



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, March 12, 2026, 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)
Denny Flaherty
Paul Ford

Barbara Johnson
Jenni Konigsburg
Thomas Thornberg

Constituting quorum.

Excused: Paul Bourgeois, David Minke

Attorney General Representative: Frank Langan

Staff members present: Doug Anderson, Executive Director; Amy Strenge, Legislative Policy Coordinator; Don Haller, Chief Operations Officer; Mark Sauceman, Chief Information Officer; Tracy Gebhard, Chief Financial Officer; Joshua Harrison, Legal Counsel; Lance LaFrombois, Deputy General Counsel; Heather Schoenberger, Account Information Management Manager; Jaime Voigt, Account Information Management Employer Services; Afiya Krueger, Benefit Services Claims Director; Jody Kortus, Benefit Services Claims Representative; Patty Heminover, Human Resources Director; Susanne Franklin, Accounting Director; Gladys Rodriguez, Executive Assistant.

Others present: Jennifer Hall, Appellant; Jordan Bjonfald, Office of the Legislative Auditor; Harry Grigsby, State AFL/CIO Retiree Council; Peter Marincel, Education Minnesota; Ryan Fiereck, Education Minnesota; Owen Wirth, League of MN Cities; Aleena Wilson, Legislative Commission on Pensions and Retirement; Mike LeDoux, Law Enforcement Labor Services; Ann Lenczewski, Lockridge Grindal Nauen, PLLP; Justin McCoy, Maple Plain Fire Relief Association; Wade Laszlo, Minnesota Correctional Officer Retirement Association; Kate Wagner, MN Fire Association Coalition; Carrie Preusse, PERA Member; Kevin Benner, Retired Police Chief.

1. Call to Order

President Stanley called the meeting to order at 9:30 a.m. The meeting was held in person and remotely via interactive technology as permitted in Minnesota Statutes Section 13D.015. Roll call was taken to establish quorum.

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

The agenda was taken in the following order.

2. Approval of Consent Calendar

- February 12, 2026, Regular Board Meeting Minutes
- Operational Data Report

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

3. Appeal for Relief from Overpayment Recovery Rate for Jennifer Hall

Reference was made to a memo from Deputy General Counsel Lance L. LaFrombois, exhibits and correspondence submitted by appellant Jennifer Hall.

Ms. Hall appeared before the Board to request a reduction in the recovery rate of her benefit overpayment from 25 percent to 10 percent of her monthly benefit. She stated that the 25 percent recovery resulted in a monthly shortfall of approximately \$1,434 and described steps she had taken to reduce her housing costs and expenses. Ms. Hall noted that PERA policy allows for reduced recovery rates in cases of financial hardship but does not define hardship criteria, and she stated that she was not informed of her ability to request hardship consideration at the time she was notified of the overpayment. Ms. Hall requested that the Board overturn the denial of her appeal and approve a reduced recovery rate of 10 percent.

Deputy General Counsel LaFrombois noted that Minnesota Statutes § 353.27, subd. 7b(f) requires the Board to adopt policies governing the timing and method of overpayment recovery, which under Section 1.6 of PERA's Administrative Manual generally provides for recovery by reducing monthly benefits to no less than 75 percent, with financial hardship provisions allowing extended recovery over a recipient's remaining life expectancy.

LaFrombois summarized Ms. Hall's disability benefit history, including her January 26, 2024, application for Police and Fire Plan duty disability benefits, which was approved effective November 6, 2023, and notice requirements regarding employment and earnings. He explained that legislative changes enacted in 2023 revised disability benefit offsets for members with benefit effective dates on or after July 1, 2023, which applied to Ms. Hall beginning in the calendar year following her application. A May 2024 review of her benefits did not include the revised offsets.

He stated that after Ms. Hall reported more than \$22,000 in 2024 earnings on her Annual Earnings Form submitted in April 2025, PERA notified her that her benefits could be affected by the new offset law and required her to reapply for disability benefits. PERA staff subsequently applied the offset provisions, determined an overpayment had occurred, and implemented a 25 percent benefit reduction consistent with the Administrative Manual. Ms. Hall was notified of the impact of the offsets on June 19, 2025.

LaFrombois further noted that Ms. Hall requested a reduced recovery rate based on financial hardship. He explained that while Section 1.6 of the Administrative Manual allows for hardship applications, neither the Manual nor PERA's practices define hardship criteria, and the provisions were adopted many years ago. He stated that the Executive Director affirmed staff's application of the law, noting that evaluating individual financial hardship requests falls outside PERA's core functions and that approving reduced recovery rates could be viewed as providing an interest-free loan not available to other members.

Staff requested that the Board deny the petitioner's appeal for modified overpayment recovery and to direct counsel to prepare an order reflecting the Board's decision for the Board President's signature.

The Board discussed the issues raised and expressed concern about setting a precedent for future cases and emphasized the need for improved staff communication with members regarding offsets and overpayments. The Board also discussed the need to revise the Administrative Manual to establish clearer expectations, guidelines, and defined criteria for financial hardship exceptions.

Following discussion, Blaha moved to approve the petitioner's appeal for modified overpayment recovery from 25 percent to 10 percent of her monthly benefit, effective immediately. The motion was seconded by Konigsburg and passed by roll call vote on a 5-2 vote, with Ford and Konigsburg voting no.

Konigsburg moved to direct staff to review the Administrative Manual provisions related to overpayment recovery, establishing clear financial hardship criteria and improved communication to members regarding applicable policies and available options. The motion was seconded by Blaha and passed unanimously by roll call vote.

Konigsburg made a motion directing counsel to draft an order reflecting the Board's decision for the Board President's signature. The motion was seconded by Johnson and approved unanimously by roll call vote.

[Ford briefly excused himself from the meeting]

4. Presentation of the Annual Comprehensive Financial Report and Popular Annual Financial Report

Reference was made to the Annual Comprehensive Financial Report and Popular Annual Financial Report

Gebhard presented the 2025 Annual Comprehensive Financial Report and noted that PERA received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA), an Award for Outstanding Achievement in Popular Financial Reporting, and the 2025 Public Pension Recognition Award for Administration from the Public Pension Coordinating Council. She expressed appreciation to the Finance and Communications Divisions for their contributions to the report.

She reported that PERA's financial condition improved during fiscal year 2025, with fiduciary net position increasing by more than \$3.7 billion, or 8.5 percent, to \$47.3 billion as of June 30, 2025, primarily due to a 10.9 percent investment return.

She also noted that the Board supported legislation during fiscal year 2025 to increase post-retirement annual benefit increases for the General Employees and Police & Fire Plans, effective in 2026. The legislation enhanced the General Employees Plan annual increase formula and provided increased benefits and a reduced waiting period for Police & Fire Plan members.

The Board expressed its gratitude and appreciation to Gebhard and her team for their work.

