



MINUTES

The Board of Trustees of the Public Employees Retirement Association met in a regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, June 12, 2025, at 9:30 a.m., with notice given three days prior thereto by the Secretary.

The following members were present:

Thomas Stanley, President

Julie Blaha/Ramona Advani (Remote)
Mary Falk (Remote)
Denny Flaherty
Paul Ford
Kathy Green

Barbara Johnson
Jenni Konigsburg
David Minke
Thomas Thornberg

Constituting quorum.

Excused: Paul Bourgeois

Attorney General Representative: Frank Langan

Staff Members Present:

Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Mark Sauceman, Chief Information Officer; Tracy Gebhard, Chief Financial Officer; Amy Streng, Legislative Policy Coordinator; Heather Schoenberger, Account Information Management Manager; Jaime Voigt, Account Information Management Supervisor; Sarah Broton, Account Information Management; Andrea Murphy, Communication & Stakeholder Engagement Manager; and Gladys Rodriguez, Executive Assistant.

Others Present:

Anne Finn and Owen Wirth, League of Minnesota Cities; Merrill Bajana, Osmosis; Rodney Rowe and Peter Marincel, Education Minnesota; Kevin Benner, Retired Police Chief; Ann Lenczewski, Alex Hassel, and Kate Wagner, Lockridge Grindal Nauen (Locklaw); Holly Dayton, Minnesota Teachers Retirement Association; Wade Laszlo, Minnesota Correctional Officer Retirement Association; and Scott Anderson, Retiree.

1. Call to Order

President Stanley called the meeting to order at 9:30 a.m. The meeting was conducted both in person and remotely through interactive technology, in accordance with Minnesota Statutes Section 13D.015. A roll call was conducted to establish a quorum.

Thornberg moved to adopt the agenda. The motion was seconded by Green and passed unanimously by roll call vote.

The agenda was taken in the following order.

2. Approval of Consent Calendar

- May 8, 2025, Regular Board Meeting Minutes
- Operational Data Report

Konigsburg moved to approve the Consent Calendar as presented. The motion was seconded by Minke and passed unanimously by roll call vote.

3. 2025 Legislative Agenda Update

Reference was made to a presentation from Doug Anderson and Amy Strenge

Strenge shared that the Minnesota Legislature passed the 2025 Pension and Retirement Bill (Senate File 2884), which was signed into law by Governor Walz on May 23. The bill includes several changes to PERA plans.

- **Privatization Withdrawal Liability**– Effective July 1, 2027, privatizing entities will be assessed a withdrawal liability that covers the entity's unfunded liability.
- **General Plan Postretirement Formula Increase** – Effective January 1, 2026, the General Plan postretirement benefit formula will increase to 100% of the Consumer Price Index (CPI), with a minimum of 1.0% and a maximum of 1.75% with a provision to ensure contribution rates are not increased and the addition of a plan sustainability provision.
- **Administrative Bill** – Clarifies the membership salary threshold, Correctional Plan duty disability calculation after July 1, 2025, member's eligibility for a refund, defined contribution election timing requirements, and other technical changes.
- **Amortization Methodology**– Modifies the amortization methodology for all statewide Plans.

The stakeholder initiatives include the following:

- **P&F COLA Delay and COLA**– Reduces the additional COLA delay for the Police & Fire Plan to one year. In 2026, members who have received monthly benefits for at least twelve months as of December 31, 2025, will receive a 3% COLA. The plan will also receive \$17.7 million in direct state aid annually through July 1, 2048.
- **Probation Officer and 911 Telecommunicator New Plan Work Group**– Establishes a working group to explore the creation of a new retirement plan for public safety adjacent positions, including probation officers and 911 telecommunicators. The group is required to submit its recommendations by January 2026.
- **P&F Psychological Treatment Requirement** – Allows P&F members who are able to continue part-time or full-time employment regardless of a psychological condition resulting from their occupational duties to be eligible for treatment. Also clarifies the responsibilities and requirements for both employers and members.

Additional PERA related provisions:

- **Correction of Errors-** Clarifies that the error correction statute (356.636) may be applied when an error is made by the Plan. This provision applies to all statewide plans.
- **State Aid-** Extends direct state aid to the PERA Police & Fire Plan until the plan reaches 110% funding for three consecutive years. This provision applies to all statewide direct aids intended to fully fund retirement plans.
- **SVF-** Various technical changes to SVF.

Strengre also highlighted changes related to MSRS and TRA provisions:

- **TRA Modified 60 and 30 Career Rule-** Lowers the eligibility age for the enhanced early retirement reduction from 62 to 60 (with 30 years of service) and reduces the reduction percentage from 6% to 5%, with additional decreases due to augmentation.
- **TRA COLA Delay -** Deletes all exceptions to the COLA delay, so upon retirement before age 65, teachers will wait until normal retirement age 65 to receive their first COLA.
- **MSRS General COLA and Multiplier -** Effective January 1, 2026, MSRS General's COLA is 1.75%. For service after July 1, 2025, the multiplier will be 1.9%.
- **MSRS State Patrol-** Effective January 1, 2026, the COLA for the State Patrol is 1.25%. The State Patrol receives a direct state aid of \$2.3 million annually.

