00%	1.37%	0.80%	1.00%
16	251	4.44%	3.70%	4.00%	0.44%	0.70%	1.00%
17	238	5.51%	3.60%	4.00%	1.51%	0.60%	1.00%
18	223	4.55%	3.50%	3.70%	0.55%	0.50%	0.70%
19	220	4.29%	3.50%	3.30%	0.29%	0.50%	0.30%
20	214	3.90%	3.40%	3.00%	-0.10%	0.40%	0.00%
21	226	4.26%	3.30%	3.00%	0.26%	0.30%	0.00%
22	228	3.82%	3.30%	3.00%	-0.18%	0.30%	0.00%
23	214	3.97%	3.20%	3.00%	-0.03%	0.20%	0.00%
24	213	4.03%	3.20%	3.00%	0.03%	0.20%	0.00%
25	199	3.63%	3.10%	3.00%	-0.37%	0.10%	0.00%
26	193	3.91%	3.10%	3.00%	-0.09%	0.10%	0.00%
27	168	4.28%	3.10%	3.00%	0.28%	0.10%	0.00%
28	153	4.13%	3.00%	3.00%	0.13%	0.00%	0.00%
29	120	4.25%	3.00%	3.00%	0.25%	0.00%	0.00%
30+	382	4.10%	3.00%	3.00%	0.10%	0.00%	0.00%
Total	8,217	5.92%	4.59%	4.91%	1.92%	1.59%	1.91%

General Employees Retirement Plan of Minnesota
Calculation as of June 30, 2024
Summary of Actuarial Assumptions for the New Plan



General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Impact to New Plan

Actuarial Statement

The financial effect of the proposal is shown below:

	New Plan with GERP Benefits and Assumptions (No Changes)		New Plan with Disability Benefits & Incidence Similar to GERP		New Plan with Disability Benefits & Incidence Similar to PEPFP	
A. Projected annual earnings	\$	191,516,000	\$	192,149,000	\$	192,149,000
B. Total normal cost						
1. Dollar amount	\$	20,990,000	\$	36,662,000	\$	46,481,000
2. Percent of payroll		10.96%		19.08%		24.19%
C. Normal cost of General Employees Retirement Plan, percent of payroll*		<u>8.57%</u>		<u>8.57%</u>		<u>8.57%</u>
D. Difference in normal cost (B. - C.)		2.39%		10.51%		15.62%
Ultimate Total Normal Cost, percent of payroll^		8.05%		14.23%		18.58%
Present Value of Future Benefits	\$	174,712,000	\$	279,193,000	\$	329,819,000

**Based on the total population of PERA GERP as of July 1, 2024; for comparison purposes only.*

^Based on members eligible for the new plan hired between July 1, 2018 and July 1, 2023.

One reason for the increased normal cost is that initial members in the New Plan are mid-career and there are fewer future years to fund future benefits. We estimate the normal cost for the New Plan will trend to approximately 14.23% of pay (if disability benefits and assumptions are similar to GERP) or 18.58% of pay (if similar to PEPFP) as current members retire and are replaced with new employees.

General Employees Retirement Plan of Minnesota

Calculation as of June 30, 2024

Comments

Comment 1 — The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon plan provisions that are outlined in this report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author(s) of this report prior to relying on information in the report.

Comment 2 — If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the author(s) of the report prior to making such decision.

Comment 3 — The reader of this report should keep in mind that actuarial calculations are mathematical estimates based on current data and assumptions about future events (which may or may not materialize). Please note that actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is very small (less than 30 lives). As a result, the cost impact of a benefit change may fluctuate over time, as the demographics of the group changes.

Comment 4 — We have provided this analysis in the same format as that used when plan or assumption changes are considered by the Board of Trustees. For any legislative proposals, it may be necessary to follow up with a more in-depth analysis to comply with the *Standards for Actuarial Work*. We will provide the additional information upon request.

Comment 5 — We have provided this analysis based on two disability benefit provisions and utilization scenarios. The actual cost of the new plan will be directly related to actual utilization and could be more or less than the costs shown in this analysis.