5. Presentation by Jordan Bjonfald, Office of the Legislative Auditor

Reference was made to a report and presentation from the Office of the Legislative Auditor

Bjonfald presented the audit findings and reported that PERA complies with generally accepted accounting principles. The Office of the Legislative Auditor (OLA) conducted the audit to express an opinion on whether PERA's financial statements, including note disclosures, were fairly presented in all material respects in accordance with generally accepted accounting principles for fiscal year 2025.

The audit focused on the basic financial statements, including the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, and the Notes to the Financial Statements, as well as supporting schedules for investment expenses, payments to consultants, cash equivalents, and administrative expenses.

The auditors reported that they issued an unqualified opinion on PERA's financial statements for the fiscal year ending June 30, 2025, concluding that the statements were fairly presented in accordance with generally accepted accounting principles. The auditors also issued a report on internal control over financial reporting and compliance, which identified one internal control finding. No material audit adjustments were proposed, and one uncorrected misstatement was identified that did not affect the audit opinion.

The auditors reported that PERA did not have adequate internal controls to ensure accurate reporting of cash flow in its financial statements and recommended strengthening internal controls and resolving the cash balance variance between PERA's accounting system and the state's accounting system. Bjonfald stated that his staff received full cooperation from PERA management and noted that PERA staff had already identified the issue and proactively addressed it with the OLA.

Konigsburg inquired about staff training and the steps being taken to resolve the audit finding. She also requested to receive ongoing updates until the issue is resolved.

Gebhard explained that the issue primarily resulted from significant employee turnover, with several new staff members assuming responsibilities while still becoming familiar with established processes and procedures. During this transition, existing controls were not consistently effective in identifying the issue in a timely manner. She also noted that PERA has implemented additional staff training, enhanced supervisory review, and updated written procedures to improve consistency and compliance going forward, strengthen internal controls during periods of staff transition, and reduce the risk of recurrence.

6. Human Resource Position Addition Request

Reference was made to a memo from Doug Anderson dated March 12, 2026

Anderson reported that since approval of the FY26 Operating Budget in May 2025, demand for human resources services has increased, needing an additional HR position. PERA has 159 Board-approved positions, including three HR positions, and is operating with approximately 20 percent of positions vacant, which has slowed hiring and progress on key initiatives. Much of the increased workload is attributable to implementation of the Minnesota Paid Leave (MPL) program, which adds new HR responsibilities, including designation of a Paid Leave Administrator. Staff recommended adding one HR position to support MPL administration and improve operational capacity.

The estimated compensation range is \$54,000 to \$80,000, and the position can be added in FY26 without increasing the approved payroll budget.

Konigsburg stated that while she understood the need for the position, she preferred that personnel additions be addressed through the regular budget process in May. She also requested a report showing current staffing levels by division and existing vacancies.

Konigsburg moved that the PERA Board of Trustees approve one human resource position effective immediately. The motion was seconded by Flaherty and passed unanimously by roll call vote.

7. Executive Director Search Update

Stanley provided an update on the Request for Proposal (RFP) for the Executive Director search firm. The RFP process is underway, with proposals first reviewed by state and HR staff for compliance with requirements. The subcommittee will then receive the proposals to review, score, and select a finalist for Board approval in April.

8. 2026 PERA Legislative Agenda

Strengé provided an informational update on the legislative session. She reported that the Legislative Commission on Pensions and Retirement (LCPR) meets on Tuesday evenings and held its first meeting of the session in February. She also noted a change in commission membership, with Rep. Pete Johnson replacing Rep. Dan Wolgamott.

Strengé further reported that the state budget forecast now projects a \$3.7 billion surplus for fiscal years 2026–27, an increase of \$1.3 billion from prior projections. She added that Minnesota Management and Budget noted spending growth is projected to outpace revenue growth through fiscal year 2029, with an estimated general fund balance of \$377 million for the fiscal years 2028–29 biennium.

[Break]

[Ford rejoined the meeting]

9. 2026 Stakeholder Legislative Initiatives

Reference was made to a memorandum from Doug Anderson and Amy Strengé dated March 12, 2026, the LCPR staff bill summary for SF 3828/HF 3512, and the Maple Plain Volunteer Fire Department Plan – Effect SF 3828/HF 3512 presentation.

Strengé reported that the City of Maple Plain Volunteer Fire Department Plan participates in the PERA Statewide Volunteer Firefighter (SVF) Plan and joined effective January 1, 2025. The plan has 24 members and provides a lump-sum benefit equal to \$4,300 per year of service, payable at age 50 or the member's actual retirement age, if later. Maple Plain is terminating its SVF Plan due to a merger with the West Suburban Fire District effective January 1, 2026. Under current statute, termination provisions require allocation of excess assets based on the present value of accrued benefits.

Strengé reviewed SF 3828/HF 3512, which proposes changes to the allocation of surplus assets upon termination of the Maple Plain plan. The LCPR bill summary noted that firefighters were surprised to learn that benefits are distributed based on present value rather than unreduced accrued benefits.

The legislation proposes a two-stage allocation, first increasing benefits for firefighters under age 50 to match years of service multiplied by \$4,300, followed by a proportional distribution of any remaining

surplus based on years of service. Additional details were provided in the LCPR summary included in the meeting materials.

Letters in support of SF 3828/HF 3512 were received by the PERA Board from Justin McCoy, President of the Maple Plain Fire Relief Association; senior members Ray McCoy, Brad Couser, and Chris Doyle; Maple Plain Mayor Julie Maas-Kusske; and City Administrator Jacob Schillander.

Streng reported that several concerns were identified with the proposal, stating that current statutes are consistent with defined-benefit principles, including the use of present value calculated using a 6 percent interest rate. Staff noted that the proposed methodology would effectively eliminate the present-value adjustment and significantly redistribute benefits, with an estimated 11 members receiving approximately \$220,000 less in total and 13 members receiving approximately \$220,000 more. The LCPR heard testimony on the bill at its March 3 hearing, during which Streng noted that while the Board has not taken a position on the legislation, PERA has expressed concerns regarding the redistribution of benefits among members.

Anderson presented examples illustrating how the bill would affect member benefits for individuals age 50 with 20 years of service, age 45 with 20 years of service, and age 35 with 10 years of service.

Staff presented two recommendations for Board consideration. The first recommended that the PERA Board of Trustees oppose SF 3828/HF 3512 and direct staff to continue to support that the existing statute capably addresses how benefits should be attributed to members upon termination. Alternatively, staff recommended that the Board opposes being required to administer the special legislation for Maple Plain and requests that if the Legislature enacts the special legislation, the Legislature direct the City of Maple Plain to administer the termination and distribution of assets for the Maple Plain SVF Plan.

After a lengthy discussion, Ford moved that the PERA Board of Trustees oppose being required to administer the special legislation for Maple Plain and request that, if the Legislature enacts the special legislation, the Legislature direct the City of Maple Plain to administer the termination and distribution of assets for the Maple Plain SVF Plan. The motion was seconded by Johnson and failed on a 4-3 vote, with Blaha, Flaherty, Johnson, and Thornberg voting against, and Ford, Konigsburg, and Stanley voting in favor.