The Board commended the staff for their professionalism and hard work throughout the legislative session. They acknowledged the significant effort and commitment needed to navigate the complex process and praised the staff's valuable contributions in achieving a successful outcome.

4. Industry Administrative Cost Benchmark Data

Reference was made to a memo and presentation from Doug Anderson and Don Haller

As requested by the Board at the May meeting, Anderson presented benchmark data from peer retirement systems regarding administrative costs per member. This figure was calculated by dividing the total annual administrative expenses by the membership count, which includes only active and retired members, excluding deferred vested members.

The *Administrative Cost and Membership* graph illustrated trends in annual administrative costs and membership from 2013 to 2023. During this period, administrative costs increased at a compounded annual growth rate of 4.0%, while membership grew at a rate of 2.2%. The graph also included a comparison to the 2013 administrative cost adjusted for inflation, which rose at an annualized rate of 2.7%. This comparison highlighted that actual administrative costs have increased faster than inflation over the past decade.

The *Minnesota Retirement Systems Cost Per Member* graph provided a 10-year overview of cost-per-member trends for the Minnesota State Retirement System (MSRS) and the Teachers Retirement Association (TRA). The data for 2023 showed the following:

System	Administrative Costs	Membership (Active + Retirees)	Cost per Member
PERA (General and P&F)	\$15.7M	297,577	\$53
MSRS (General)	\$10.7M	100,512	\$106
TRA	\$16.5M	155,327	\$106

The *National Systems Cost Per Member* graph for 2023 showed how PERA compares to 61 similarly sized retirement systems across the U.S., all with over 100,000 members. PERA's cost per member was \$53— significantly lower than the \$106 per member reported by both MSRS and TRA.

Anderson emphasized that PERA members are receiving excellent value, highlighting that the organization's efficient management and commitment to quality provide comprehensive support and services at a low cost.

PERA plans to include cost-per-member and headcount data in conjunction with the budget document next year.

5. Communications Update

Reference was made to a presentation from Communications Director Andrea Murphy

Another follow-up item from the May meeting was a request for an update on strategic changes to the newsletter distribution format.

Murphy provided an overview of the rationale behind the strategic change in how PERA's newsletters are distributed. Currently, the Employer newsletter is delivered digitally four times a year to participating entities, with a printed version sent annually to non-participating entities.

Historically, the Member newsletter has been distributed twice a year in either digital or printed format. Beginning in 2025, the frequency will increase to three editions annually: Spring (digital), Summer (digital), and Fall/Winter (both digital and printed).

This strategic change was driven by several factors, including member preferences, national trends, best practices from other public pension plans, and the potential for cost savings.

Murphy also noted that PERA has implemented GovDelivery to improve email engagement. In the first year of use, the number of subscribers grew significantly—from 100,000 to over 250,000. She shared benchmark data indicating engagement levels and strong performance, with a 65% engagement rate, a 55% open rate, and an 8% click-through rate.

She also introduced PERA's newly redesigned website, which features improved navigation and search functionality to enhance and simplify the user experience. The updated site addresses previously missing content and tools, while expanding opportunities for communication and user feedback.

Key features of the updated site include built-in HTML language translation, a dedicated Employer section, contact forms, an event calendar, and newly added pages and content to better serve users' needs.

Murphy highlighted several upcoming initiatives, including updates to forms and publications, improved content aligned with PERA's new writing style guide and federal plain language standards, and a digital accessibility audit. She also emphasized the value of member and employer feedback and noted planned website enhancements, such as interactive calculators and expanded contact forms.

The Board expressed its appreciation for the staff's efforts to improve the website and better serve the needs of PERA members.

6. Attorney General Litigation Update

Green made a motion to close the meeting as permitted by Minnesota Statutes, section 13D.05, subdivision 3(a). The motion was seconded by Konigsburg and passed unanimously by roll call vote.

Assistant Attorney General Langan provided an update related to the Minnesota Duty Disabled Association v. PERA, Court File No. 62-cv-23-5420.

[Blaha left the meeting]

Johnson made a motion to open the meeting. The motion was seconded by Konigsburg and passed unanimously by roll call vote.


7. Date of Next Meeting

The next meeting will be held Thursday, August 14, starting at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building.

8. Adjournment

There being no further business to come before the PERA Board, Thornberg made a motion to adjourn the meeting. The motion was seconded by Green and passed unanimously by roll call vote.

Meeting adjourned at 10:57 a.m.


