



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, December 11, 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)
Paul Bourgeois (Remote)
Denny Flaherty
Paul Ford

Kathy Green
Jenni Konigsburg
David Minke
Thomas Thornberg

Constituting quorum.

Excused: Barbara Johnson

Attorney General Representative: Frank Langan

Staff Members Present:

Doug Anderson, Executive Director; Joshua Harrison, Legal Counsel; Lance LaFrombois, Deputy Legal Counsel; Don Haller, Chief Operations Officer; Amy Streng, Legislative Policy Coordinator; Heather Schoenberger, Account Information Management Manager; and Gladys Rodriguez, Executive Assistant.

Others Present:

Harry Grigsby, State AFL/CIO Retiree Council; Owen Wirth, League of MN Cities; Ryan Fiereck, Education Minnesota; Peter Green, Kathy Green's guest; Bonnie Wurst, Gabriel, Roeder, Smith & Company; Sherri Christensen, Gabriel, Roeder, Smith & Company; Michael Wroblewski, Gabriel, Roeder, Smith & Company; David Titus, MN Police and Peace Officers Association; Mike LeDoux, Law Enforcement Labor Services; Susan Lenczewski, Legislative Commission on Pension and Retirement; Aleena Wilson, Legislative Commission on Pensions and Retirement; Ann Lenczewski, Lockridge Grindal Nauen, PLLP; Alex Hassel, Lockridge Grindal Nauen, PLLP; Wade Laszlo, Minnesota Correctional Officer Retirement Association; Darlene Pankonie, Minnesota APCO-NENA; Holly Dayton, Teachers Retirement Association; Grace Altier, Poul Haas; Kevin Benner, Retired Police Chief; Kelly Gibbons, SEIU Local 284.

1. Call to Order

President Stanley called the meeting to order at 9:40 a.m., noting a delay due to technology issues. Trustees Blaha and Bourgeois participated via interactive technology in accordance with Minnesota Statutes, Section 13D.015. A roll call was conducted to confirm a quorum.

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

The agenda was taken in the following order.

2. Approval of Consent Calendar

- October 9, 2025, Regular Board Meeting Minutes
- Operational Data Report

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

3. Presentation by Jill Schurtz and Andy Christensen, MN State Board of Investment

Reference was made to a handout provided by Director Jill Schurtz and Deputy Executive Director Andy Christensen

Director Schurtz provided a comprehensive overview of the assets, covering purpose, people, performance, and process. As of September 30, 2025, SBI oversees nearly \$156 billion in assets. At the end of FY 2025, the funds had a return of 10.9 percent, net of all performance fees and manager incentive compensation. For calendar year 2025, SBI anticipates an approximate 14 percent return, and for FY 2026, current year to date investment return estimates are around 7 percent. These figures remain preliminary and unaudited.

Deputy Executive Christensen reported on staffing progress, noting that SBI currently employs 45 staff members and is budgeted for 56 in FY 2026. Hiring efforts are underway for several entry-level analysts as well as senior positions to support succession planning and strengthen critical functions such as financial services and investment performance analytics.

PERA remains the largest asset holder with \$49 billion. PERA has consistently ranked in the top quartile across all measured time periods, reflecting decades of strong partnership. Over the past five years, PERA's asset allocation has grown by \$14.69 billion.

As of June 30, 2025, the combined funds reached \$101.2 billion, representing a roughly \$25 billion increase over the last three years and reflecting a 10.9 percent performance. As of September 30, 2025, the portfolio generated a 4.9 percent return; with strong equity markets, that figure has since moved closer to 7 percent. SBI believes the 7 percent actuarial assumed rate of return is reasonable and appropriate.

The Board expressed appreciation for Director Schurtz's presentation.

4. July 1, 2025 Actuarial Valuation Update

Reference was made to a presentation provided by Bonita Wurst and Sherri Christensen, GRS, along with a separate presentation from Doug Anderson

Wurst presented the 2025 valuation results, providing a high-level summary of plan outcomes. The General Employees Retirement Plan (GERP) shows a contribution sufficiency of 2.21 percent and a funding ratio of 87.6 percent. The Police and Fire Plan (PEPFP) reflects a 1.48 percent contribution deficiency and an 88.6 percent funding ratio, while the Correctional Plan (LGCSRP) reports a growing sufficiency of 3.36 percent and a funding ratio of 101.3 percent. The funding ratios were reported using Actuarial Value of Assets.

Projected full-funding dates are 2031 for GERP, 2051 for PEPFP, and 2025 for LGCSRP.

For fiscal year 2025, the investment return on market value was approximately 11.0 percent, compared with the 7.0 percent expected annual return. As of July 1, 2025, the actuarial value of assets was about 3.6 percent

below market value due to deferred investment gains. The actuarial return for the fiscal year was approximately 10.0 percent.

Wurst also summarized legislative changes relative to amortization methods across all plans, as well as plan-specific provision changes for the General, Correctional, and Police & Fire plans.

Assumption changes include the following:

- The assumed post-retirement benefit increase for the General Plan was updated from 1.25% to 1.50% in alignment with recent plan provision changes.
- The Correctional and Police & Fire Plans now reflect the assumption updates adopted from the most recent experience study and implemented with the 2025 valuation.
- Combined Service Annuity (CSA) load adjustments were applied across all plans, consistent with recommendations from the LCPR actuary. Christensen presented a summary of the revised loads for each plan.

After outlining these assumption updates, Christensen reviewed the valuation results for each plan.

Trustees noted that being within five years of full funding for the General Plan is a significant accomplishment, reflecting sound decision-making and strong policy guidance.