Discussion continued regarding legal considerations related to the bill, including the potential need for an IRS determination letter, the impact of removing the present-value calculation, and the possibility of amending the legislation.

Following further discussion, Flaherty moved that the PERA Board of Trustees reconsider the previously failed motion. The motion was seconded by Konigsburg and passed on a 4-3 vote, with Blaha, Johnson, and Thornberg voting against, and Flaherty, Ford, Konigsburg, and Stanley voting in favor.

Ford moved that the PERA Board of Trustees oppose being required to administer the special legislation for Maple Plain and request that, if the Legislature enacts the special legislation, the Legislature direct the City of Maple Plain to administer the termination and distribution of assets for the Maple Plain SVF Plan. The motion was seconded by Johnson and passed on a 4-3 vote, with Blaha, Johnson, and Thornberg voting against, and Flaherty, Ford, Konigsburg, and Stanley voting in favor.

The next initiative before the Board was the Police & Fire Working After Retirement, which would create a three-year temporary suspension of the working-after-retirement deferral program for the Police & Fire Plan and require annual reporting on program usage and fund impacts.

Thornberg moved that the PERA Board of Trustees not support the proposed temporary suspension of the working-after-retirement deferral program, citing a lack of agreement among stakeholders. The motion was seconded by Flaherty and passed unanimously by roll call vote.

Streng noted that additional stakeholder initiatives are anticipated to come before the Board at the April meeting.

10. Board Recognition for Retiring PERA Staff Member- Betty Colon

The Board recognized retiring PERA staff member for her dedicated service and contributions. President Stanley read the following statement into the record:

Presented to Betty Colón

In recognition of over 25 years of dedicated state service, including 21 years for the Minnesota Public Employees Retirement Association (PERA), we wish to express our sincere gratitude for your wisdom, commitment to excellence, and unwavering support of our members and employers.

With a career spanning from June 6, 2000, to March 10, 2026, your impact as a co-worker, contributor, team player and friend will be missed and never forgotten.

We wish you good health, happiness and continued success in your retirement.

Presented by the PERA Board of Trustees- March 12, 2026.

11. Attorney General Litigation Update

Assistant Attorney General Langan provided an update in open session regarding two matters currently pending before the Court of Appeals, as well as the disposition of a conciliation court action.

Regarding the Stoler case, oral argument is scheduled to take place at the Minnesota Judicial Center in late March. Materials and a viewing link will be distributed during the week of the argument.


12. Date of Next Meeting

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

13. Adjournment

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

Meeting adjourned at 1:34 p.m.


Doug Anderson, Executive Director



Date: April 9, 2026
 To: PERA Board of Trustees
 From: Don Haller, Heather Schoenberger, Tim Knippenberg, Sarah Fischer, Afiya Krueger, and Stacey Salvinski
 Subject: Operational Data Report

This memo includes PERA statistical data for the following areas:

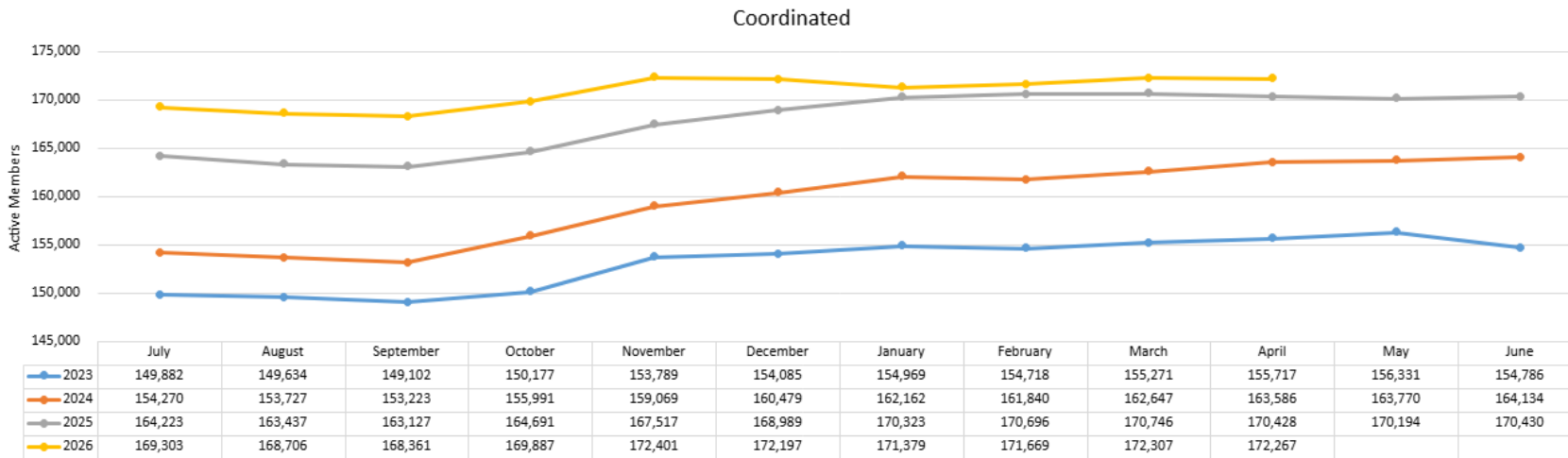
- Active membership data for PERA’s plans
- Recipient data for retirement, survivor and disability benefits
- Application data for retirement, survivor, and disability benefits
- Refund payments processed
- Education initiatives for members and employers

Active Membership Data (monthly)