Doug Anderson, Executive Director



Date: August 14, 2025
To: PERA Board of Trustees
From: Don Haller, Heather Schoenberger, Tim Knippenberg, Sarah Fischer, Afiya Krueger, Stacey Salvinski, and Andrea Murphy
Subject: Operational Data Report

This memo includes PERA statistical data for the following areas:

- Active membership data for PERA’s plans
- Recipient data for retirement, survivor and disability benefits
- Application data for retirement, survivor, and disability benefits
- Refund payments processed
- Education initiatives for members and employers

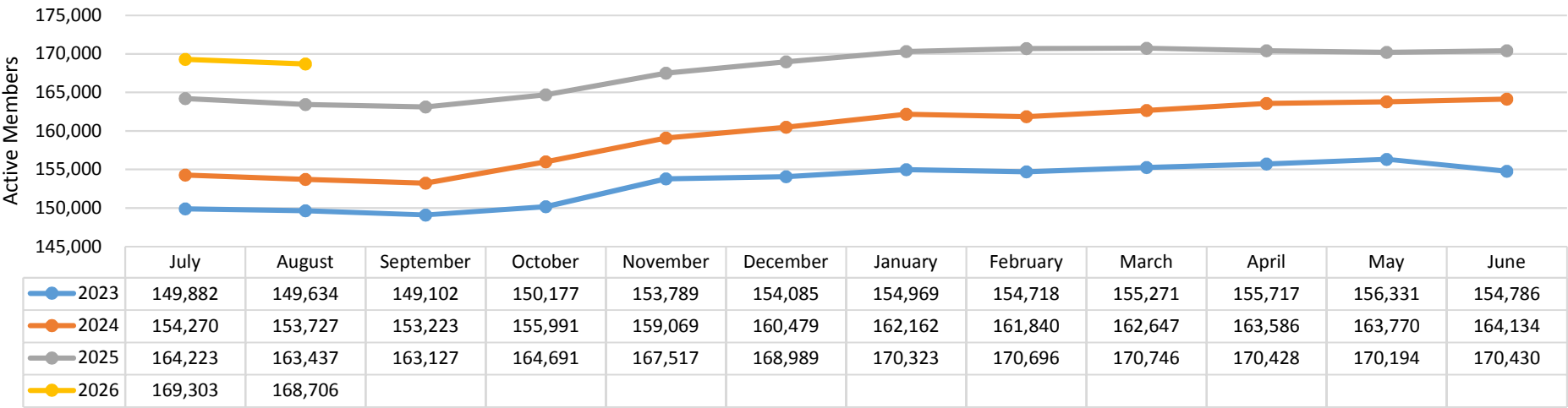
Active Membership Data (monthly)

This section provides membership data for each plan as of the first of the month, based on active status.

Coordinated

From July 2025 to August 2025, membership decreased by 0.4% (597 members), matching prior year trends.

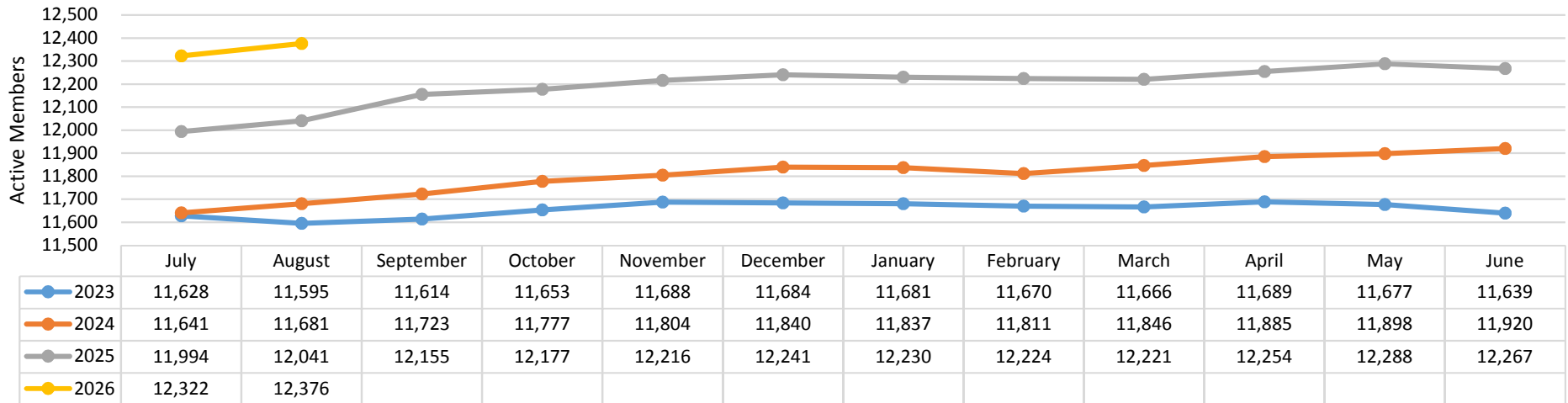
Coordinated Plan



Police & Fire

From July 2025 to August 2025, membership increased by 0.4% (54 members).

