

**Public Employees Retirement Association of Minnesota**

60 Empire Drive, Suite 200  
 St. Paul, MN 55103-2088  
 Phone: 651-296-7460 or 1-800-652-9026  
 Website: www.mnpera.org



UPDATED: Pagel accrued interest during deferral; added \$4100 level  
 August 10, 2020

PERA ID 7016-00

Governing Body and Fire Chief  
 Princeton VFD

[steve@princetonmn.org](mailto:steve@princetonmn.org); [pfrdchief1@princetonfiremn.com](mailto:pfrdchief1@princetonfiremn.com)

We received your request for a cost analysis to estimate the cost of increasing the benefit level in the statewide volunteer firefighter retirement plan administered by PERA. Based on current information, we have developed this spreadsheet and a cost analysis for the benefit levels you requested. The results are shown below.

A. Benefit Level (per year of service):	\$ 4,000	\$ 4,100	\$ 4,200
B. Projected Present Assets 12/31/2020 [Attached]	1,916,258	1,916,258	1,916,258
C. Accrued Liability 12/31/2020 [Attached]	1,553,667	1,590,065	1,626,696
D. Surplus/ (Deficit) [B-C]	362,591	326,192	289,562
E. Funding Ratio at 12/31/2020 [B/C]	<b>123%</b>	<b>121%</b>	<b>118%</b>
F. Accrued Liability 12/31/2021 [Attached]	1,699,232	1,736,495	1,776,712
G. Financial Requirement: Increase in Liability [F -C]	145,566	146,429	150,016
H. Financial Requirement: PERA Fees [\$30/member]	1,200	1,200	1,200
I. Financial Requirement: 1/10th of Deficit/(Surplus, if 3rd yr) [D/10]	(36,259)	(32,619)	(28,956)
J. Financial Requirement: Total [G+H+I]	110,507	115,010	122,260
K. Reductions to Financial Requirement:			
Projected Fire State Aid [2020 Amount @ 1.035]	77,832	77,832	77,832
Investment Earnings [6% on Projected Present Assets]	114,975	114,975	114,975

**L. Estimated Required Contribution [J-K]**

<b>None</b>	<b>None</b>	<b>None</b>
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Please note that these are estimates only. The figures shown above on Line L are estimates of required contributions that would be due on December 31, 2021 and beyond at the given benefit levels.

The estimate calculations were based on member information that was available at the time of preparing the analysis. Please review the membership data and make any corrections to that data. If you return that to me, I will prepare an updated cost estimate for you to review.

If you have any questions, please do not hesitate to contact me by phone (651-201-2666) or by email at [sharyn.north@mnpera.org](mailto:sharyn.north@mnpera.org).

Sincerely,

Sharyn North