



Date: June 11, 2026
To: PERA Board of Trustees
From: Doug Anderson, Executive Director
Amy Streng, Policy Coordinator
Subject: HF 4074- 2026 Omnibus Pension and Retirement Bill

On May 17, 2026, the Governor signed HF 4074 into law as Chapter 106. Chapter 106 included the following provisions impacting PERA:

PERA Initiatives

- Correctional Plan Changes - Decreased PERA Correctional Plan contributions for both employees and employers and increased the postretirement adjustment formula.
- MN Paid Leave - Confirmed that MN Paid Leave payments are not PERA eligible salary.
- Supplemental Salary - All supplemental salary during authorized leaves will be PERA eligible salary. purposes.
- SVF Reporting - Changed SVF Plan funding reports from biennial to annual.

PERA Stakeholder Initiatives

- Maple Plain SVF Plan - Modified the allocation of the surplus upon the Maple Plain SVF Plan termination; PERA was removed from administering the allocation.
- Police & Fire Plan - Eliminated the additional 12-month postretirement waiting period for the annual one percent increase. Provides \$8 million annually via state aid to cover the additional cost.
- New Plan - Established the Local Government Probation and Telecommunicator Retirement Plan. A one-time state aid of \$2.6 million reduces employee contributions to 8% until August 2028.
- Retired Rehires- Requires employers to pay employer contributions for rehired annuitants for most statewide plans effective January 1, 2027.

Working Groups

- SVF Work Group - Created a work group to consider vesting schedules and for the inclusion of emergency medical providers in Volunteer Relief Associations and the SVF Plan.
- P&F Work Group - Established a work group to evaluate duty disability reforms for the Police & Fire Plan and ensure members who become duty disabled or retire have access to affordable health coverage until Medicare eligibility.

Staff has begun the work necessary to update PERA's operating systems and the communication materials needed to implement all PERA related changes.