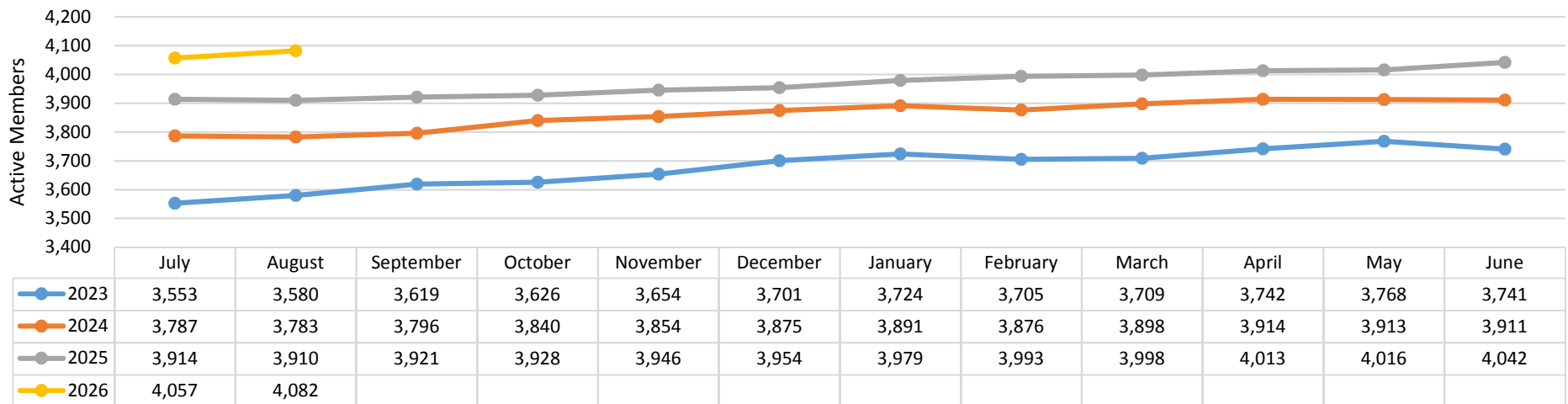
Police & Fire Plan



Correctional

From July 2025 to August 2025, membership increased by 0.6% (25 members).

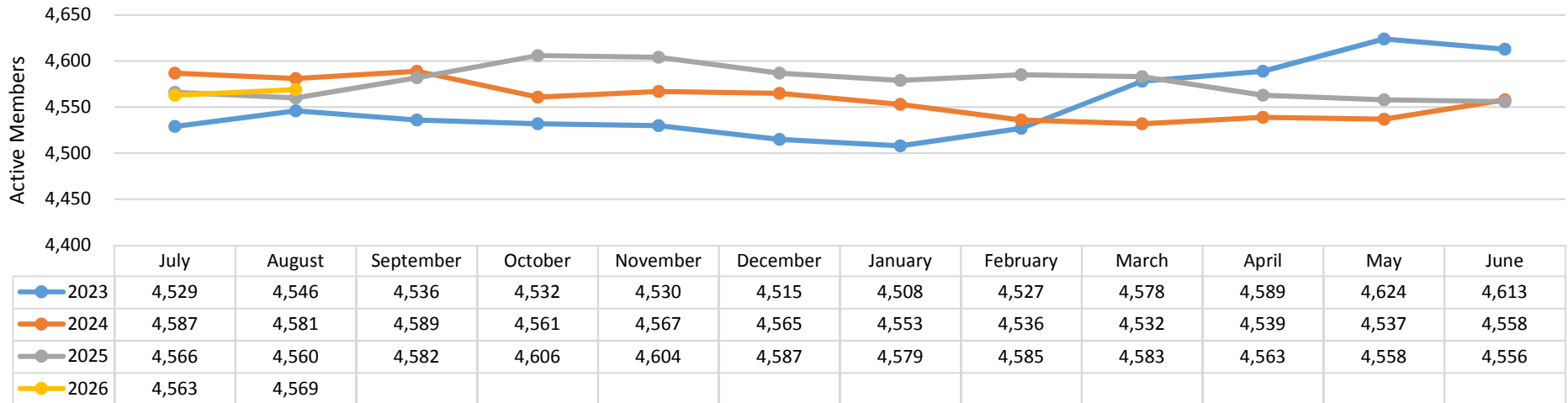
Correctional Plan



Defined Contribution Plan

From July 2025 to August 2025, membership minimally changed (6 members).

Defined Contribution Plan



Summary

Membership counts are summarized below as of the first of the month for July and August 2025.

Active Membership Counts – Defined Benefit Plans

	July 2025	August 2025
Coordinated Plan	169,303	168,706
Police & Fire Plan	12,322	12,376
Correctional Plan	4,057	4,082
Privatization	1,761	1,650
MERF	1	1
Basic Plan	0	0
Exempt Plan	4,770	4,730
SVF DBP - Monthly Benefits	38	38
SVF DBP - Lump Sum Benefits	5,891	5,886
Total	198,143	197,469