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

Coordinated

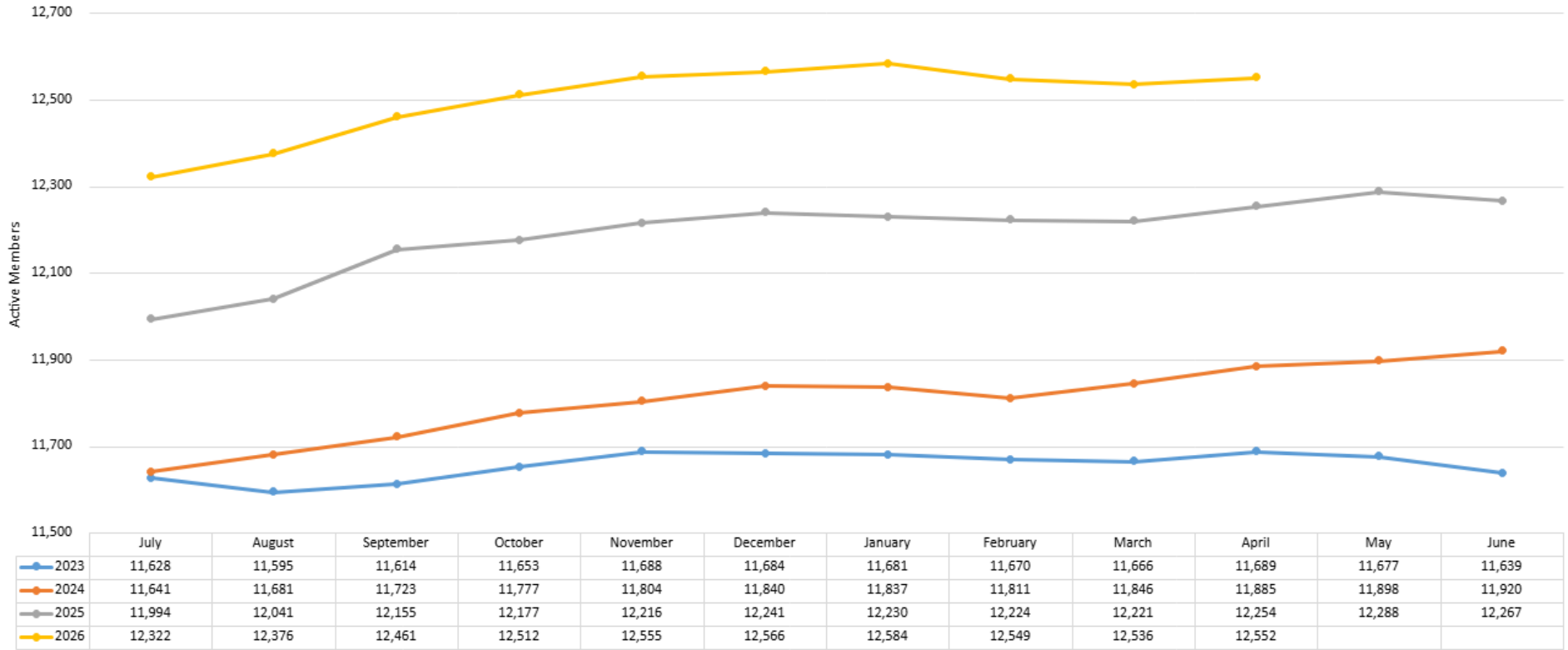
From July 2026 to April 2026, membership increased by 1.7% (2,964 members).



Police & Fire

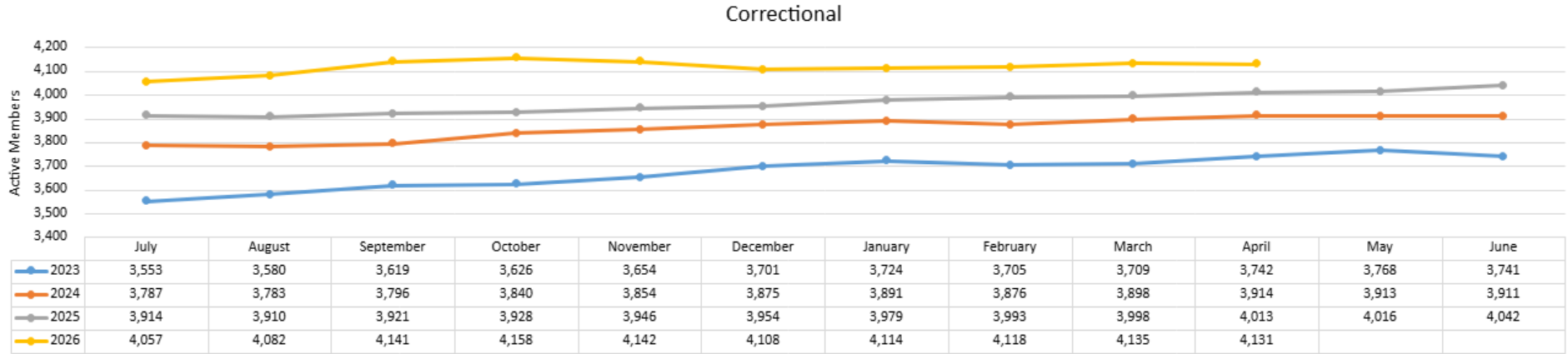
From July 2026 to April 2026, membership increased by 1.9% (230 members).

Police & Fire



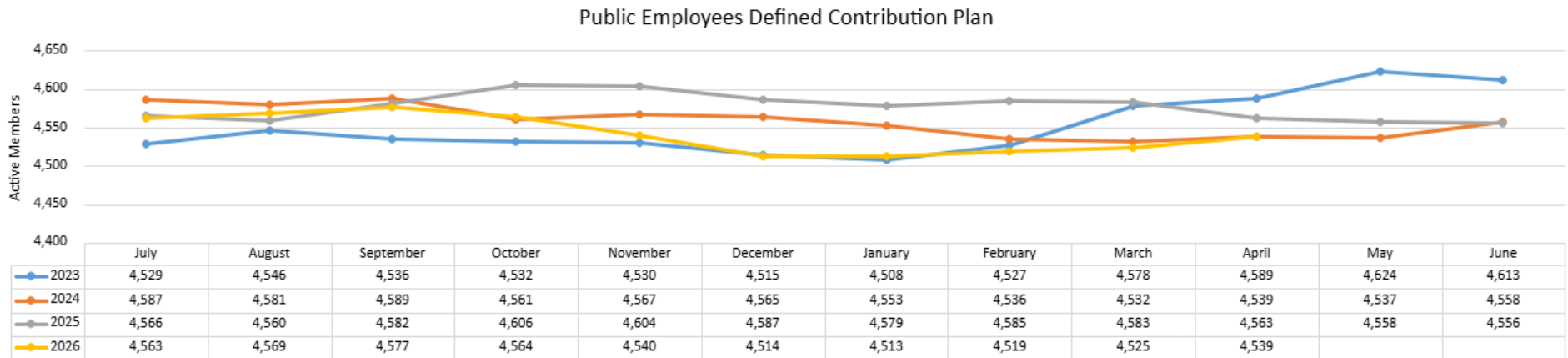
Correctional

From July 2026 to April 2026, membership increased by 1.8% (74 members).



Public Employees Defined Contribution Plan

From July 2026 to April 2026, membership decreased by 0.5% (24 members).



Summary

Membership counts are summarized below as of the first of the month for March and April 2026.