Anderson presented an overview of the PERA scorecard, outlining the goals to achieve success, and the financial health of the plans. He focused on the key metrics used in communications with stakeholder groups and legislators, highlighting three primary indicators: the current funding ratio on a market-value basis, contribution sufficiency on a market-value basis, and the projected full-funding date.

5. 2026 Legislative Agenda

Reference was made to a memo from Doug Anderson and Amy Strenge dated December 11, 2025

Strenge reported that the 2026 legislative session will begin on February 17, 2026. In preparation, staff have developed proposed recommendations for PERA's legislative agenda and anticipate presenting additional initiatives in February related to administration of the PERA Statewide Volunteer Firefighter Plan.

Staff presented a legislative recommendation arising from implementation of the Minnesota Paid Leave law. As part of this process, staff reviewed PERA's authorized leave provisions and evaluated the impact of the new program. Minnesota Statutes § 268.09, subdivision 6(d)(3), provides that employees may not be penalized for vesting or eligibility purposes due to paid leave. PERA credits service on a monthly basis when a member earns PERA-eligible salary and does not prorate service credit. Because paid family and medical leave benefits are administered by a third party and are not subject to PERA contributions, these payments do not constitute eligible salary for PERA service credit under current law. Staff recommended clarifying this implementation in statute.

She further explained that Minnesota Paid Family and Medical Leave interacts with PERA's authorized leave statute, which governs how much supplemental pay is eligible salary. Employer paid leave, including sick and vacation leave used to supplement paid family and medical leave, qualifies as eligible salary for PERA contributions and reporting when the employee is on medical leave and the employer-paid portion equals at least 50 percent of the employee's average earnings during the six months immediately preceding the leave. If the employer paid leave represents less than 50 percent of those average earnings, the pay is not considered eligible salary and may not be reported to PERA for pension purposes.

For non-medical leave, employer paid leave used to supplement paid family and medical leave is considered eligible salary only if it represents 100 percent of the employee's average earnings.

The different supplemental salary requirements for medical and non-medical leaves create administrative challenges for employers, members, and PERA. After reviewing the applicable statutes and PERA processes, staff recommended a legislative change to eliminate the different supplemental salary requirements.

Under the proposed change, any supplemental salary paid during an authorized leave would be considered eligible salary for PERA purposes. Members would receive service and salary credit based on the supplemental salary paid during the authorized leave, while the member maintains the option to purchase service credit to address any resulting salary impact.

Following review of staff's recommendation, Ford moved that the PERA Board of Trustees direct staff to seek legislation modifying its eligible salary for authorized leaves. The motion was seconded by Konigsburg and passed unanimously by roll call.

Anderson also provided an update on the NCPERS Life Insurance administration. He reminded the Board that in August, Trustees supported staff's recommendation to discontinue withholding premiums for the life insurance program in order to eliminate potential risks to members. Members would be able to continue coverage by paying premiums directly to the insurer from a personal account. As required by statute, any program changes must be approved by MMB.

Staff has communicated PERA's intent to withdraw from the insurance program; however, MMB has requested that PERA obtain documentation from impacted members that they have expressed approval before they will consider the request. Staff remains hopeful that an agreement can be reached with MMB without pursuing a statutory change through the Legislature. A further update will be provided at the February Board meeting.

6. 2026 Stakeholder Legislative Initiatives

Reference was made to a memo and presentation from Doug Anderson and Amy Strenge dated December 11, 2025

Strenge presented a stakeholder initiative for the Board's consideration regarding the creation of a new plan for Public Safety Telecommunicators and Probation Officers. Legislation passed in 2025 established a Work Group to evaluate eligibility, plan structure, benefits, and other elements for a potential new retirement plan serving these groups.

The Work Group reached consensus on recommendations for the proposed New Plan. The plan would provide an unreduced retirement benefit at age 60 for future service, with a 1.9 percent benefit multiplier applied to future service. A post-retirement benefit adjustment equal to 100 percent of CPI, with a minimum of 1 percent and a maximum of 1.75 percent, would apply to both past and future service. Mixed service rules would apply for members with service in both the General Plan and the New Plan.

Employee and employer contribution rates would be set at 8.82 percent and 7.5 percent, respectively, shifting a larger share of the cost to employees for the enhanced benefit structure. Current members would also have a one-time option at retirement to purchase past service at full actuarial equivalent value.

Approximately 2,248 current active members are expected to transition into the New Plan. The related assets and liabilities for these members would be proportionally transferred from the General Plan.

Strengé also summarized key stakeholder perspectives and statements reflecting their positions. Both Strengé and Anderson participated in the Work Group to provide information and analysis to employee and employer representatives, including PERA's priorities, plan design considerations, and cost estimates for multiple scenarios.

After a thorough review and consideration of staff's recommendation, Konigsburg moved that the PERA Board of Trustees abstains from taking a position on whether the legislature should create the proposed New Plan for public safety telecommunicators and probation officers. The PERA Board of Trustees determines that the Work Group recommendations are consistent with pension policy, IRS requirements, and PERA's Long-Term Positions. The PERA Board of Trustees directs staff to collaborate with stakeholders and the legislature to maintain the Work Group recommendations with stakeholder consensus as the basis for the New Plan if the legislature elects to create the New Plan. The PERA Board of Trustees notes that stakeholders carry the responsibility for advocating for the New Plan, the legislature holds the decision to create the New Plan, and if created, PERA will administer the New Plan. Green seconded the motion and passed unanimously by roll call vote.