Active Membership Counts – Defined Contribution Plan

DCP	4563	4569
SVF DCP - Lump Sum Benefits	119	121
Total	4,682	4,690

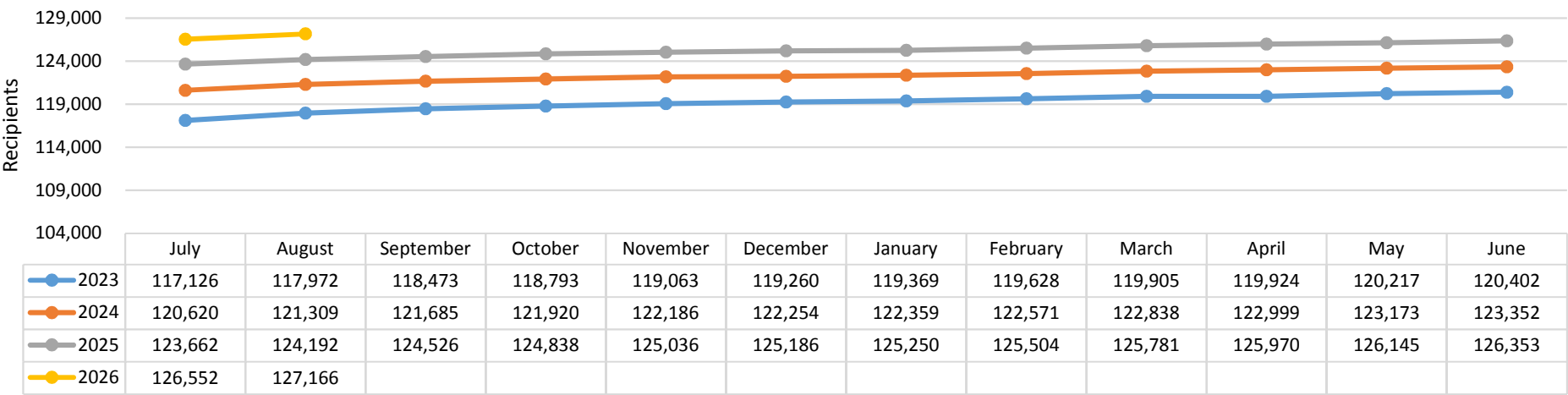
Benefit Recipients (monthly)

This section provides benefit recipient data for each benefit type, as of the first of the month.

Retirement

Recipients increased by 0.5% (614 members) from July 2025 to August 2025.

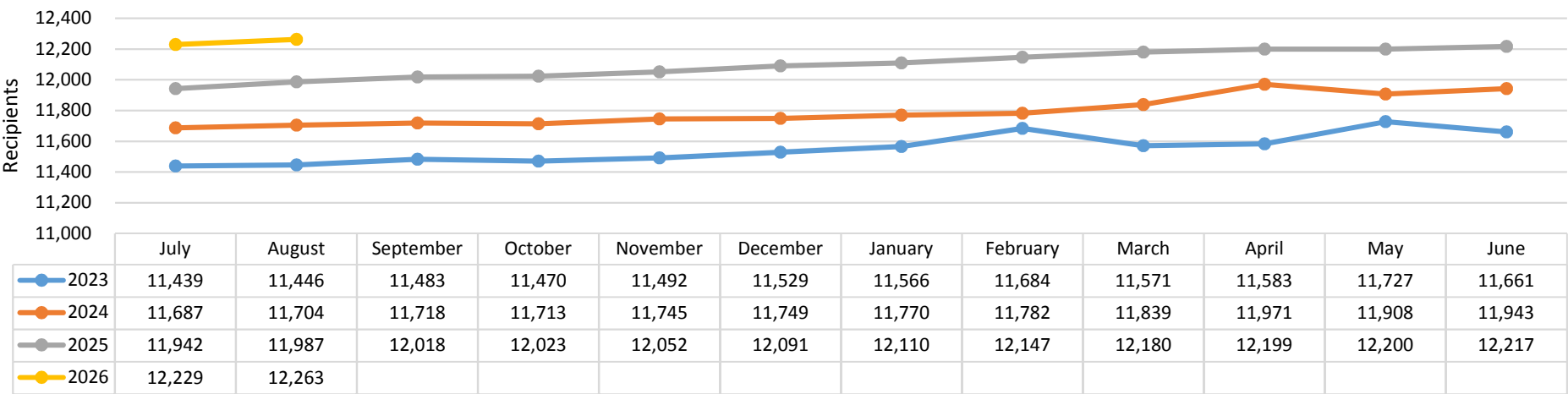
Retirement Recipients



Survivor

Recipients increased by 0.3% (34 members) from July 2025 to August 2025.