Active Membership Counts – Defined Benefit

Plans	<u>3/1/2026</u>	<u>4/1/2026</u>
Coordinated	172,307	172,267
Police and Fire	12,536	12,552
Correctional Plan	4,135	4,131
Privatization	1,613	1,606
MERF	1	1
Basic Plan	0	0
Exempt Plan	4,877	4,889
SVF DBP - Monthly Benefits	39	38
SVF DBP - Lump Sum Benefits	5,972	6,384
Total	201,480	201,868

Active Membership Counts - Defined Contribution

Plan		
Public Employees DCP	4,525	4,539
SVF DCP - Lump Sum Benefits	125	214
Total	4,650	4,753

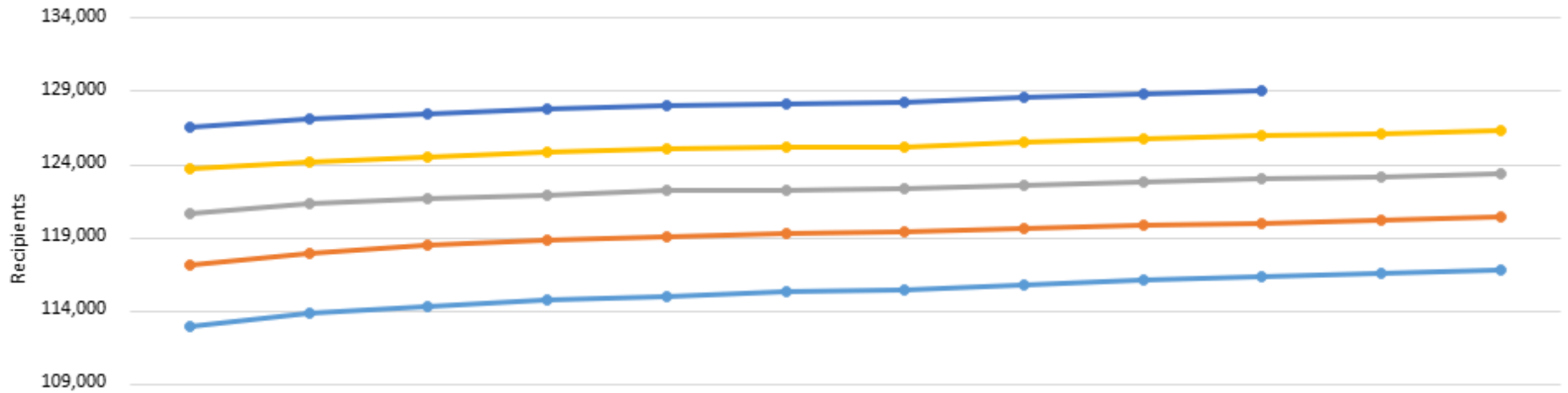
Benefit Recipients (monthly)

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

Retirement

Recipients increased by 2.0% (2,504 members) from July 2026 to April 2026.

Retirement Recipients

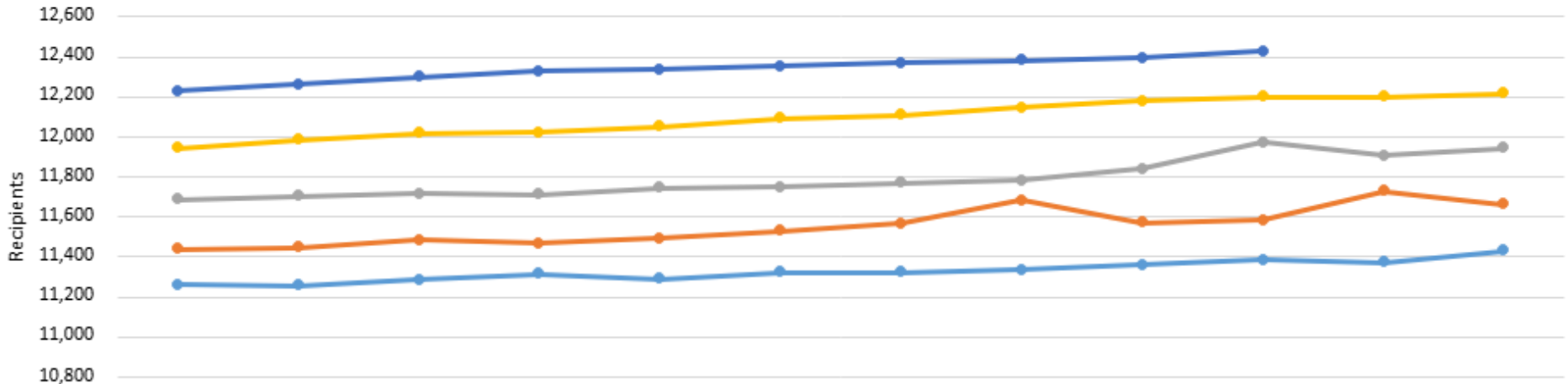


	July	August	September	October	November	December	January	February	March	April	May	June
2022	112,985	113,892	114,274	114,712	114,974	115,311	115,396	115,775	116,152	116,379	116,555	116,829
2023	117,126	117,972	118,473	118,793	119,063	119,260	119,369	119,628	119,905	119,924	120,217	120,402
2024	120,620	121,309	121,685	121,920	122,186	122,254	122,359	122,571	122,838	122,999	123,173	123,352
2025	123,662	124,192	124,526	124,838	125,036	125,186	125,250	125,504	125,781	125,970	126,145	126,353
2026	126,552	127,166	127,512	127,800	128,023	128,190	128,283	128,550	128,810	129,056		

Survivor

Recipients increased by 1.6% (200 members) from July 2026 to April 2026.

Survivor Recipients

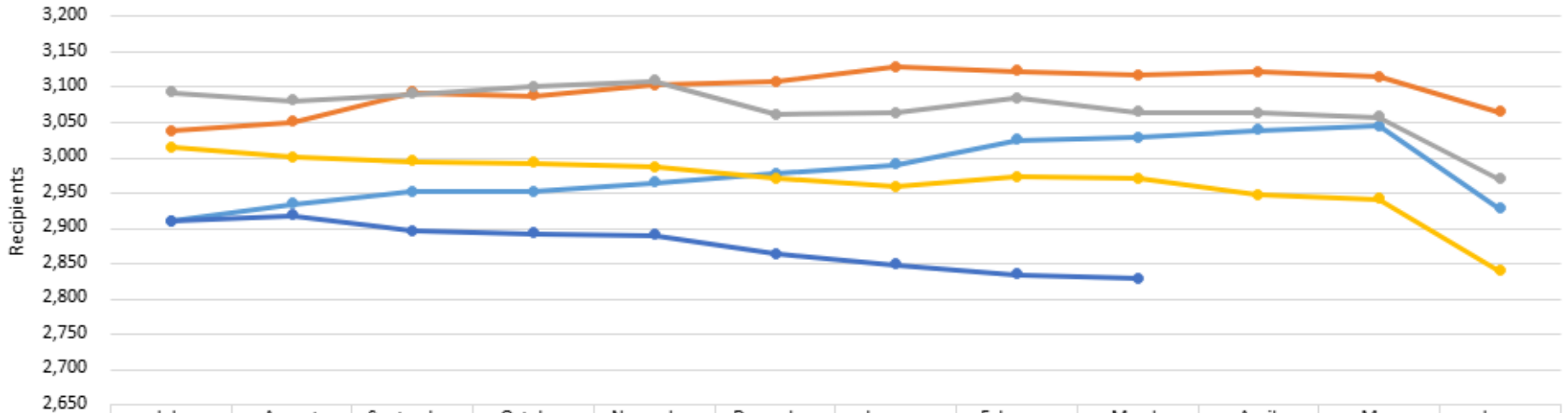


	July	August	September	October	November	December	January	February	March	April	May	June
2022	11,263	11,258	11,285	11,314	11,291	11,323	11,323	11,337	11,361	11,384	11,372	11,430
2023	11,439	11,446	11,483	11,470	11,492	11,529	11,566	11,684	11,571	11,583	11,727	11,661
2024	11,687	11,704	11,718	11,713	11,745	11,749	11,770	11,782	11,839	11,971	11,908	11,943
2025	11,942	11,987	12,018	12,023	12,052	12,091	12,110	12,147	12,180	12,199	12,200	12,217
2026	12,229	12,263	12,299	12,327	12,336	12,354	12,369	12,382	12,396	12,429		

Disability

Recipients decreased by 2.8% (92 members) from July 2026 to April 2026.