7. Trustee and Executive Director Education Reporting

- NCPERS 2025 Program for Advanced Trustee Studies and Financial, Actuarial, Legislative & Legal Conference- Trustee Ford highlighted key topics from the seminar, including discussions on public pension systems facing pressure to integrate with Social Security, governance and financial challenges, modernization practices, and information technology. The conference also featured engaging financial discussions, particularly on cost-of-living adjustments and various adjustment approaches.
- NCPERS 2025 Financial, Actuarial, Legislative & Legal Conference- Trustee Thornberg reported on sessions covering investment allocations and cash flow management, geopolitical influences on pension systems, and the ripple effects of salary increases. He also noted a discussion on death audits and benefit payments that was covered in the conference.

President Stanley encouraged Trustees to take advantage of the available educational opportunities and requested that staff distribute the list of 2026 opportunities.

- NASRA and Consulting Actuary Conferences- Director Anderson reported on his attendance at the NASRA and Consulting Actuary Conferences, which provided valuable opportunities to engage with executive directors nationwide. Key topics at the NASRA conference included system modernization, with most public pension systems currently at some stage of modernization, as well as discussions on artificial intelligence and its potential impact on the workforce. A conference feature allowed each fund a brief opportunity to highlight accomplishments; Director Anderson presented on the General Plan post-retirement increase, including its development, rationale, and use of layered amortization.

The Consulting Actuary Conference focused on plan design issues, including examples of unsuccessful approaches in other states, cost-sharing strategies, and perspectives from actuaries on working with and advising Trustees.

8. Board Recognition

The Board honored Trustee Kathy Green for her dedicated service and contributions to the PERA Board. President Stanley presented her with a plaque and read the following statement into the record:

In Honor of Kathy Green
Appointed to the Public Employees Retirement Association Board of Trustees in 2006 as the School Board Representative, Kathy Green has inspired all who served alongside her through her remarkable leadership, dedication, and grace. She served as Board President from February 11, 2016, to April 25, 2019, and as Vice President from April 25, 2019, to February 11, 2021.

With nearly 20 years of devoted service, Kathy's unwavering commitment and invaluable contributions to the long-term sustainability of PERA's defined benefit plans have created a lasting legacy.

We extend our deepest gratitude and heartfelt appreciation for your extraordinary service.

Presented on December 11, 2025, by the PERA Board of Trustees

9. Executive Director Qualifications and Salary Policy

Reference was made to a memo from Doug Anderson dated December 11, 2025

President Stanley noted that the qualification requirements for an executive director in Minnesota Statute § 353.03, subdivision 3a and the salary policy for an executive director in Minnesota Statute § 15A.0815, subdivision 2 changed effective 2024. The changes to the qualifications broaden eligibility, allowing a wider pool of potential candidates. The salary policy changes detached the Executive Director salary from a maximum tied to the Governor's salary. The proposed revisions to the Governance Manual align with the changes made in statute.

Ford moved that the PERA Board of Trustees approve the proposed changes to the Governance Manual. The motion was seconded by Konigsburg and passed unanimously by roll call vote.

Thornberg moved to close the meeting under Minnesota Statutes, section 13D.05, subdivision 3(a), to evaluate the performance of PERA's Executive Director, Doug Anderson, and subdivision 3(b), to receive an update on the Minnesota Duty Disabled Association lawsuit. Flaherty seconded the motion and passed unanimously by roll call vote.

Thornberg moved to open the meeting. Flaherty seconded the motion and passed unanimously by roll call vote.

[Ford left the meeting at 1:00 p.m.]

10. Executive Director Annual Performance Review

President Stanley provided a summary of PERA Executive Director Doug Anderson's performance. Trustees expressed their satisfaction and appreciation for his accomplishments and leadership over the past year.

[Flaherty left the meeting at 1:20 p.m.]

Green moved that the PERA Board of Trustees authorize President Stanley to create a document that demonstrates Executive Director Doug Anderson's performance as determined by his annual performance evaluation conducted on Thursday, December 11, 2025. Konigsburg seconded the motion and passed unanimously by roll call vote.

11. Attorney General Litigation Update

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

12. Date of Next Meeting

The next meeting will be held Thursday, February 12, 2026, at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building.

13. Adjournment

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

Meeting adjourned at 1:30 p.m.


Doug Anderson, Executive Director



PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Date: February 12, 2026
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

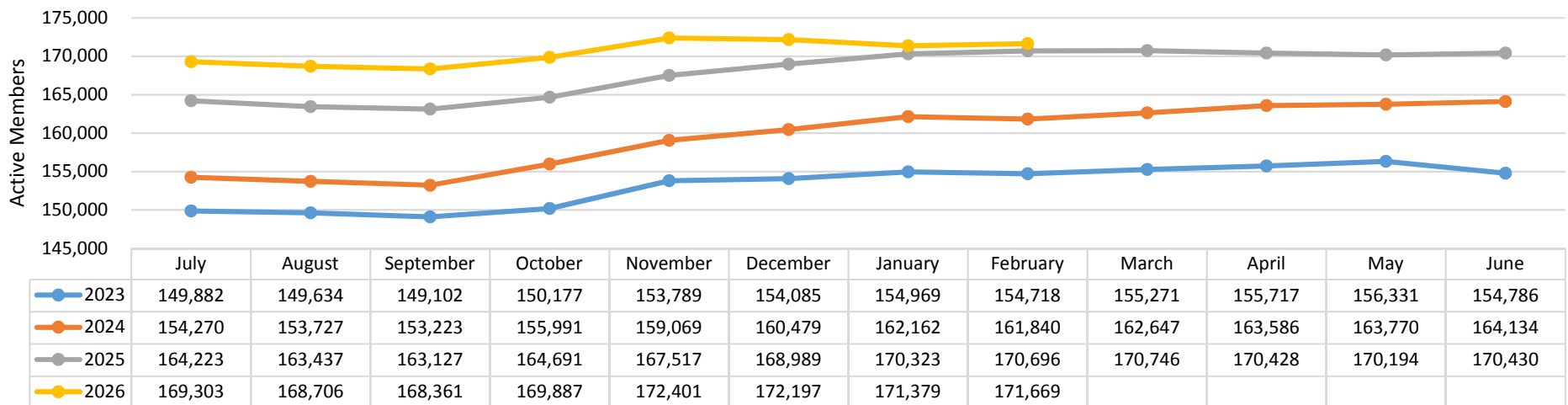
Active Membership Data (monthly)

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

Coordinated

From July 2025 to January 2026, membership increased by 1.4% (2,366 members).

