

7950.0520 ACTUARIAL STANDARDS AND ASSUMPTIONS ESTABLISHED, APPLIED, AND MAINTAINED.

Subpart 1. **Enumerated.** The following actuarial standards and assumptions will be used in deriving the joint and survivor option percentage factors that will, in turn, be used to determine each member's applicable joint and survivor annuity or benefit amount. These standards and assumptions are based on generally accepted actuarial principles, Minnesota statutes, and the most recent actual PERA group mortality experience study.

A. Pension mortality tables adopted by the PERA board of trustees under Minnesota Statutes, sections 353.03, subdivision 3, paragraph (b), and 353.30, subdivision 3.

B. A merged gender mix which reflects PERA's actual experience adopted under Minnesota Statutes, sections 353.03, subdivision 3, paragraph (b), and 353.30, subdivision 3.

C. An interest assumption equal to the postretirement interest assumption for funds governed by Minnesota Statutes, chapter 353, under Minnesota Statutes, section 356.215, subdivision 8.

D. An assumed beginning of month payment date.

Subp. 2. **Application of standards and assumptions.** Using the standards and assumptions in subpart 1 and generally accepted actuarial principles, and taking into account all potential age differentials between the age of the member rounded to the nearest birthday and the age of the designated optional annuity beneficiaries rounded to the nearest birthday, PERA's actuary, appointed under Minnesota Statutes, section 353.03, subdivision 3, paragraph (b), clause (6), shall determine joint and survivor option percentage factors and compile them into a reference table. PERA shall apply these joint and survivor option percentage factors from the table in determining the monthly joint and survivor annuity or benefit amount for those members and their designated optional annuity beneficiaries who select a joint and survivor option. The effect of applying the specific factors for the option types selected by members to the normal annuity or benefit amounts that these same members would otherwise receive shall yield joint and survivor annuity or benefit amounts, the actuarial present value of which shall equal the actuarial present value of those members' normal annuity or benefit amounts.

Subp. 3. **Maintenance of tables.** PERA shall maintain as part of its permanent records a copy of the mortality table adopted under subpart 1, and the recommendations of its appointed actuary and the table of joint and survivor option percentage factors as determined and compiled by its actuary in accordance with subpart 2. These records shall be available for review by PERA members and the public at PERA's office during normal business hours and with advance notice. Two copies of the table of joint and survivor option percentage

factors shall be placed on deposit with the Legislative Reference Library, Room 645, State Office Building, Saint Paul, Minnesota 55155.

Statutory Authority: *MS s 353.03; 353.18*

History: *11 SR 2285; L 2002 c 392 art 11 s 52*

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