Disability Recipients



	July	August	September	October	November	December	January	February	March	April	May	June
2022	2,910	2,934	2,952	2,952	2,965	2,977	2,990	3,025	3,029	3,039	3,045	2,928
2023	3,038	3,051	3,092	3,088	3,103	3,108	3,128	3,123	3,117	3,121	3,115	3,064
2024	3,093	3,081	3,090	3,100	3,109	3,061	3,063	3,084	3,064	3,063	3,058	2,969
2025	3,014	3,001	2,995	2,992	2,987	2,971	2,959	2,973	2,970	2,947	2,941	2,839
2026	2,910	2,918	2,896	2,893	2,890	2,863	2,849	2,835	2,829			

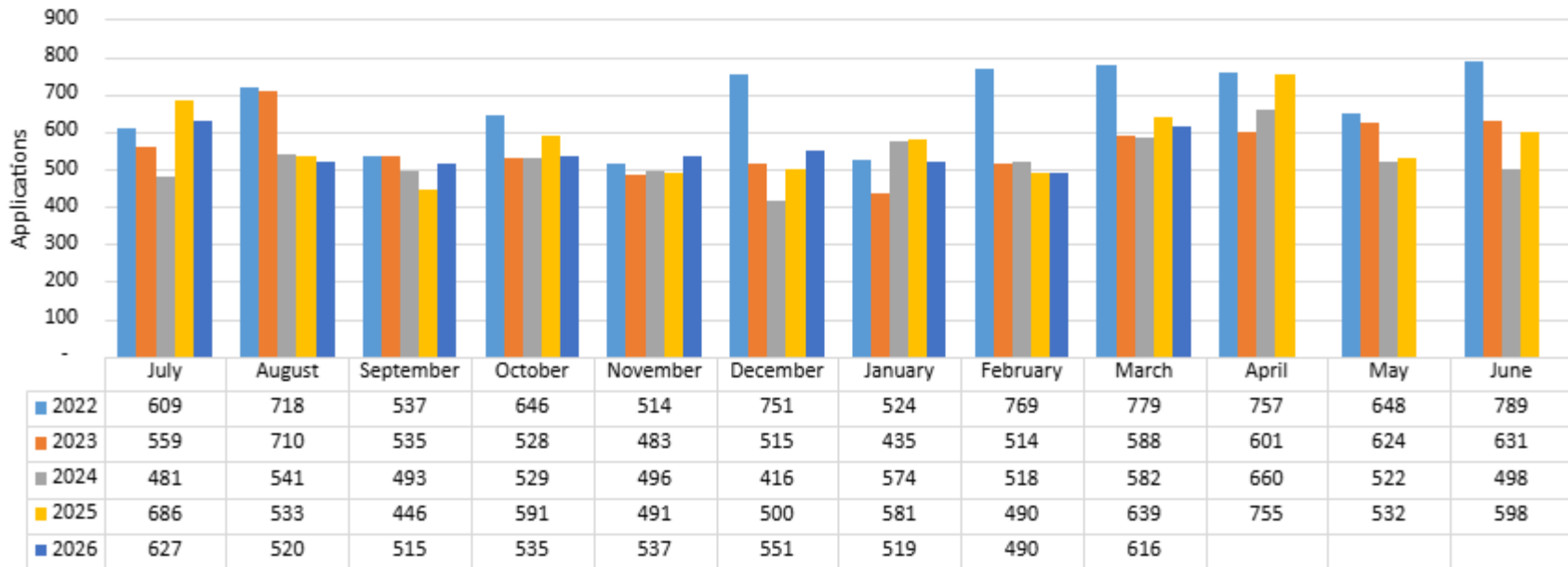
Benefit Applications Received (monthly)

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

Retirement

From July 2026 to March 2026, applications averaged 546 per month.

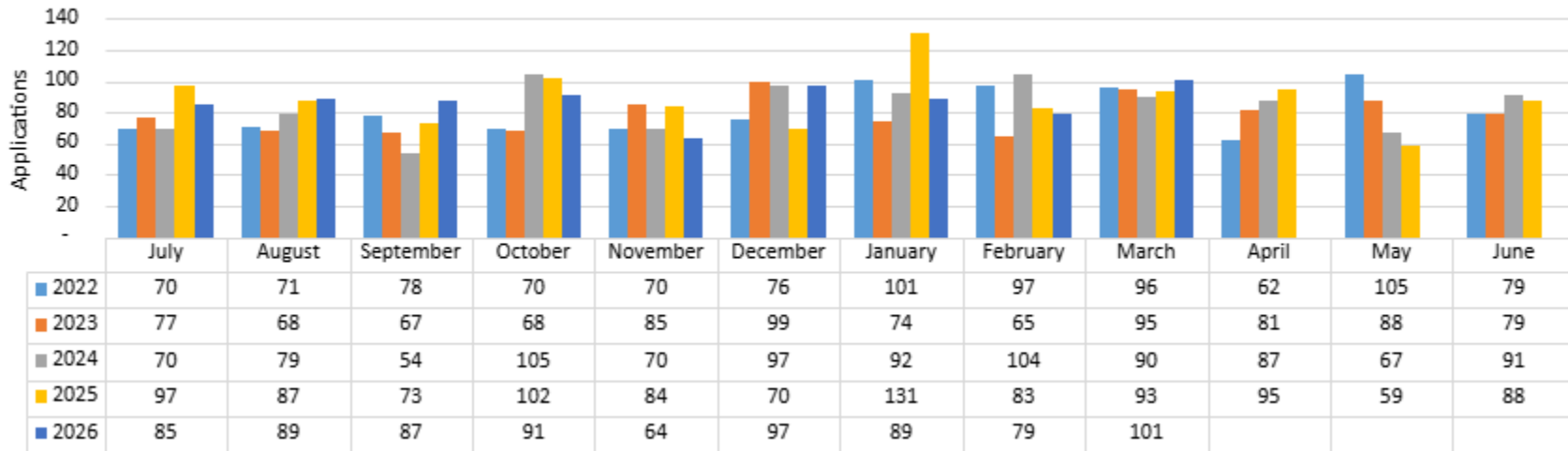
Retirement Applications



Survivor

From July 2026 to March 2026, applications averaged 87 per month.