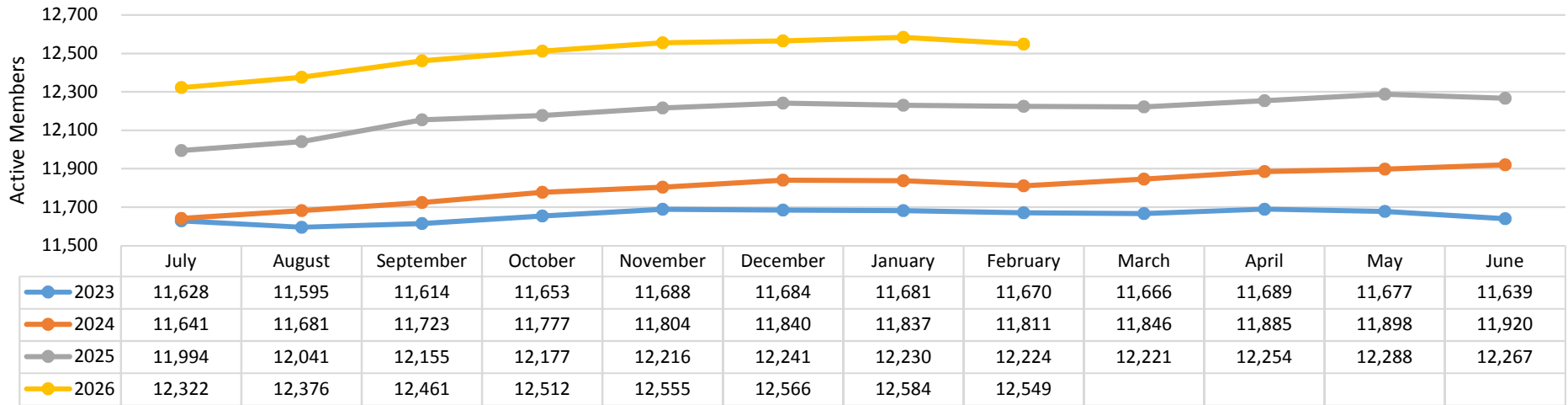
Coordinated Plan



Police & Fire

From July 2025 to February 2026, membership increased by 1.8% (227 members).

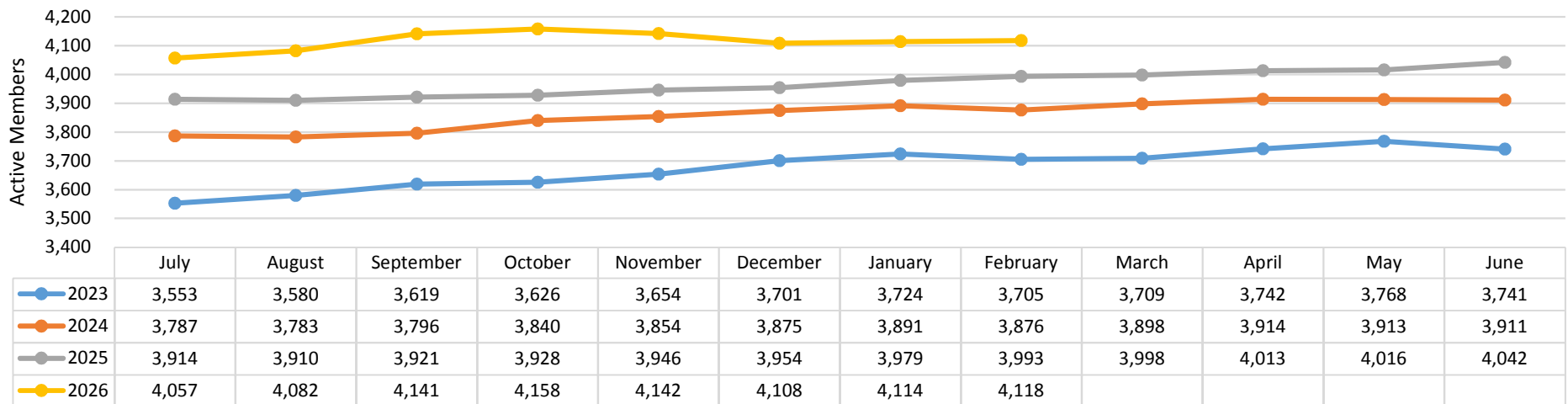
Police & Fire Plan



Correctional

From July 2025 to February 2026, membership increased by 1.5% (61 members).