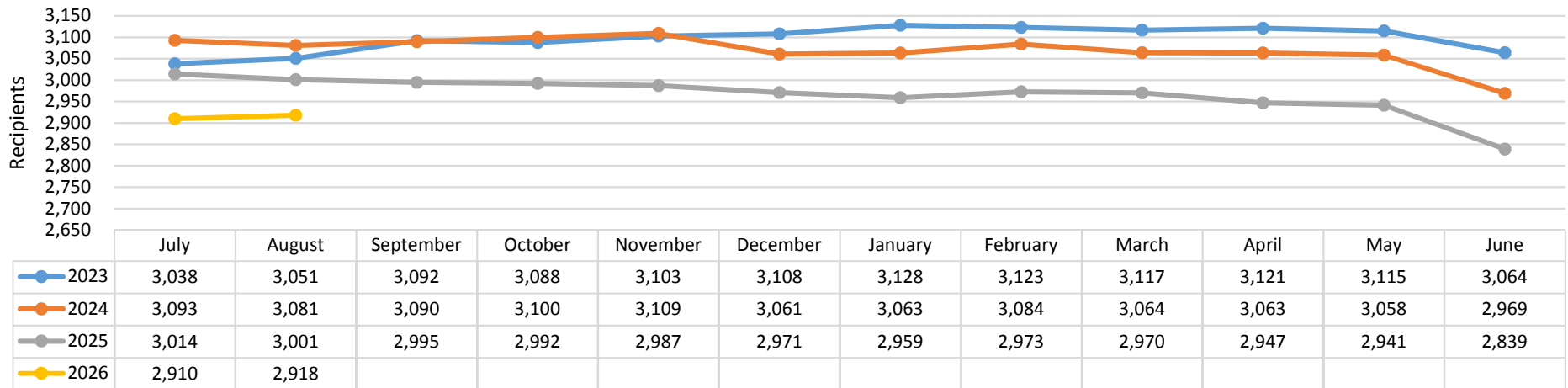
Survivor Recipients



Disability

From July 2025 to August 2025, recipients minimally changed (8 members).

Disability Recipients



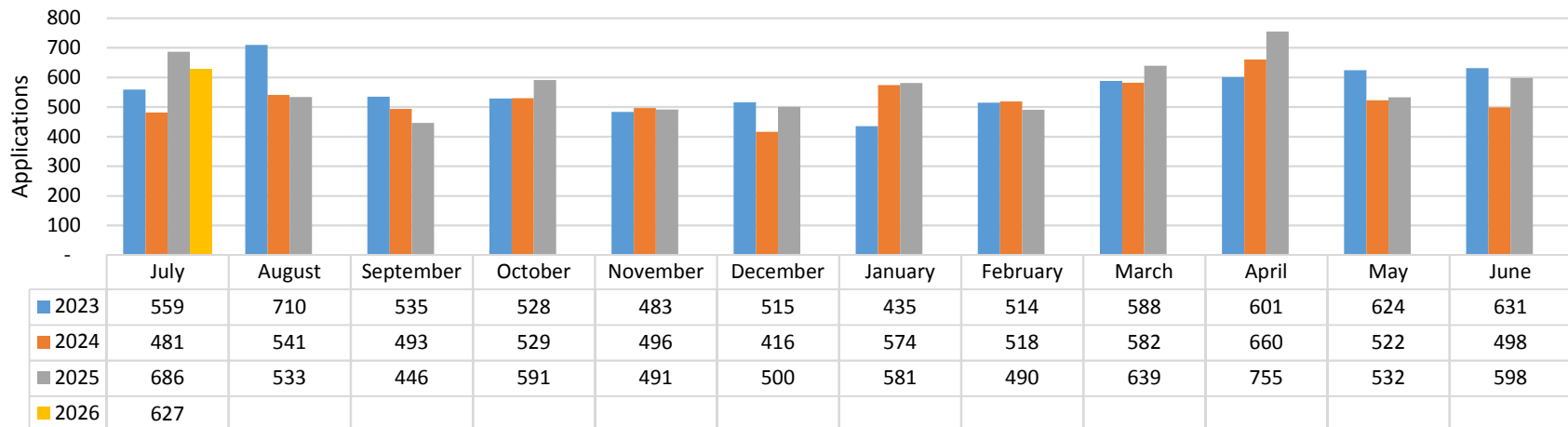
Benefit Applications Received (monthly)

This section provides the monthly benefit application data for each benefit type.

Retirement

For fiscal year 2025, applications averaged 570 per month.

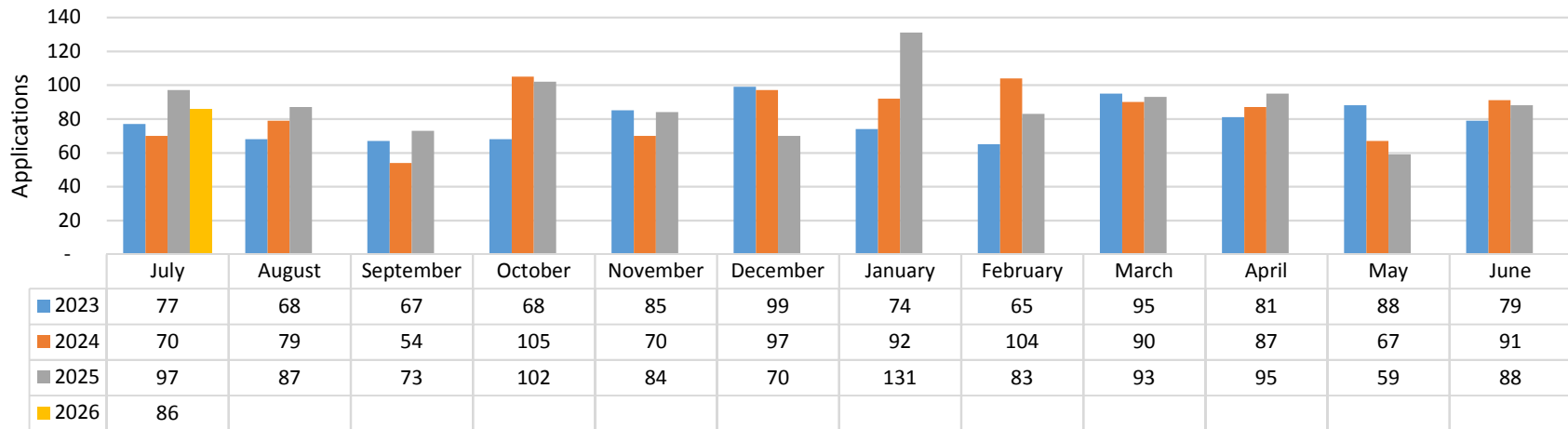
Retirement Applications



Survivor

For fiscal year 2025, applications averaged 89 per month.