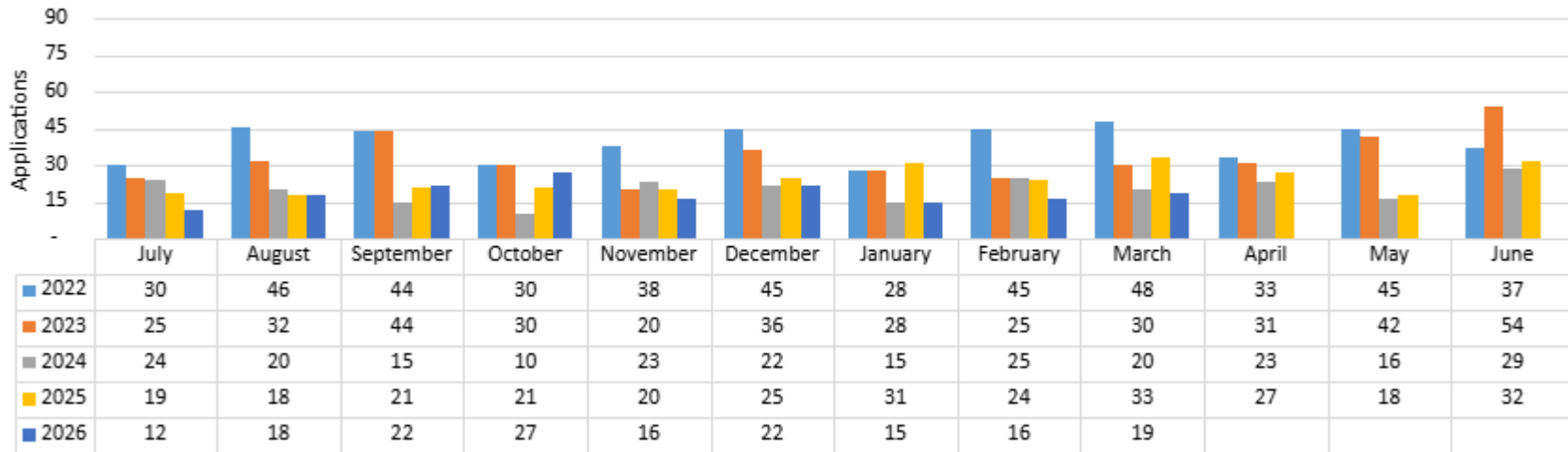
Survivor Applications



Disability

From July 2026 to March 2026, applications averaged 19 per month.

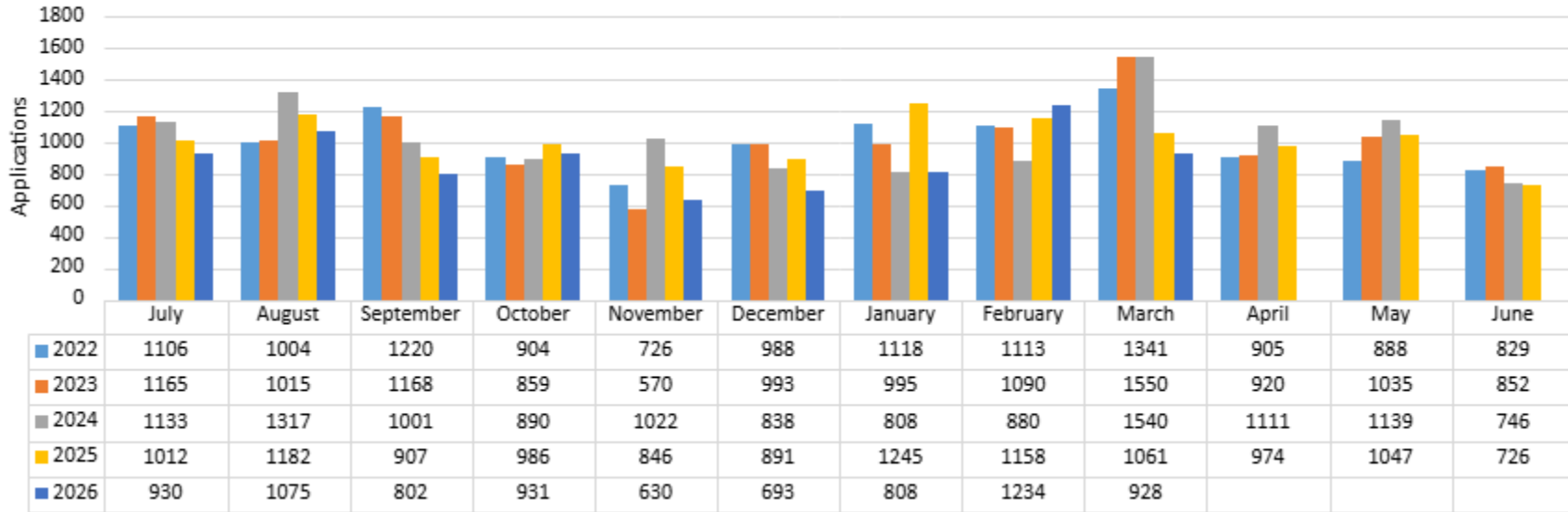
Disability Applications



Refunds Payments (monthly)

From July 2026 to March 2026, applications averaged 892 per month.