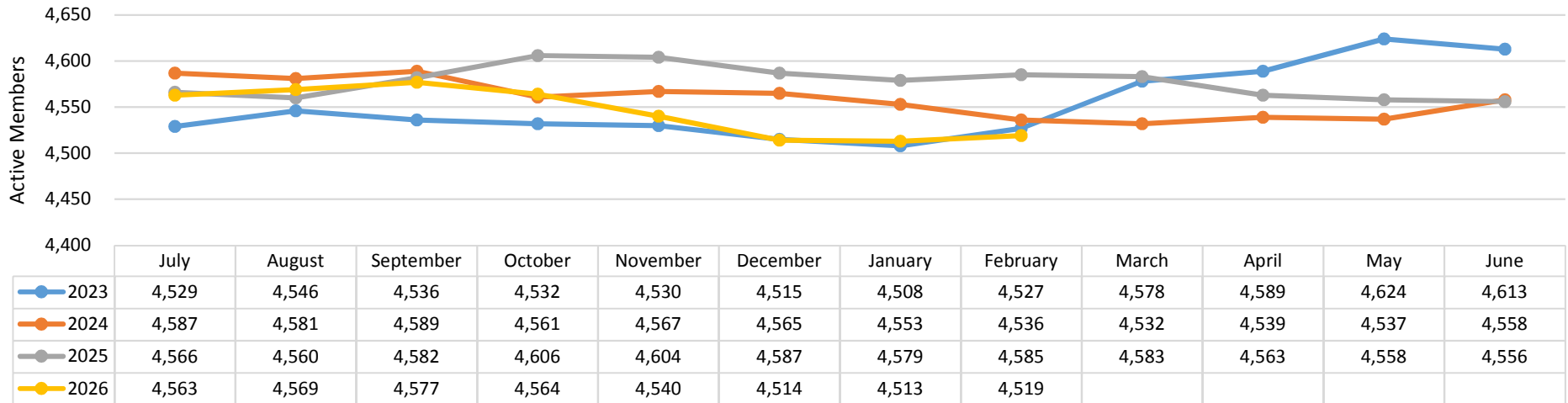
Correctional Plan



Public Employees Defined Contribution Plan

From July 2025 to February 2026, membership decreased by 1.0% (44 members).

Public Employees Defined Contribution Plan



Summary

Membership counts are summarized below as of the first of the month for January and February 2026.

Active Membership Counts – Defined Benefit Plans

January 2026

February 2026

Coordinated Plan

171,379

171,669

Police & Fire Plan

12,584

12,549

Correctional Plan

4,114

4,118

Privatization

1,625

1,613

MERF

1

1

Basic Plan

0

0

Exempt Plan

4,850

4,871

SVF DBP (Monthly Benefits)

38

38

SVF DBP (Lump-Sum Benefits)

5,884

5,879

Total

200,475

200,738

Active Membership Counts – Defined Contribution Plans

DCP

4,513

4,519

SVF DCP (Lump-Sum Benefits)

121

121

Total

4,634

4,640

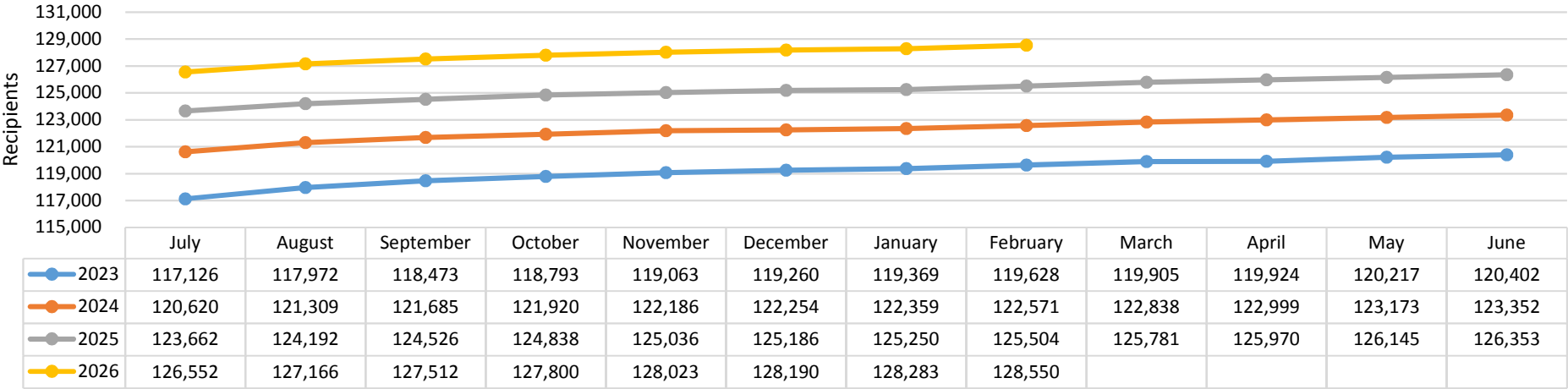
Benefit Recipients (monthly)

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

Retirement

Recipients increased by 1.6% (1,998 members) from July 2025 to February 2026.