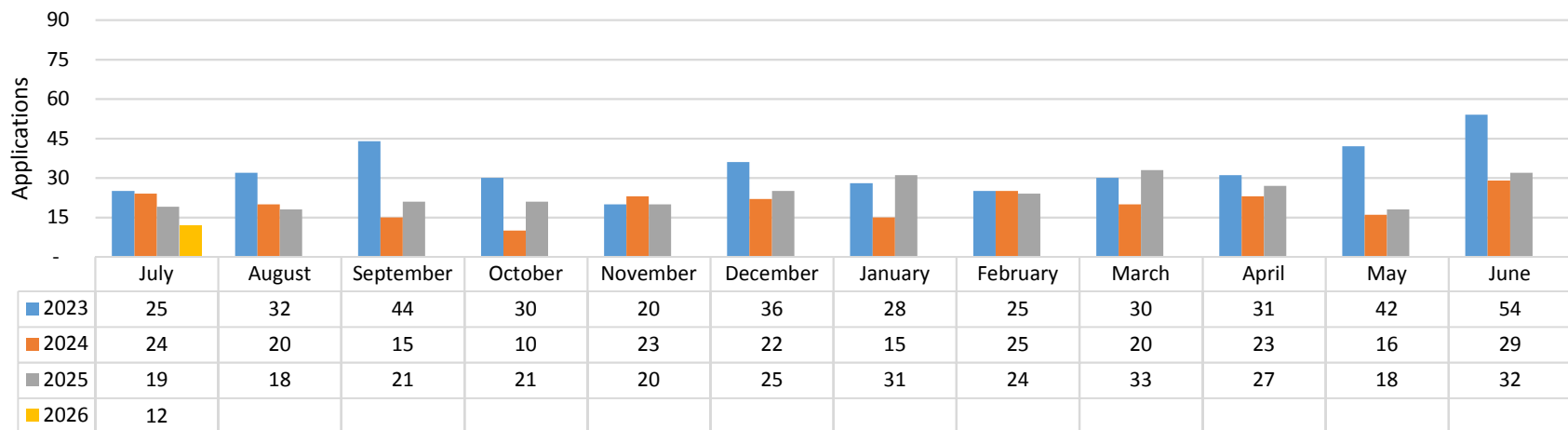
Survivor Applications



Disability

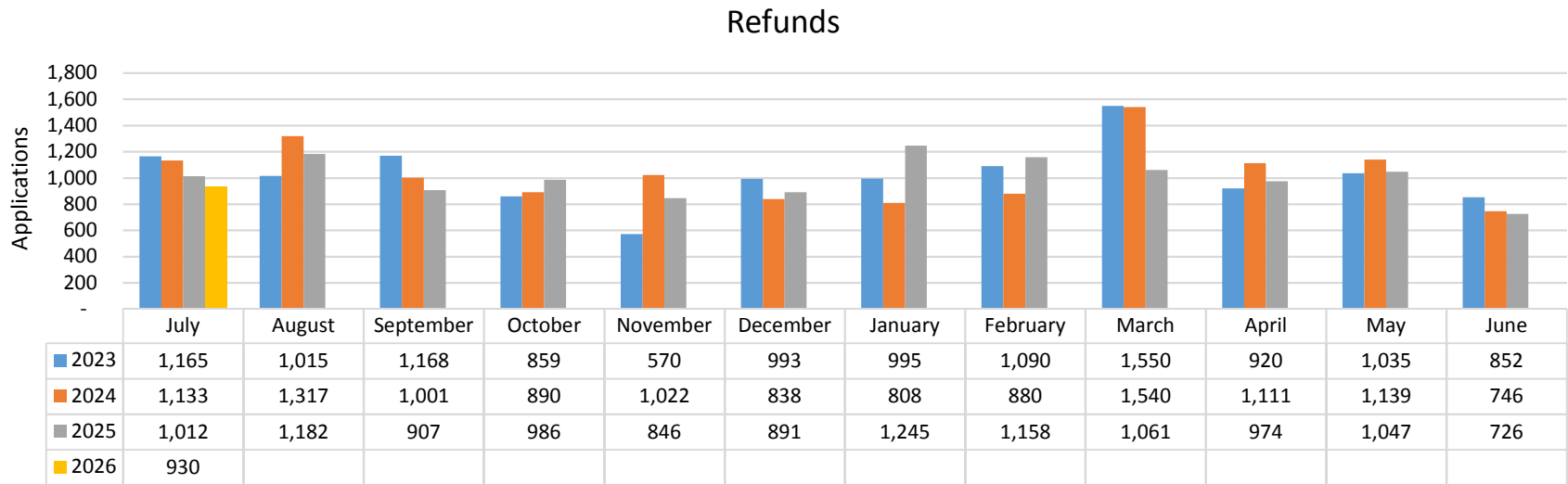
For fiscal year 2025, applications averaged 24 per month.