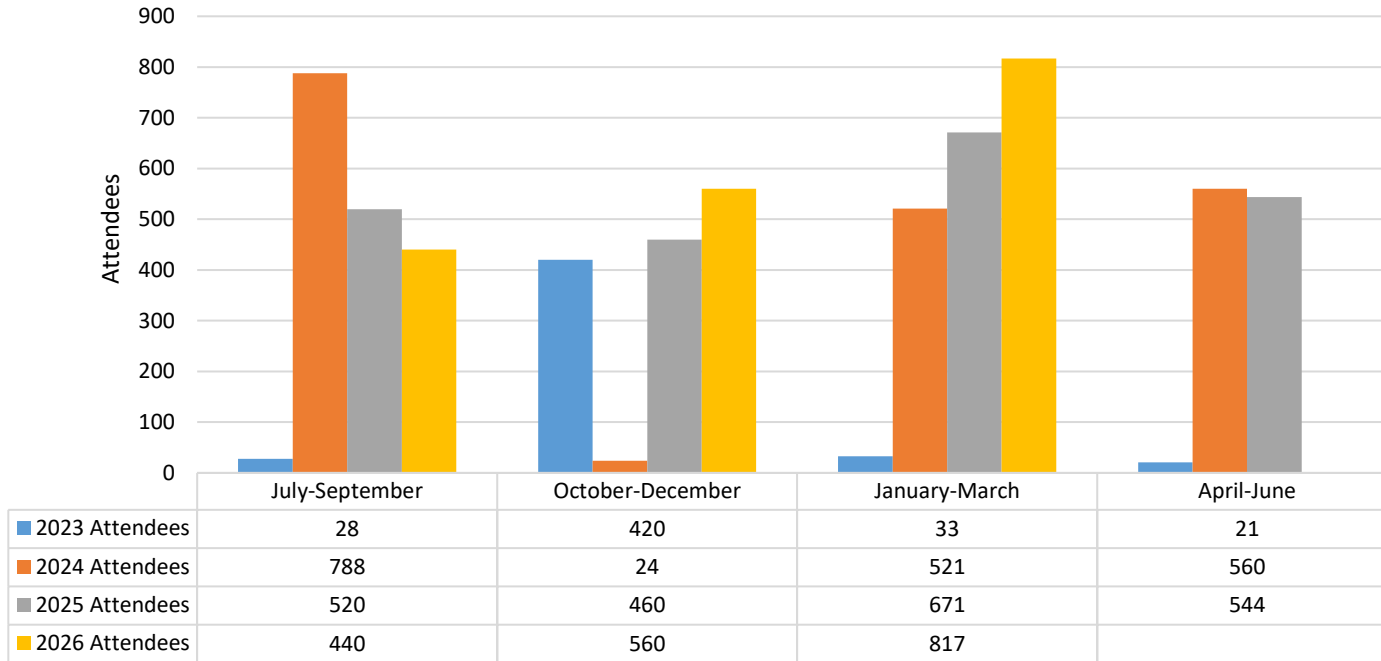
Refunds



Employer Education (quarterly)

First quarter of 2026 we hosted a live Q&A session about the impact of Minnesota’s new Paid Family and Medical Leave as well as a training session about pay reporting. Between the two sessions we had 817 attendees.

Employer Programs

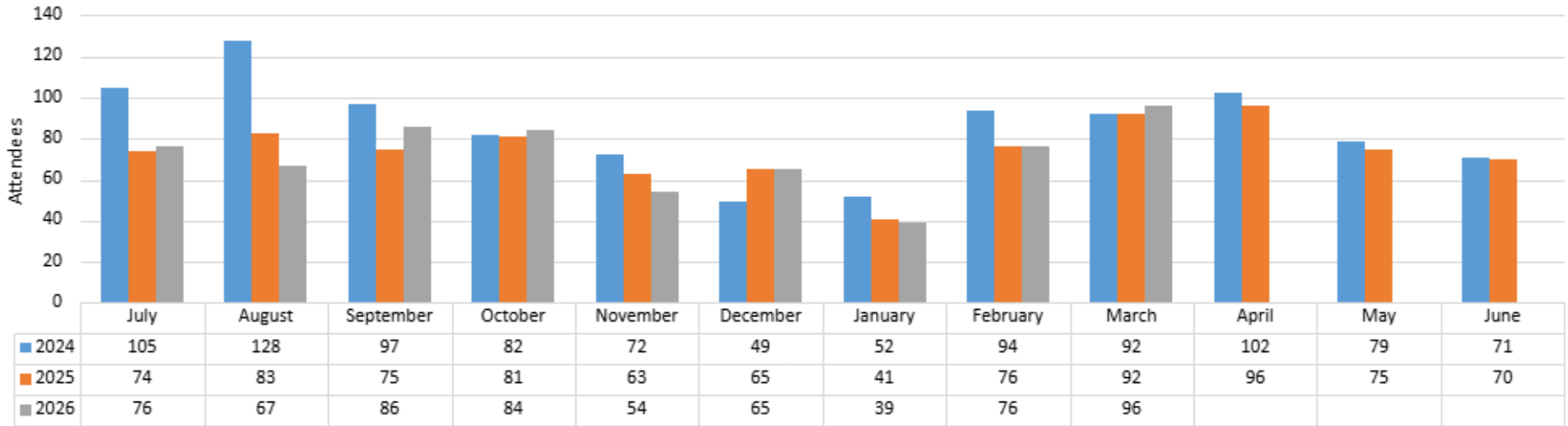


Member Education (per month)

Individual Counseling

Individual sessions averaged about 71 per month during fiscal year 2026. In the month of March, we conducted 96 consults the highest since April 2025. We offer in-person and phone options for individual meetings.

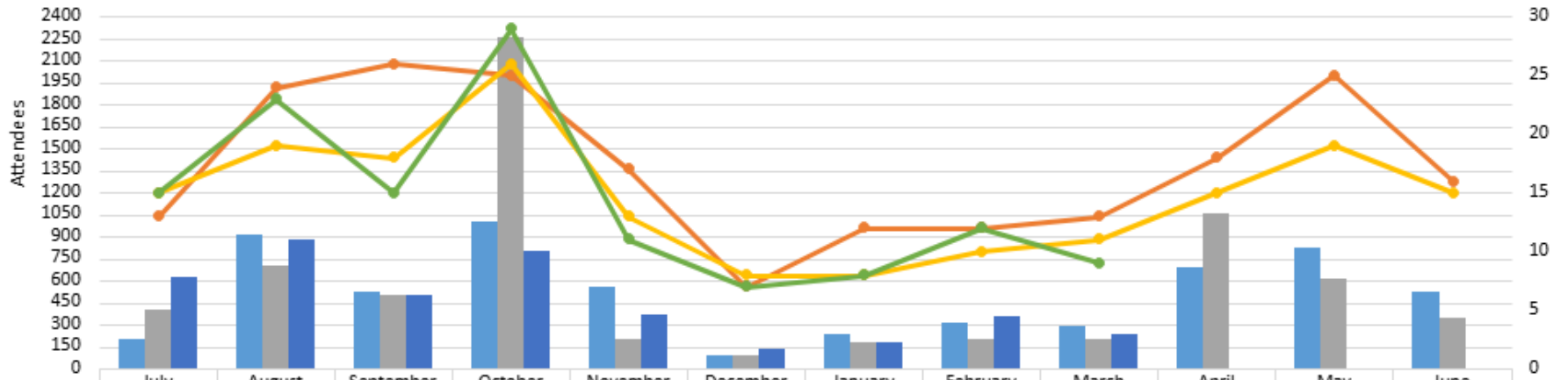
Member Individual Counseling



Group Programs

For the month of March, we executed 9 programs and engaged over 230 attendees. Historically we have seen an increase in attendees as we transition into summer months.

Member Programs



	July	August	September	October	November	December	January	February	March	April	May	June
2024 Attendees	198	909	523	1,006	557	88	237	308	292	687	824	524
2025 Attendees	398	699	503	2261	202	94	179	197	200	1053	614	342
2026 Attendees	621	883	501	802	372	131	179	352	233			
2024 Programs	13	24	26	25	17	7	12	12	13	18	25	16
2025 Programs	15	19	18	26	13	8	8	10	11	15	19	15
2026 Programs	15	23	15	29	11	7	8	12	9			