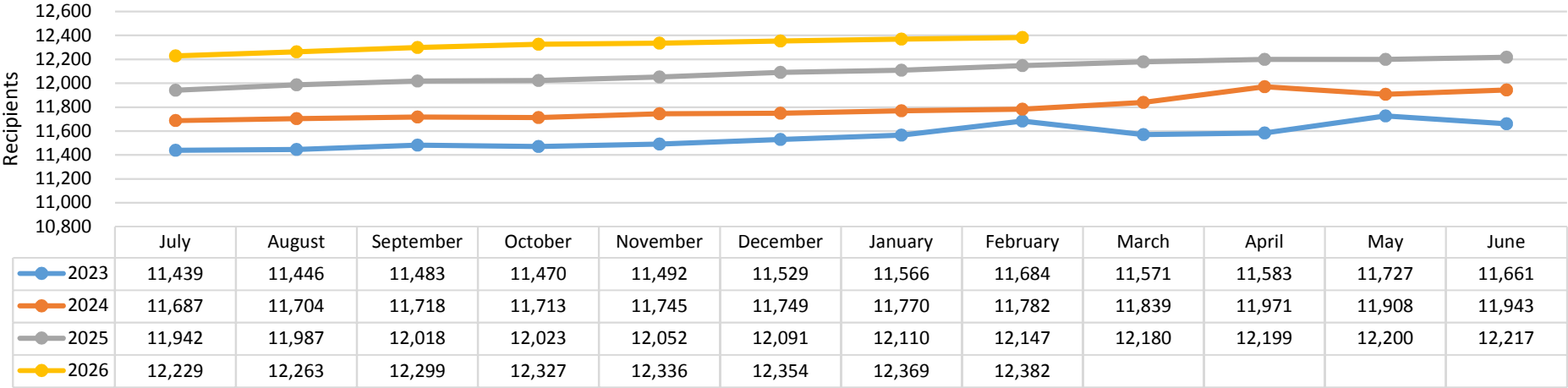
Retirement Recipients



Survivor

Recipients increased by 1.3% (153 members) from July 2025 to February 2026.

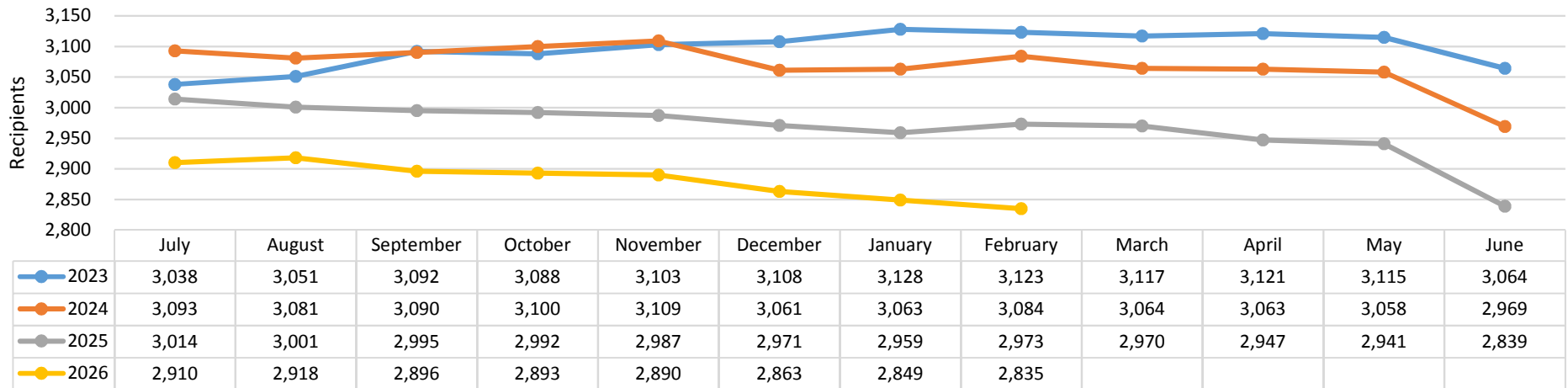
Survivor Recipients



Disability

Recipients decreased by 2.6% (75 members) from July 2025 to February 2026.

Disability Recipients



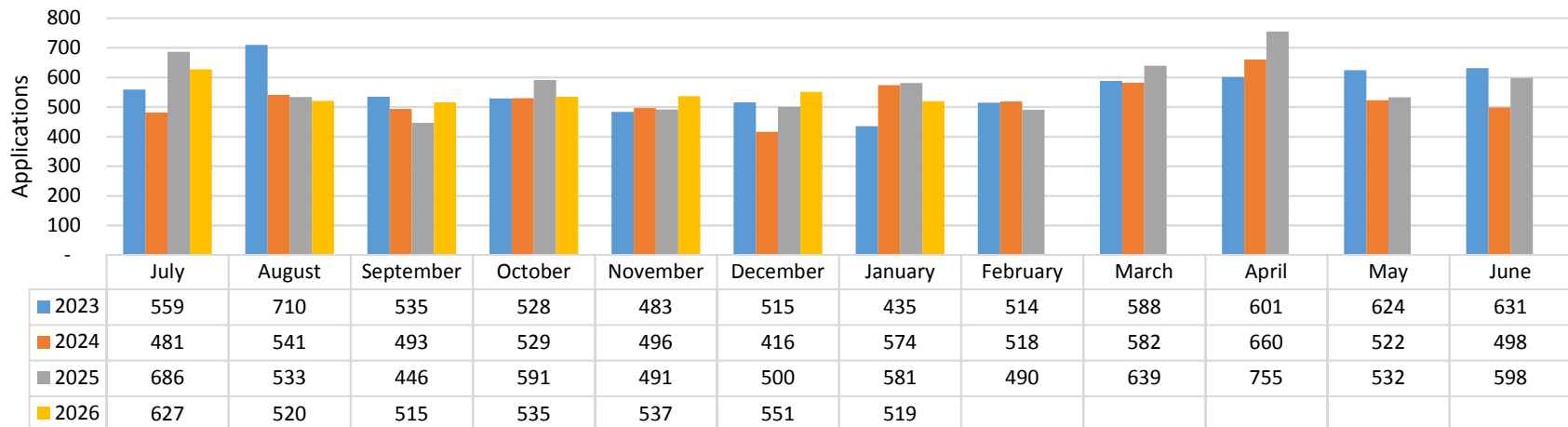
Benefit Applications Received (monthly)

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

Retirement

From July 2025 to January 2026, applications averaged 543 per month.

