



Date: February 12, 2026
To: PERA Board of Trustees
From: Doug Anderson, Executive Director
Amy Streng, Policy Coordinator
Subject: Corrections of Errors Report

Minnesota Statute § 356.636, subdivision 2, authorizes all statewide retirement plans to correct certain errors by the plans when doing so is needed to protect the plan's tax-qualified status. To implement a correction, PERA's Executive Director may make distributions, transfer assets, recover overpayments, or take other actions needed to restore both the plan and affected members to the position they would have been in absent the error. These corrections may be made without regard to statutory time limitations. For calendar year 2025, PERA corrected six errors primarily related to PERA's Defined Contribution Plan and leave purchases for members.

Pursuant to Minnesota Statute § 356.636, subdivision 3, PERA reports errors corrected during the preceding calendar year, under Minn. Stat. § 356.636 subd. 2, to the Executive Director and Chair of the Legislative Commission on Pensions and Retirement (LCPR). On January 30, 2026 PERA issued its annual report to the LCPR.

This information is being provided to the Board for informational purposes. No Board action is needed.



January 30, 2026

Susan Lenczewski, Executive Director
Legislative Commission on Pensions and Retirement
Centennial Office Building, 1st Floor
658 Cedar St.
St. Paul, MN 55155

Pursuant to Minn. Stat. § 356.636, subd. 3, PERA's Executive Director is required to report to the Executive Director and Chair of the LCPR errors corrected under Minn. Stat. § 356.636 subd. 2, during the preceding calendar year. This report follows.

REPORT

During calendar year 2025, PERA corrected 6 plan errors, some of which affected multiple members, outside of the ordinary course of business.

Error #1. The error was an operational error that occurred when, in 2024, PERA failed to sufficiently notify public employers and political subdivisions of recently enacted timing requirements for members to enroll in the Defined Contribution Plan (the "DCP").

Affected Plan. The error affected the DCP.

Method of Correction. Upon receipt of the necessary forms and contributions, PERA enrolled the 42 members impacted by this error in the DCP.

Cost. There were no costs caused by the error or the correction.

Error #2. The error was an operational error that occurred when, after July 1, 2023, PERA failed to sufficiently notify public employers that public officials appointed to a board or commission of a governmental subdivision no longer needed to exceed an earnings threshold to participate in the DCP.

Affected Plan. The error affected the DCP.

Method of Correction. Upon receipt of the necessary forms and contributions, PERA enrolled the 3 members impacted by this error in the DCP.

Cost. There were no costs caused by the error or the correction.

Error #3. The error was an operational error that occurred when, in 2021 and 2023, PERA failed to ensure that 2 members were afforded their statutory right to purchase service credit for a leave of absence.

Affected Plan. The error affected the Coordinated Plan and the Police and Fire Plan.

Method of Correction. The members were permitted to purchase service credit for the late-identified leave.

Cost. PERA sustained a cost in the form of uncollected interest from the original service credit payment dates to the dates the payment were received.

Error #4. The error was an operational error that occurred when, in 2014, PERA failed to sufficiently notify a political subdivision that city councilors are eligible for DCP enrollment. The error was detected in 2025 when a former city councilor was elected to a new role within the political subdivision.

Affected Plan. The error affected the DCP.

Method of Correction. The member's election in 2025 was designated as his first election to public service.

Cost. There were no costs caused by the error or the correction.

Error #5. The error was an operational error that occurred when, in 2024, PERA failed to sufficiently notify a political subdivision that the appointment of an official to a vacant elected position triggered a statutory timeline to enroll in the DCP. The error was detected after the official was then elected to that position in 2025.

Affected Plan. The error affected the DCP.

Method of Correction. Upon receipt of the necessary forms and contributions, the member was enrolled in the DCP.

Cost. There were no costs caused by the error or the correction.

Error #6. The error was an operational error that occurred when, in 2024, a political subdivision's 2023 Leave Report was unable to be processed by PERA's information technology systems requiring manual processing that resulted in all members, who had taken a leave of absence in 2023, not being properly afforded their statutory right to purchase service credit for leaves of absences.

Affected Plan. The error affected the Correctional Plan, the Police and Fire Plan, and the Coordinated Plan.

Method of Correction. PERA extended the deadline for all members who had taken a leave of absence in 2023 to purchase their service credit.

Cost. PERA sustained a cost in the form of uncollected interest from the original service credit payment dates to the dates the payments were received.



PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION

PERA also corrected errors in the ordinary course of business that are not included within this report.

Sincerely,

Doug Anderson

Doug Anderson, Executive Director