Disability Applications



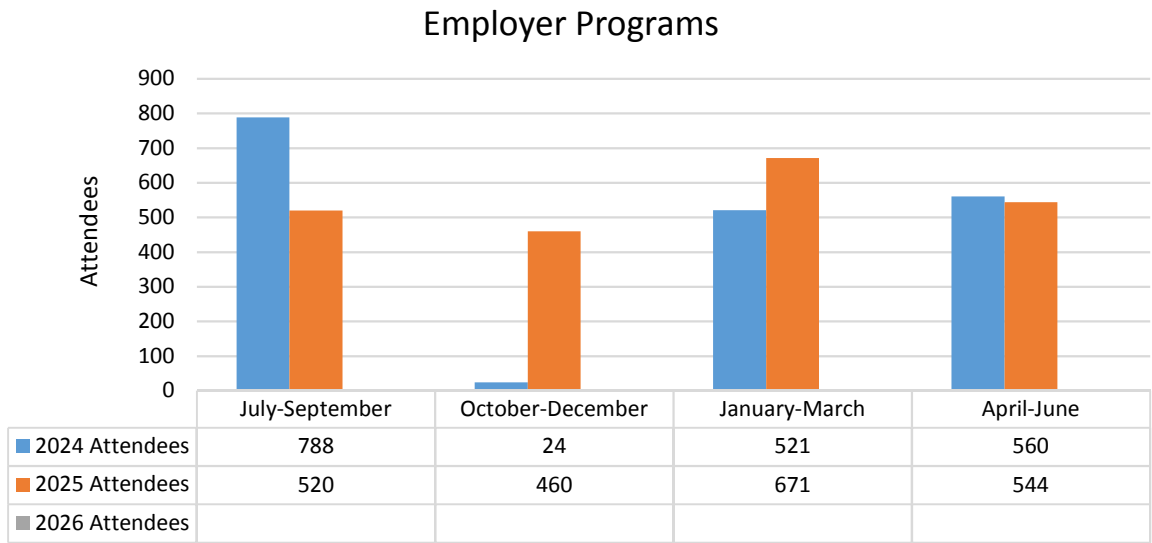
Refunds Payments (monthly)

For fiscal year 2025, applications averaged 1,003 per month.



Employer Education (quarterly)

In June, we presented a refresher training on leave reporting to 434 employers. Our next program will be a live Q&A session in August about PERA eligibility with unique school positions.

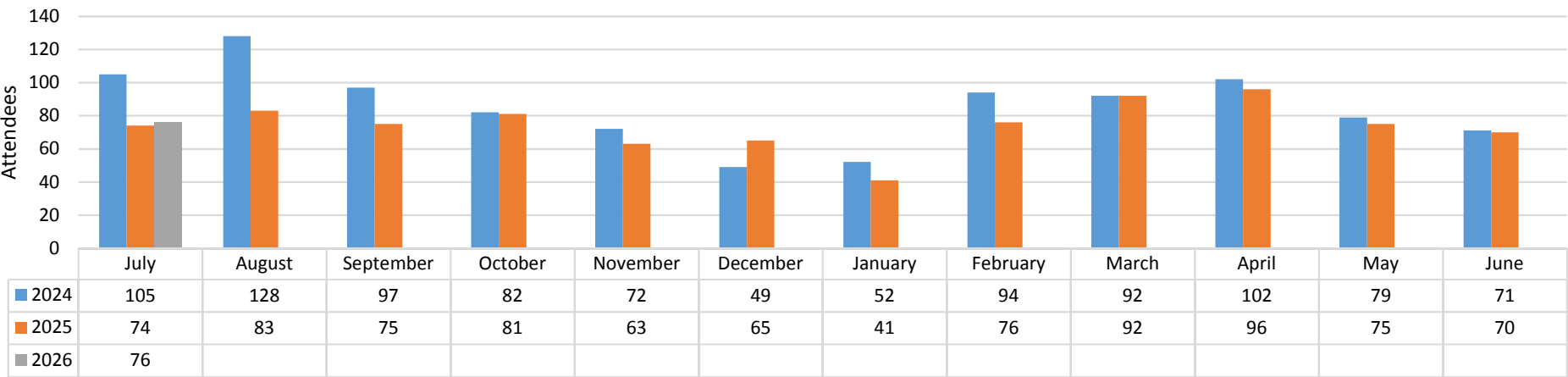


Member Education(per month)

Individual Counseling

Individual sessions averaged about 75 per month during fiscal year 2025. We offer in-person and phone options for individual meetings.

Member Individual Counseling



Group Programs

From May to September 2025, PERA representative will be traveling across Minnesota to 15 different cities. Two programs will be offered at each location.

Member Programs