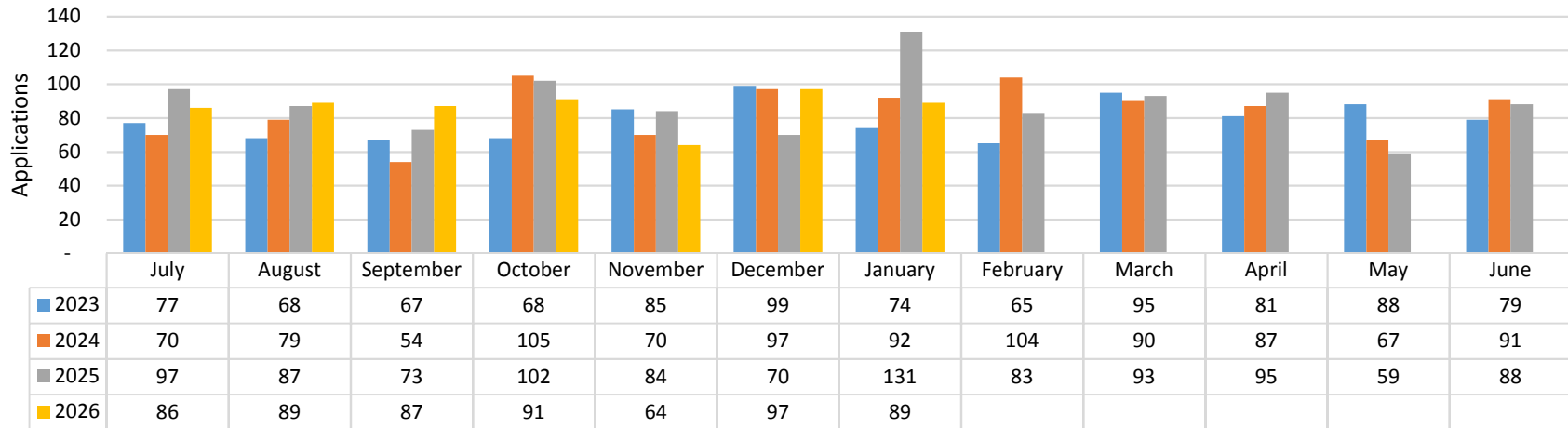
Retirement Applications



Survivor

From July 2025 to January 2026, applications averaged 86 per month.

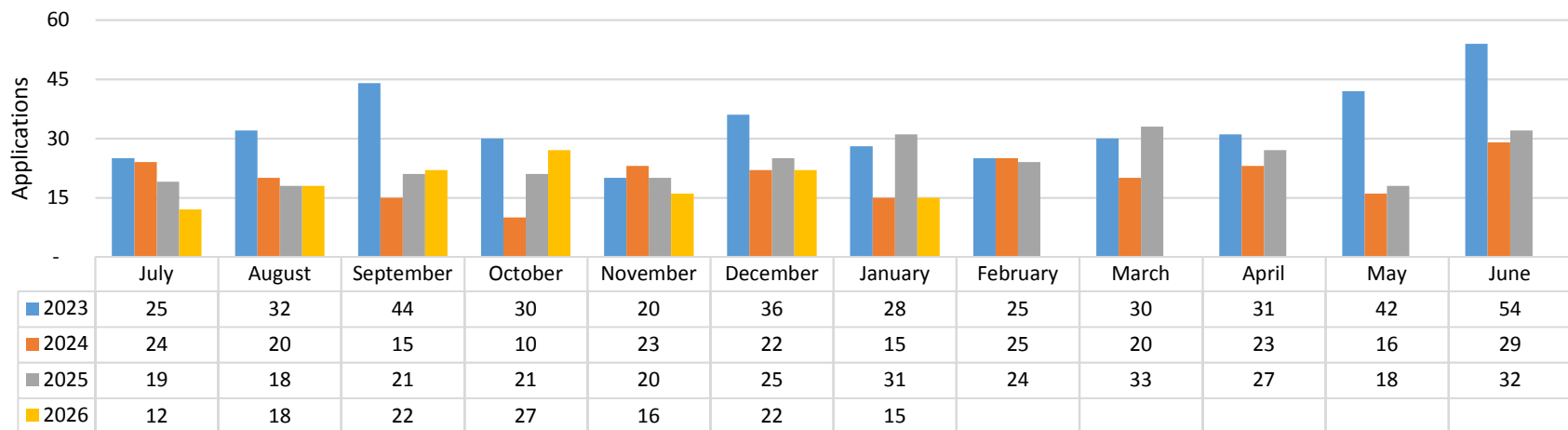
Survivor Applications



Disability

From July 2025 to January 2026, applications averaged 19 per month.

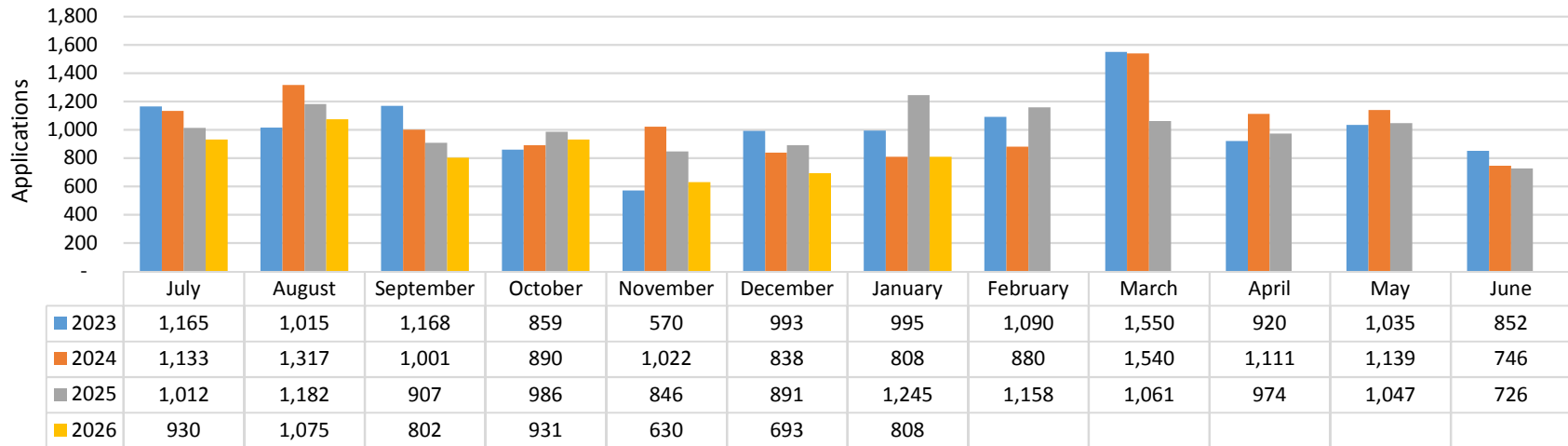
Disability Applications



Refunds Payments (monthly)

From July 2025 to January 2026, applications averaged 838 per month.

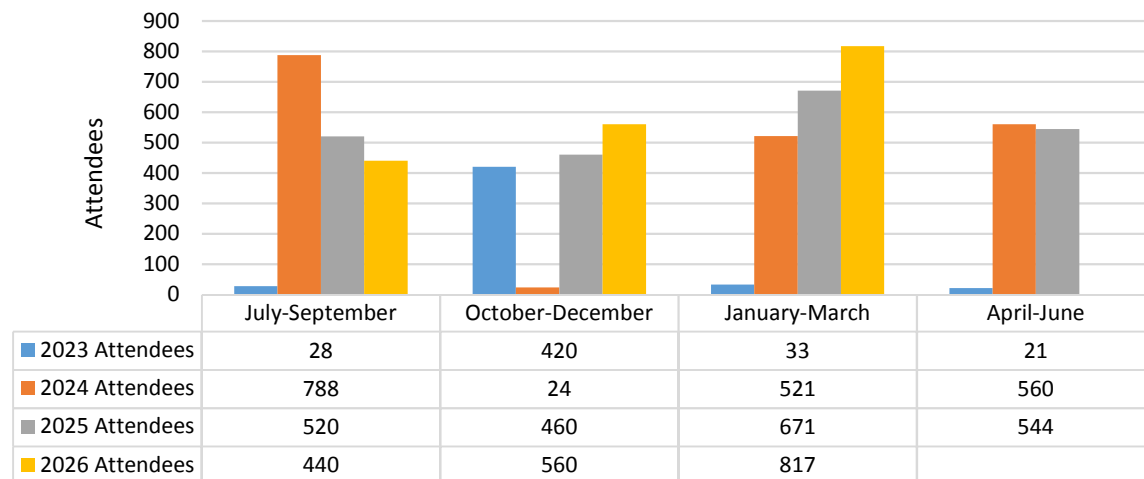
Refunds



Employer Education (quarterly)

In January, we presented Public Official Eligibility training to 201 employers. We also hosted a live Q&A session about the impact of Minnesota's new Paid Family and Medical Leave with PERA to 616 employers. Our next training is planned in March about pay reporting.

Employer Programs

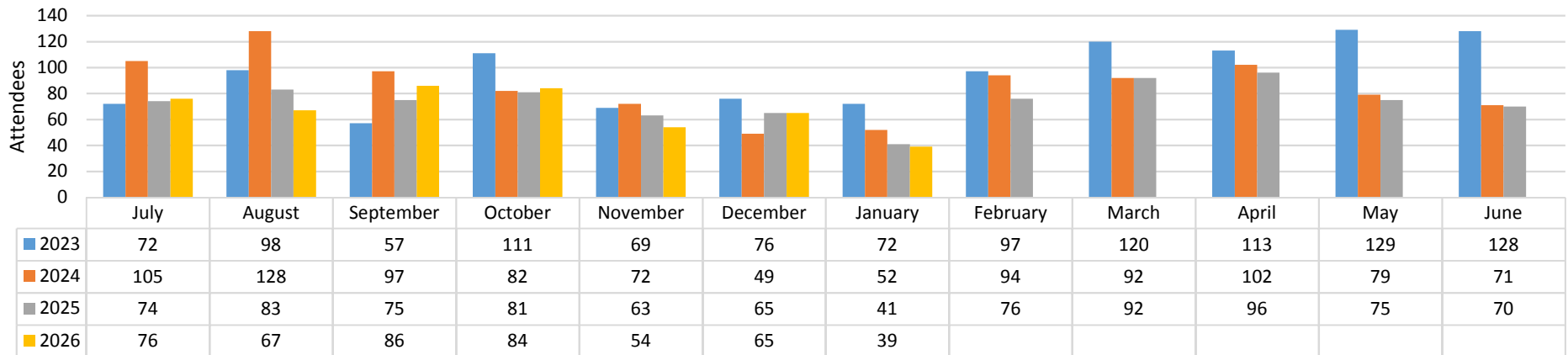


Member Education (per month)

Individual Counseling

Individual sessions averaged about 67 per month during fiscal year 2026. We offer in-person and phone options for individual meetings.

Member Individual Counseling



Group Programs

December and January are our slowest months for group programs. We expect attendance to increase this spring as members prepare for summer retirements.

Member Programs

